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Historical Capitalism and the Rise of the Global Approach to Chinese Economic History: Giovanni Arrghi, Arif Dirlik and Wang Hui

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The emergence of global history, which aims at searching for patterns and developmental trends across different civilizations, has become increasingly influential in academic history since the 1980s. Jerry Bentley, the founding editor of the *Journal of World History*, defines global history as an analytical paradigm to “deal with historical processes that have not respected national, political, geographical, or cultural boundary lines, but rather have influenced affairs on trans-regional, continental, hemispheric, and global scales.”¹ This approach advocates the importance of positing the histories of global economic development, cross-cultural trade, diaspora and migration, and biological exchanges, beyond the nation-state framework. Following this trend of the development, a number of historians, including Andre Gunder Frank, Kenneth Pomeranz, and R. Bin Wong, have emerged since the 1990s and have been advocating the need for de-Eurocentrization in the studies of the global economic history.

Sometimes referred as the “California School” historians, they put heavy focus on the economic comparison between Western Europe and China in the early modern period (c.1400-

¹ Jerry H. Bentley, “The New World History,” in Lloyd Kramer & Sarah Maza (eds.), *A Companion to Western Historical Thought* (Malden, MA: Wiley-Blackwell, 2006), 393.

1800), urging examination of the economic changes in late Imperial China from a global perspective and refusing to view the developmental experience of Ming-Qing China as a failure in order to provide rationales to contrast the rise of the capitalist West.² This essay aims to explore the arguments of three scholars, namely Giovanni Arrighi, Arif Dirlik and Wang Hui, who focus on the implications of this historiographical shift, particularly in terms of shaping our contemporary understanding of historical capitalism and the resurgence of East Asia. Drawing from the arguments of these three scholars, although this global historical narrative is leading to a new paradigm of historical analysis that has profound implications on the conceptualization of the present, we have to be aware of the consequences of universalizing and homogenizing the diversity and dynamics of historical capitalism. I will argue that while the rewriting of global economic history may have successfully discredited the Eurocentric explanation of the rise of the West, the construction of this very same narrative of global capitalism has suppressed or marginalized other traits that are independent from the European path to modernity and their contribution to the making of historical capitalism.

Trained as an economic historian under Chicago economist Milton Friedman, Andre Gunder Frank is one of the most influential world-systems theorists as well as an early advocate of this global historical approach to re-conceptualize the making of the world system from a *longue durée* globological perspective. Rejecting Immanuel Wallenstein's world-system theory that the modern world-system is a

² For the categorization of California School historians, see Peer Vries, "The California School and Beyond: How to Study the Great Divergence," *History Compass* 8 (August, 2010), 730; Edward Q. Wang, "The 'California School' in China," *Chinese Studies in History* 45 (Fall 2011), 4.

phenomenon uniquely originating in Western Europe and that revolutionarily changed the course of capital accumulation; Frank's world-systems expands the scope of the Wallenstein's world system and suggests that capitalist accumulation is a much longer historical phenomenon that can be found in different core regions across Afro-Eurasia for at least five thousand years. Although location of the core shifted overtime, for example the Yangtze Delta, Edo-Kansai, midland England and the lower countries in the early modern would be considered as the core, this historical phenomenon of capitalism accumulation continued. This stand advocates that the transition from feudalism to capitalism in early modern Europe was a continuity of this longstanding structure of world-systems that was created and continuously modified by the core regions of the world.³ This perspective deepens and extends the critiques to European exceptionalism while aiming to unify different civilization-centred narratives in diversity. The deconstruction of Eurocentric interpretation of historical capitalism is realized through the demonstration of the active participation of the non-European agents in shaping this world-wide historical capitalist system.⁴ While this universalization of European exceptionalism allows Frank to make the argument that the world-systems had enabled Europe to become dominant in the last few centuries, the conceptualization of the world-systems of the ancient and

³ For Frank's argument, see Andre Gunder Frank & Barry K. Gills "The 5000-Year World System: An Interdisciplinary Introduction," in Andre Gunder Frank & Barry K. Gills (eds.), *The World System: Five Hundred Years or Five Thousand* (New York: Routledge, 1993), 6. For a comparison of the world-system(s) theory between Frank and Wallenstein in relation to historical capitalism, see Christopher Chase-Dunn & Peter Grimes, "World-Systems Analysis," *Annual Review of Sociology* 21 (1995): 393-394.

