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Anarchy in World Systems

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A review of Giovanni Arrighi's *The Long 20th Century* (1994, 2nd Edition 2010)

Giovanni Arrighi's *The Long 20th Century* is a history of capitalism, and a diachronic contextualization of the distinguishing features of US dominance in the 20th century. Building on Wallerstein and especially Braudel, Arrighi revises both Marx and world systems theory to define four stages of capitalism, each marked by a systemic cycle of accumulation. Each cycle begins with the rise of a new leading state and form of institutionalized planning that organizes a global accumulation of capital, subtly interrupted by a signal crisis that heralds the switch from industrial to financial expansion, experienced as a golden age that marches inevitably to the terminal crisis when the bubble bursts and a new state (or group of states) must take up the lead in the reorganization of global capital.

Arrighi reaches all the way back to the northern Italian city-states in the epoch just after the Crusades to describe the prefiguration of the "four main features" of the "modern interstate system". It was the loser, or in any case the weakest, of the most important of these city-states, Genoa, that was pushed

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out of the trade routes to West Asia, and that turned—unable to rely on its own agrarian ruling class for military backing in its ventures—to Ferdinand and Isabella of Castille to create new opportunities for investment and commerce. The alliance between the merchants of Genoa and the military power of the Spanish state organized and impelled the first global cycle of capital accumulation. The next cycle was led by the new Dutch nation-state, the architect of the interstate system or the “Westphalia system” of territorial nation-states linked in a global economy that in essence remains valid today. The third, or British, cycle of accumulation saw the mechanization of industry and the extension of the world system to every last corner of the globe through aggressive colonization. And the fourth, American cycle of accumulation saw the intensification of accumulation throughout the map laid down by the British, and the creation of the global financial and political institutions that exercise power today.

Rather than making arbitrary characterizations of putatively different stages of history as the basis for analysis, as so many historiographers do, Arrighi relies on historical analysis of competing power structures and on economic data regarding profit margins, liquidity, and the relative prominence of industrial expansion to financial speculation to trace with a convincing precision his schema of a full systemic cycle of accumulation, starting with a long period of material expansion, tipped into financial expansion by a signal crisis, and after a relatively short period of financial expansion, a terminal crisis which marks the end of the cycle, with political and economic power shifting to a new state that has already begun the material expansion that will form the basis for the next cycle. So far, the power of the leading state and the intensity of accumulation have surpassed that of the preceding cycle exponentially, while each cycle comes to fruition in a shorter amount of time (220 years between the signal crises that bracket the first cycle, 180 years for the second cycle,

130 for the third, and 100 years between the signal crisis of the British cycle—the Great Depression of 1873-1896—and the signal crisis of the American cycle, which Arrighi argues was the “oil shock” of 1973). Each transition has also been marked by a war in which the old power’s inability to govern the world system is made manifest, and new ascendant powers compete to assert their hegemony: the Thirty Years War, the Napoleonic Wars, and the Second World War. And although Arrighi does not make this point explicit, each transition has also been preceded by a war in which the dominant state is defeated by what will become, many years later, the next dominant state, as in the Dutch rebellion against Spanish rule, the Anglo-Dutch wars, and the American Revolution. Although these wars often appeared to be of secondary importance in their time, their real significance was that the upset allowed a state power to open up and govern a sphere of economic and political autonomy that would eventually serve as a platform from which to launch their own bid for global hegemony.

Arrighi and the theorists he builds on successfully demystify the nature of economic crises and the speculative activities of high finance, which an abundance of commentators today claim to be a new and irresponsible feature of capitalism that bears the blame for the crisis of 2008. They also take apart the narrow view of capitalism that only begins with the industrial revolution and in accordance with free market dogma is distinct from the “protectionist” phase of mercantilism. As regards the history of early capitalism, Arrighi fills in at the macro level what Federici, Rediker, and Linebaugh have been describing at an intermediate level.

Paramount to this revision is Arrighi’s identification, drawing heavily on Braudel, of capitalism as a dichotomous fusion of state and capital. In this view, the State is far more important than a mere “organizing committee” for the bourgeoisie, as Marx and Engels, covetous of a state of their own, would have it.

Contrary to the dominant view, capital as a social force, merchants as its agent, and markets as a place-of-flows in which capital operated, much the same way it does today, all already existed hundreds and even thousands of years ago. This fact:

“has troubled world system studies right from the start. Nicole Bousquet (1979: 503) considered it “embarrassing” that price logistics long pre-dated 1500. For the same reason, Albert Bergesen (1983: 78) wondered whether price logistics “represent the dynamics of feudalism, or capitalism, or both.” Even Imperial China seems to have experienced wave-like phenomena of the same kind as Europe” (p.8).

