



Giovanni Arrighi in Beijing: An Alternative to Capitalism?

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Abstract

Giovanni Arrighi made a remarkably broad-ranging and original contribution to comparative political economy and historical sociology over five decades. His last book shares these qualities. But *Adam Smith in Beijing* is unfortunately *not* mainly about the origins and dynamics of Chinese capitalism over the past three decades. It presents Adam Smith not as the apostle of free-market capitalism, but rather of a 'non-capitalist market society'; and it uses this to make the case that since China's economic development takes place outside the European/North American capitalist 'core', it must, almost by definition, not be capitalist. Markets are conceived here as the instruments of states, yet the theory of the state advanced is severely undeveloped. Arrighi's argument that China's economic development is part and parcel of the demise of the US project for establishing itself as the 'world state' misinterprets the nature of the US empire as well as misses the extent of China's integration with US-led capitalist globalisation.

Keywords

markets, capitalism, state, imperialism, development, Giovanni Arrighi

Like so many other intellectuals on the Left over the past four decades, I have been repeatedly inspired as well as educated by Giovanni Arrighi's remarkably broad-ranging and original contributions to comparative political economy and historical sociology. This began, in my case, with his essay with John Saul

* This critique of *Adam Smith in Beijing* (Arrighi 2007) was initially presented at a plenary panel sponsored by the *Socialist Register* at the *Historical Materialism* conference at York University in April 2008. The panel featured Giovanni Arrighi himself introducing the argument of the book, and both his remarks and my own were designed to further earlier debates between us on the questions of US imperial decline and the contemporary rise of China. Although writing up my remarks for this symposium has necessarily required some elaboration, quotation and citation, I have tried to maintain as far as possible the tone of my remarks as they were delivered in our debate, in order to maintain the comradesly spirit which characterised our exchange.

on ‘Nationalism and Revolution in Sub-Saharan Africa’, which I read when I was in my early 20s.¹ And I can still recall the feeling of being completely blown-away while reading, a decade or so later, his brilliant essay in *New Left Review* comparing the three great modern capitalist crises – 1873–96, the 1930s, and the 1970s – written while the third of these crises was still playing itself out.² This appeared around the same time as his *Geometry of Imperialism*, which led the way in undertaking the necessary break from the old and outworn early-twentieth-century Marxist theories of imperialism.³ His *Long Twentieth Century*⁴ had built further on these foundations, and even though I wished it had concentrated more on the twentieth century (rather than taking us all the way back to Genoa in the aid of drawing what it seemed to me were forced parallels between the rise and fall of economic hegemonies over the past half millennium), this could hardly gainsay the sweep of that remarkable work.

Arrighi’s last book is once again a work of astonishing range. Although the reader would not expect it from its title, *Adam Smith in Beijing* is *not* mainly about the origins and dynamics of Chinese capitalism over the past three decades. Only the last and relatively brief chapter – less than thirty pages – actually deals with these developments in China in any detail. Much more of the book elaborates on Arrighi’s recent major essays in *New Left Review*, where he engaged, first, with Robert Brenner’s work on the economic crisis of the 1970s (significantly, Arrighi insists on the importance of labour-militancy as a factor in producing this crisis); and then with David Harvey’s *The New Imperialism* in the context of his own attempt to trace the unravelling of US hegemony since the late 1960s.⁵ Since it would be impossible to address all these themes here, I will take my cue from the book’s title and primarily focus on what I see as the flaws – both theoretical and political – that stem from Arrighi’s interpretation of the contemporary ‘shift of the epicentre of the global political economy from North America to East Asia in light of Adam Smith’s theory of economic development’, as he puts in the Preface.⁶

Smith versus Marx

It is important to make clear at the outset that the Adam Smith of the title is not seen as the apostle of free-market capitalism, but rather of a ‘non-

1. Arrighi and Saul 1969.

2. Arrighi 1978a.

3. Arrighi 1978b.

4. Arrighi 1994.

5. Harvey 2003.

6. Arrighi 2007, p. xi.

capitalist market society'. Arrighi's central argument is that what is now taking place in China should be seen as non-capitalist (or, as he sometimes qualifies the argument, not 'necessarily' capitalist). Rooted as it is in world-systems theory, and its close relative, dependency-theory (notably, the book is dedicated to Andre Gunder Frank), the argument rests on a geographical conception of capitalist exploitation which is based on the categories of core-periphery. Insofar as capitalism is seen in terms of the 'development of underdevelopment' inaugurated by the core's (European and North American) expansionism vis-à-vis the 'periphery' (the rest of the world) beginning in the sixteenth century, it seems that whenever economic development does take place outside this 'core', it must, almost by definition, not be capitalist.