⁴ Andre Gunder Frank, *ReORIENT: Global Economy in the Asian Age* (Berkeley: University of California Press, 1998), 3.

medieval world, which were fundamentally different from the contemporary world in many aspects, becomes subordinated to the contemporary understanding of historical capitalism. In other words, as much as the present is the continuity of the past, the past is being imagined based on the order of the socioeconomic structure of the present. It is crucial to be aware of the limitations of the use of modern economic theory to reconstruct the past. As much as the Kondratieff economic cycle is a powerful analytical tool to understand the rise and fall of civilization throughout human history, it may not be capable of explaining the transformative changes such as the industrial revolution. The deeper question of how to understand the evolution of historical capitalism without exclusively using the contemporary nature of capitalism as the reference point of comparison becomes the most urgent issue to be resolved.

Kenneth Pomeranz's *The Great Divergence* (2000) and R. Bin Wong's *China Transformed* (1997) are two other influential books that compare the history of socioeconomic development between China and Western Europe. Pomeranz concludes that the Yangtze Delta and Midland England, two of the most prosperous regions in the early modern world, had experienced extremely similar growth patterns. Midland England was only able to outperform the Yangtze Delta because of its proximity to coal deposits and the exploitation of the resources in the New World, thereby allowing it to escape from the ecological constraints that the Yangtze Delta faced. Pomeranz coins the term "East Asia miracle" to argue that the shift to a labour intensive path of development that enabled sustainable population growth throughout the Ming-Qing dynasties is fully

comparable to the “European miracle” of industrialization.⁵ This is an attempt to illustrate that the skill-oriented production method used in East Asia is not inferior to the capital-oriented method of production used in Western Europe in generating economic growth, at least until the onset of the industrial revolution.

In order to challenge the exclusive use of a European reference point in understanding the early modern world, Wong employs a Chinese perspective to compare the early modern European states to the Imperial Chinese state in terms of their similarities and differences in socioeconomic development. He concludes that in some ways the Chinese state outperformed the European states, while acknowledging that the Chinese state lacked some of the important features that allowed it to be considered “modern” by the modern standard. By employing the traditional Chinese way of measure as the reference point of comparison, Wong argues that this symmetric comparison allows historians to recognize that there is more than one mode of state formation and transformation possibility, even though he admits that:

We cannot entirely escape judging Asian state making by European standards because there is no metatheoretical ground on which to base our comparisons. Instead, we must achieve symmetry by looking at Europe from a Chinese perspective. If we do, a distinctive set of absences and commonalities emerges,

⁵ Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Princeton: Princeton University Press, 2000), 12.

not at all the same as the ones highlighted in looking at China from a European perspective.⁶

On a website co-authored by Pomeranz and Wong, designed for history educators, Wong makes the effort to understand the “East Asian miracle” in the last few decades in a broader historical perspective, in which he argues the early modern world can inform us in two ways. Firstly, our conceptualization of economic development and categorization of different models of growth is largely determined by the understanding of the economic relations between states at a particular point of history. For example, if history ended in 1820, then world economic historians would probably celebrate the growth model in East Asia; whereas, if the world ended in 1945, little attention would be given to the Asian economic model. Secondly, the “miracle” in East Asia should not be treated as an alternative to the North Atlantic path to “development.” Different developmental paths should be treated equally in order to understand the interconnectedness between different growth models.⁷ On the one hand, the emerging global historians on Chinese economic history are well aware of the role of the contemporary bias on the conceptualization of historical capitalism in the construction of global economic history; on the other hand, critics to this approach to history argue that the discourse to historical capitalism has not gone far enough to deconstruct the depth of the capitalist paradigm in historical practice.

Deeply influenced by Fernand Braudel’s *longue durée*

⁶ R. Bin Wong, *China Transformed: Historical Change and the Limits of European Experience* (Ithaca: Cornell University Press, 1997), 282.

⁷ Kenneth Pomeranz and R. Bin Wong, *China and Europe: 1500-2000 and Beyond: What is Modern, “Conclusion: Common Development Patterns,”* URL: <http://afe.easia.columbia.edu/chinawh>.

approach to history and world-systems analysis, Giovanni Arrighi centres his research on the transformation and evolution of global capitalism. For Arrighi, the new discoveries on Chinese economic history from the global historians have great theoretical and practice significance in understanding not only the relative decline of the world's most advanced region centuries ago, but the sharp resurgence of the very same region as a whole in contemporary times. As Arrighi points out:

The really interesting and difficult question is not why it has taken so long for the Yangzi delta, China, and East Asia to regain the economic ground they had lost vis-à-vis the West since the mid eighteenth century. Rather, it is how and why China has managed to regain so much ground, so quickly *after* more than a century of political-economic eclipse. Either way, a model of the Great Divergence must tell us something, not just about its origins, but also about its development over time, its limits, and its prospects.⁸