“The conventional view in the social sciences, in political discourse, and in the mass media is that capitalism and the market economy are more or less the same thing and that state power is antithetical to both. Braudel, in contrast, sees capitalism as being absolutely dependent for its emergence and expansion on state power and as constituting the antithesis of the market economy” (p.10).

Given the historical and geographic extension of merchant networks, price logistics, and market dynamics well beyond the European beginnings of capitalism (whether in the 18th century or the 15th),

“the really important transition that needs to be elucidated is not that from feudalism to capitalism but from scattered to concentrated capitalist power. And the most important aspect of this much neglected transition is the unique fusion of state and capital, which was realized nowhere more favorably for capitalism than in Europe” (p.12).

clear submarines, there are no satellites, and without the State, whatever its form, there is no capitalism.

The state and capital have joined their destinies, but they are not the only players. Because anarchy is not just another way power organizes itself within a world system, it is an externality inside of that which has no outside, it is a dreamed and immanent reality that promises the destruction of this system. Anarchy is here, with those who reject the models of power, even if we choose to study them. Because above all it comprises the will to make time stop, it is necessarily meaningless to those who are content to chart the quantifiable manifestations of power, while it means everything to those who are dedicated to fighting power in all its forms.

satellites and other anti-satellite weapons that could destroy all of the expensive little orbiters on which global communications, and the US capacity to deploy military force around the world, across the Pacific for example, depend. With no need to overcome US superiority head-on, just as the Dutch navy and American colonial army often used guerrilla tactics or evasion to confound a superior force, the Chinese have the potential to make US military might meaningless, and the liquid capital to give themselves the advantage in outer space investment.

As higher levels (in this case perhaps literally) of competition require higher levels of collaboration, it is unlikely that terrestrial states, at least in their present form, will find themselves adequately equipped to the task of organizing capital accumulation beyond planet earth. Power structures like Google may prove vital in organizing the new material expansion and also linking the power of terrestrial states to achieve the cultural unification necessary for the regulation and organization of capitalism. After all, the totalitarianism that liberal freedom most requires is not the secret police nor the torture chambers of the Communist Party (although these will never go away, neither in China nor in the US), it is the panopticon society, the apparatuses of communication, the instantaneous imposition of legibility on oral culture, and immediate enclosure of any new commons, that the likes of Google and Apple have already achieved.

If these changes come to pass—and they will to the extent that we allow them to—there will no doubt appear another wave of leftists who claim that it was all an economic operation, that the State has now expired, that capitalism is self-regulating, that the decentralized forms of production that are coming to the fore are the new reality. They willfully forget how much state power continues to concentrate, how the new decentralized industries only function in relation to unprecedented phenomena of concentration, that without drones raining missiles from the sky, there are no iPhones, that without nu-

In essence, merchants who had long been playing a particular game amongst themselves, with exponentially mounting stakes, began to invest their profits in state-making and war-making, not merely as another industry, but as a way to produce an expansion of the field in which their accumulation took place, and to produce the instruments to organize and regulate that field. Simultaneously, ruling elites began to extend their territorialist strategies for the control of the space-of-places in which state competition traditionally took place (the conquering of territory, cities, resources) into the space-of-flows in which the merchants operated (the capturing of markets, trade routes) as a way to fuel the engine of state growth.

Capitalism as an interstate system rests on a dichotomous structure that balances, in ever changing measures, territorialist and capitalist strategies for global power and organization, operating simultaneously in a space-of-places and a space-of-flows. The former strategy uses a territorial power base to capture a greater economic command that is utilized to control more territory, whereas the latter uses an economic command to win territorial resources that serve “the acquisition of additional means of payment”.

Although Arrighi’s analysis and ability to synthesize are indeed razor sharp, if all of this seems like a complex version of something insistently familiar, there’s a reason for that. Arrighi’s model of capitalism and its relationship to the State, although expressed and developed with a frequently Marxist analysis, is nothing if not a precise reiteration of the anti-Marxist thesis that Bakunin put forward (and that history later vindicated) in the 1870s, 120 years before Arrighi went to press. And it doesn’t end there. The proposition that capitalism is antithetical to the market sounds suspiciously reminiscent of Proudhon. And Arrighi’s dialectical model of capitalist powers that tend towards alternating territorialist and then capitalist strategies of accumulation bears a lot in common with Fredy Perlman’s model of Leviathan that

constitutes itself now as a worm, now as an octopus. In simpler terms and admittedly less sophistication, and without supporting statistics, Perlman provides (eleven years earlier) a similar analysis. *Against Leviathan*, however, is much more sweeping than *The Long 20th Century*, as Perlman recounts the development of civilization going back thousands of years, and despite some factual flaws comes much closer to capturing the spirit of power and accurately describing how it functions, a task at which Arrighi with all his statistics falls woefully short.