Arrighi builds his argument upon Sugihara Kaoru's framework of "Industrious Revolution," which argues that East Asia had established a distinctive path to technological and institutional development since its early modern era, and in turn, helped the region to industrialize in a hybrid developmental path of "labour intensive industrialization." Once the world market was open to the poorly resourced East Asia, the region first took advantage of its cheap and abandoned labour and moved toward to a labour-driven, energy-saving path to industrialization, distinctly

⁸ Giovanni Arrighi, *Adam Smith in Beijing: Lineages of the Twenty-First Century* (New York: Verso, 2007), 32.

different from the Western experience.⁹

This stand incorporates conflicting theories from historians on early modern Chinese economic history by viewing the consequences of labour intensification as a long-term historical process that lasts at least until the present. While most historians identify that China was heading toward a labour intensive developmental path, the debate for them is whether it should be categorized as a form of development like the West or involuntary growth leading to stagnation. Pomeranz and Wong favour the former and believe there was an “East Asian miracle” from 1600 to 1800, because this developmental path was not inferior to the West at least until the onset of the industrial revolution, and therefore the industrial revolution would have occurred based not on the mode of production but on other factors such as ecological and geographical factors that were largely out of human control. For Philip Huang and Mark Elvin, although labour intensification leads to impressive levels of communalization, the growth was involuntary because the standard of living in China had not improved for centuries prior to the reform era.¹⁰ For Arrighi and Sugihara, labour intensification, the basis of the “industrious revolution” in the early modern era, enabled the region to emerge as a late industrializing region in the latter half of the twentieth century and is expected to have greater influence in the years to come.¹¹

⁹ Kaoru Sugihara, “The East Asian Path of Economic Development: A Long-Term Perspective,” in Giovanni Arrighi, Takeshi Hamashita & Mark Selden (eds), *The Resurgence of East Asia: 500, 150 and 50 Year Perspectives* (New York: Routledge, 2003), 115-116

¹⁰ See Philip C.C. Huang, *The Peasant Family and Rural Development in the Yangzi Delta, 1350-1988* (Stanford: Stanford University Press, 1990), Chapter 1; Mark Elvin, *The Pattern of the Chinese Past: A Social and Economic Interpretation* (Stanford: Stanford University Press, 1973), Chapter 17.

¹¹ Arrighi, *Adam Smith in Beijing*, 39.

The end point of the evolution determines the validity and the effectiveness of the growth model. For Arrighi, the economic convergence between the West and East Asia is not a break from the past, but instead the resurgence of East Asia is achieved through “a process of hybridization that preserved and eventually revived important features of the East Asian system.”¹² This approach to historical capitalism illustrates that the scope of early modern economic history can go as far as providing insight to the present and how the conclusion of the early modern growth model is shaped by the contemporary understanding of the past.

While Giovanni Arrighi puts the resurgence of East Asia in a historical perspective by connecting the early modern studies on Chinese economic history to the present, Arif Dirlik explores this historical imagination in a critical manner, arguing that the conceptualization of East Asia as a region itself is a product of the contemporary bias. The reduction of the diversity within the different regions in Western Europe as well as East Asia creates an imaginary but convenient pair for comparison. It is the contemporary reality that we experience that defines this category and makes the comparison meaningful. As Dirlik points out:

The idea of East Asia may be meaningful only if it is articulated to the contemporary problem of globality, and offers solutions to problems of economic and political justice that have their point of departure in a present reality, a reality which is a product both of the “past” and the West.” Thus conceived, East Asia as a project also calls for a re-writing of the past, not as it has been re-written in nationalist historiographies, but with an eye to

¹² Giovanni Arrighi, Po-keung Hui, Ho-fung Hung & Mark Selden, “Historical Capitalism, East and West,” in Arrighi et al. (eds.), *The Resurgence of East Asia*, 318.

what East Asian historical experiences of culture and politics may have to reveal by way of alternatives to contemporary norms of national and international organization.¹³

As Wong pointed out earlier, it is extremely difficult to move beyond the European reference point of analysis, as we do not have an alternative to the European experience of modernity. It is thus difficult to understand an economic growth model that is not considered as premodern, but different from our experience of historical capitalism, because such vocabulary does not exist in our language and culture. Dirlik thus points out the paradox of conceptualizing alternative modernity and global history as:

If modernity called forth a universal history that would be all-inclusive, the pretension to universality could be sustained only by rendering spatial into temporal difference. Having historicized time, modernity's histories proceeded to suppress or marginalize temporalities that did not accord with the teleologies of modernity, conceived through programmes of economic (capitalism), political (the nation-state) and culture (science) development, for which the history of modern Europe provided the ultimate frame of reference... The globalization of modernity issue not in the victory of Eurocentric modernity but in *its* historicization.¹⁴

In the context of early modern Chinese economic history, the path to labour intensification and population growth serves as the explanation of why China had or why not China had

¹³ Arif Dirlik, "Culture against History? The Politics of East Asian Identity," *Development and Society* 28 (December 1999): 187-188.

¹⁴ Arif Dirlik, "Modernity as History: Post-Revolutionary China, Globalization and the Question of Modernity," *Social History* 27 (January 2002):17.

experienced a similar model of growth compared to Europe. The narrative of the unique Chinese experience becomes subordinated to the temporality of historical capitalism. Economic growth and capital accumulation become the teleology of global capitalism while other traits, such as long term stability, which is often negatively viewed as stagnation and subsistence, are undermined in the process. More specifically, Dirlik goes so far as to attack Frank's world-systems theory as making capitalist development become the fate of humankind in the name of erasing Eurocentrism. This naturalization of historical capitalism in turn undermines, if not rejects the imagination, of other alternatives to global capitalism.¹⁵ As a strong critic of capitalism, Dirlik is pessimistic on the emerging global approach to Chinese economic history as well as the New Confucianism that Tu Weiming advocates, based on the belief that the attempt of the rest of the world to challenge the European monopolization on the interpretation of modernity will ultimately lead to the universal victory of Eurocentric modernity as the European path to development becomes the only reference point and path to modernity.

As an intellectual historian and strong critic of the modernity paradigm in historical research, Wang Hui is often categorized as the Chinese New Left (新左派). Like Dirlik, he centres his analysis on Frank's work and explores the issues concerning the contemporary imagination of modernity and de-Eurocentrism with respect to the rise of this global approach to history. Although Frank's analysis is largely centred on the distant past, Wang believes that this opens the door to breaking through the Eurocentric narrative and challenging the universal,

¹⁵ Arif Dirlik, *Postmodernity's Histories: The Past as Legacy and Project* (Lanham: Rowman & Littlefield Publishers, 2000), 74.

unified and linear progressive view to modernity. While the rise of this global approach advocates a new direction to historical research, it also provides us with new insights to the histories of non-Western societies.¹⁶

However, in a more recent work, Wang has become more skeptical about the direction that this global approach to history is heading in and is eager to provide a few recommendations for consideration outlined below. While the global approach to history is leading historical research in a new direction, this approach of imagining Asia has not yet broken free from the issues of modernity and capitalism. As Wang states:

Since any discussion of Asia is rooted in such issues as the nation-state and capitalism, the full diversity of historical relations among Asian societies, institutional forms, customs, and cultural patterns comes to be understood only through the narrative of “modernity,” and analysis of values, institutions, and ritual independent of that narrative has either been suppressed or marginalized. It is in this sense that, even as we challenge the Eurocentric historical narrative, how we go about unearthing these suppressed historical legacies—values, institutions, rituals, and economic relations—and rethinking European “world history” becomes key task.¹⁷

As with Dirlik, the discourse of the global analysis is now centred not on how to place East Asia in the Euro-American centred world-systems on an equal basis vis-à-vis the West, but on how to understand and conceptualize the marginalized narratives that are found in non-Western societies, which are

¹⁶ Hui Wang, *The End of the Revolution: China and the Limits of Modernity* (New York: Verso, 2009), 84.

¹⁷ Hui Wang, *The Politics of Imagining Asia* (Cambridge: Harvard University Press, 2011), 59.

currently being ignored in our historical paradigm due to their irrelevance to the very same Euro-American centred world-systems. A true breakthrough from the Eurocentric past is to bring these marginalized narratives back to the discussion and understand them in their own historical context. Otherwise, we are creating a category of “Asian totality” that encompasses all the heterogeneous cultures, religions, and other social elements within the region in order to construct a problematic framework for the sake of comparing it to Euro-American path to modernity. The concept of Asia cannot be taken for granted. It is a product of the European egocentric past to justify its exclusivity and expansionism.¹⁸ It is not only the details of the concept of Asia that requires de-Eurocentric discourse, but the construction of the concept itself needs immediate attention from the global historians.

A true paradigm shift in global history will only occur when we attempt to understand the contemporary bias and move beyond the problematic historicization of modernity, thereby constructing a truly global paradigm to incorporate the diversity across cultures. This paradigm shift is what Frank expressed as “unity in diversity.” This global approach must always challenge the boundary of the discipline of history and bring new narratives that have previously been marginalized into our conversation. It is only this completing of historical narratives that pushes the writing of history toward perfection.

¹⁸ Wang, *The Politics of Imagining Asia*, 61.

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