Not one of these writers is mentioned in Arrighi's extensive bibliography. On the whole body of anarchist thought, which in many instances, especially his revisions of Marx, he mimics, Arrighi remains suspiciously silent. In the academic world, some might refer to this as unethical research or even plagiarism. Anarchists would generally respect it as another manifestation of the collective nature of knowledge, except that Arrighi engages in a low blow against anarchist theory even as he obscures its contributions.

Despite hiding it as a theoretical concept, Arrighi gives anarchy an important place in his development of world system studies. He is good enough to differentiate it from "systemic chaos," which is the *interregnum* period in the schema in which one cycle of accumulation has reached its terminal crisis, and though the next cycle of accumulation has already begun, the state power that will organize and direct it has not yet achieved hegemony; it is therefore not clear where power in the world system will be concentrated, nor what set of common rules govern the system.

Arrighi puts anarchy in the corner with more subtle means, making the term essentially meaningless by applying it to both feudalism and the modern interstate system on the grounds that "Anarchy" designates "absence of central rule." We all know that Arrighi was bright enough to be aware that "anarchy" in fact designates "the absence of rule". By not

autonomous sphere of economic and political influence from which to develop its own bid for power.

Another pattern in Arrighi's model suggests the terrain of material expansion for the next cycle of accumulation, and it isn't southeast Asia. The Dutch took over the network of accumulation opened up by the Portuguese in the East Indies, and they intensified the exploitation thereof. The British subsequently expanded the map of global accumulation. The Americans after them operated within essentially the same map as the British, but they applied new methods of accumulation that allowed for more intense exploitation and a greater concentration of power. Where on earth could capitalism possibly spread to next to allow for a new material expansion? The answer is nowhere.

The next cycle of accumulation, if it is to happen in any way similar to past cycles, will have to expand into outer space. A robotic workforce (resistance free) carrying out mining on asteroids and the moon, and the chemistrucltural development (pre- or sub-infrastrucutre, the organic basis already existent on earth that makes infrastructure meaningful) of Mars. (A subsequent cycle of accumulation, feasibly, would be based on colonization). Meanwhile, on an earth with new possibilities for green management (statist environmentalism has only ever come at the expense of externalizing impact, and what could be more external to the biosphere?), an expanding consumer society in an ever more capricious service sector and a highly paid design sector (with the private cities of Google and the NSA, perhaps, as the dichotomous model).

This past weekend, China landed a rover on the moon. Anyone who mistakes this for an extremely tardy attempt to keep up with the Jones' is missing its significance. China has guaranteed itself access to processes of capital accumulation in space. With a space program far cheaper than the US government's, they have become, last year, the first country to match the US for new satellites in space, and they have also developed killer

tional capital and exert hegemony over the institutions that organize the global economy. Even the most progressive of them would be loath to let power slip away from the good old boys' club. There is also the fact that Chinese state culture runs roughshod over the liberal sensibilities that the current planners of the world system adhere to. Put simply, the Chinese state has no respect for democracy, human rights, due process, and other bizarre tropes of the Western ruling class, and in very real ways this makes them the class pariah, even though their enviable economic activity grants them the status of popular kid.

To exert hegemony, a state power needs to make itself admired, even if it is also hated, and it needs to train all the other major players to speak its language. And as hypocritical and hollow as it is, the ongoing crusade for democracy is infinitely more convincing than the provincial strongarming of the Communist Party. Even though the US is already fast losing its place as hegemon, it currently faces no rival on the military or cultural level, and therefore, no contender to advance a new set of ruling institutions.

And yet, only a few years remain for a new hegemonic power to arise and inaugurate the next cycle of systemic accumulation and enjoy a couple decades of material expansion before its signal crisis. After that, Arrighi's beautiful model will have broken down, its patterns no longer valid, only useful in hindsight.

However, there are some facts that Arrighi missed out on that do indicate a way for China to at least be centrally involved in the organization of the next cycle of accumulation. First of all, we have a war between China and the United States that is analogous to the American Revolution or the Anglo-Dutch wars: the Korean War. Although it would not make most historians' lists of the three most important wars of the 20th century, China's ability to fight the US to a standstill on the Korean Peninsula marked the beginning of that state's right to an

using the linguistically appropriate "polyarchy" to describe a system of multiple, competing, and sometimes overlapping loci of power, Arrighi makes true anarchy inexpressible and therefore semantically impossible within his theoretical framework, at the same time as he erases it as a theoretical body. Conveniently, the only form of resistance or conflict he discusses concern state attempts to forge new configurations of hegemonic power. Arrighi abandons the long discredited materialist superdetermination of historical events, but he reserves all agency in the world system for state actors. The rest of us can only watch and wait.

Since we have brought up the ideological tension between Marxism and anarchism, it seems an appropriate moment to turn to the latest round of misguided predictions about the future.

Arrighi, first publishing in 1994, observed that the cycle of accumulation led by the United States had already experienced the signal crisis that marked a shift to financial expansion and the beginning of the end of its dominance. Noting Japan's celebrated economic growth, Arrighi predicted that the next global cycle of accumulation would be Japanese.

Here he betrays his Marxian heritage by misunderstanding the nature of power, an unfortunate oversight since such an understanding is implicit in his revisionism and well supported by his data. But he makes capitalists, or even capital, the main protagonists, and states the dependent spouses of this marriage. Another, and somewhat more accurate, way to understand the bilateral relationship he describes from the self-important vantage of capital, is that since the 16th century the State, which has always based its power in the exploitation of a territory—up until then usually a geographic territory and an exploitation that was agricultural and extractive—shifted its activity to a virtual territory, the space-of-flows of the productive economy. The State experienced a great shift from a primarily parasitic existence to a productive one, and the productive logic came to

subsume and transform the geographical territory within the system, although always with the backing, and often with the initiative, of the State itself. Neither the market nor capitalists were ever independent pioneers in this movement. The former was never even an actor, simply a space that has been subordinated by an array of apparatuses to capitalist relations. The latter, for their part, often undertook adventures that forced the State's hand or extended the horizon of State intervention, but they have never been able to maintain virtual territory over time without the subsidization, institutionalization, and policing provided by the State.

How this relates to Japan should be immediately evident. Japan was coming to control a growing share of global capital, moving from its status as an attractive site for international investment to a major investor in its own right, instigating and capturing processes of capital accumulation in southeast Asia and even in the United States. But it lacked every other guarantor to accumulation, not least of all the military capacity to wrest away from the US the ability to dominate global territory and organize the world economy. In real terms not directly measurable by capital flows, Japanese economic growth was predicated on a major US military subsidy (along with export privileges and other more measurable and more documented factors). When push came to shove, the US pulled the plug and the Japanese economy collapsed. With it, Arrighi's predictions.

Arrighi's failings—though they do betray the statist bias of leftist thinkers who since Marx have tried to discredit the anarchist idea with underhanded minimizations or naturalizations of the role of the State—are not a sign of sloppy thinking. Arrighi's synthesis is breathtakingly lucid, immediately useful to explore and apply to the world around us. But we might call on an almost dogmatic anarchist heterodoxy to reject the quest for that holy grail, the unified theory. No theoretical lens can account for every factor at play in a chaotic universe. For example, race and culture find no expression in Arrighi's model, yet

the reluctance of capitalists—a great many of them white—to allow Japan to become the next superpower certainly played a role in that country's instability. It is a factor of consummate importance that current powerholders would much rather the European Union, for example, to dominate the next cycle of accumulation than an Asian nation (and if it must be an Asian nation, they would probably prefer it to be an ex-colony, a good student like India, then a country like Japan or China that has blazed an independent trail to imperial power).

And though the European Union does currently host a disproportionate number of the world's largest banks—more than the US, including the number one slot—such a large proportion of capital accumulation is centered on China that Arrighi changed his prediction for the 2004 edition of the book and placed his bets on Beijing.

Within the framework that Arrighi offers, his second prediction remains unconvincing. His reasoning, once again, is based almost exclusively on data regarding investment and capital flows, which unambiguously announce China and southeast Asia as their preferred stomping grounds. Yet he ignores all the state and cultural factors that so often disappoint materialist forecasts (“mere superstructure!”).

China lacks the military capacity to defeat the US, even in its own backyard, southeast Asia. And while the Chinese military is quickly developing the capability to destroy a US fleet in the Pacific, it has no practical chance of doing so while also protecting its home territory. If it can't even reach Taiwan, how is China supposed to organize the entire world system in the next cycle of accumulation? The only feasible chance that China has of achieving global military superiority in the foreseeable future is if a decades long economic crisis eroded the US military (similar to what happened in Russia) without interrupting Chinese economic growth—an unlikely prospect indeed.

Then there are racial and cultural factors. Europeans and Euro-Americans currently control a huge volume of interna-