Indeed, it appears (at least from the way Arrighi brings this up himself near the beginning of the book) that he has been waiting for three decades to reply to Robert Brenner's famous critique of 'Neo-Smithian Marxism'⁷ with the bold assertion that he is indeed a 'Smithian' and proud of it.⁸ The book opens rather polemically by explicitly counter-posing Smith to Marx, with the latter presented as a 'flat earth' theorist (like Thomas Friedman!) who allegedly failed to discern that the spread of the bourgeois mode of production would not yield generalised capitalist development. Smith, Arrighi claims, was 'far less sanguine' than Marx about the benefits European expansion would bring the rest of the world.⁹ Although Marx's observations on this subject were in fact far more pointed than Smith's (for example, his famous reference to the 'blood and dirt' that marked 'the dawn of the era of capitalist production' – from the 'extirpation and enslavement' of the aboriginal population, to 'the conquest and looting of the East Indies' to 'the commercial hunting of black-skins'),¹⁰ Arrighi makes a great deal out of one passage from the *Wealth of Nations* where Smith assessed the 'general tendency' of European expansion to have been 'beneficial' for the East and West Indies (on the basis of commercial benefits which enabled "the most distant parts of the world... to increase one another's enjoyments"), but where he also recognised that since the "*superiority of force* [Arrighi's emphasis added] happened to be so great on the side of the Europeans... they were able to commit with impunity every sort of injustice in those remote countries".¹¹ But no less

7. Brenner 1977.

8. Arrighi 2007, pp. 21–2.

9. Arrighi 2007, p. 2.

10. Marx 1977, pp. 915 and 926.

11. Arrighi 2007, pp. 2–3.

significant, in Arrighi's estimation, is that Smith offered those of his readers who might be troubled by such injustices the following reassurance:

Hereafter, perhaps, the natives of those countries may grow stronger, or those of Europe may grow weaker, and the inhabitants of all the different quarters of the world may arrive at that equality of courage and force which, by inspiring mutual fear, can alone overawe the injustice of independent nations into some sort of respect for one another.¹²

Arrighi argues that Smith saw China as one of the exemplars of a path to national wealth that followed the 'natural course of things' by directing capital first to agriculture and only later to manufacture and external trade (as opposed to Holland's 'unnatural and retrograde' developmental path). And this is the foundation for why Arrighi thinks Smith helps us understand why China, at long last, has come to lead the way in finally overturning in our time the five-century-old core-periphery foundation of the global political economy. While not ignoring Smith's observation that China's aversion to foreign trade in his time would lead to the failure to learn from the 'improvements in arts and industry which are practiced in different parts of the world' (which could be read as Smith having foretold that even China would be eclipsed by European capitalist industrialisation), Arrighi himself prefers an explanation in terms of the Western proclivity to external trade leading to the development of overwhelming imperial coercive force. Most importantly, insofar as Arrighi believes that China has followed Smith's 'natural' path over the last three decades, we arrive at *Adam Smith in Beijing's* 'overall thesis':

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 equality among the world's civilizations, more likely than it ever was in the almost two and half centuries since the publication of *The Wealth of Nations*.¹³

Arrighi also takes Smith as his guide for understanding why this developmental path should not (necessarily) be seen as capitalist. Far from being a theorist of the self-regulating market, Smith should be read, according to Arrighi, as treating 'the market as an instrument of government'. Free-market competition, Smith believed, did indeed produce the greatest economic benefits. But for this to be realised, governments must resist the tendency of

12. Arrighi 2007, p. 3.

13. Arrighi 2007, p. 8.

capitalists to try to protect or augment their profits by limiting new entrants to their markets, thereby narrowing competition and thus undermining the ‘interest of the public’.¹⁴ It is out of this that Arrighi derives the definition of capitalism that is central to his new book: the fundamental difference between a capitalist and non-capitalist market-society is based on whether ‘capitalists have greater power to impose their class interests at the expense of the national interest’.¹⁵

Problematic categories

Now, in my view, a whole series of problematic uses of basic categories is at work here. The categories of ‘natural’ and ‘unnatural’ economic development, based on the sequence of agriculture, manufacturing and trade, are obviously rather crude. They are highly misleading, I believe, when it comes to trying to read the sequence of capitalist development – not only in Britain, but also and especially in the US in the nineteenth century – as one that begins with external trade rather than agriculture. As for the distinction between capitalist and non-capitalist market-societies, this not only leaves out the question – central to the logic and dynamics of capitalism as a system of production – of the relation of the direct producers to the means of production, but also operates with a very odd conception of what it means to be a capitalist. This may be seen in Arrighi’s observation, borrowed from Braudel, that the merchants and bankers of Imperial China’s southern coastal provinces ‘closely resembled the business communities that constituted the preeminent capitalist organization of sixteenth century Europe’.¹⁶ But, he says:

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 those class interests, the market economy remains non-capitalist.¹⁷

It is hard to make sense of this statement, although it is quite central to the whole argument. Why should the interests of those capitalists who want to compete but are prevented from doing so by others already in the market be excluded from the calculation of interests of the *whole* capitalist class? And if

14. Arrighi 2007, p. 47.

15. Arrighi 2007, p. 92.

16. Arrighi 2007, p. 332.

17. Arrighi 2007, pp. 331–2.

many capitalists *are* added, they presumably must be competing, so this implies that the state is ensuring that they can!

Similar problems arise with the conceptualisation of the state. If Marx's political economy can be said to have suffered from 'economic determinism', the one Arrighi derives from Smith, given that markets are conceived as the instruments of states, suffers even more from 'political determinism'. Yet the theory of the state advanced here is severely undeveloped. Terms like 'public interest', 'general social interest', 'national interest' are not treated as the problematic ideological constructs they undoubtedly are (it is worth bearing in mind that Smith employed them at the very moment when the dispossession and enclosures were going on around him as he composed *The Wealth of Nations*), but as objective categories. States are treated as expressing these 'general societal interests', except when capitalists impose their narrow (that is, anti-competitive) interests on the development of markets. The specific mode of organisation of a capitalist state, and its defining functions of guaranteeing property-relations, reproducing labour-capital relations and sustaining accumulation, are missing from this weak conceptualisation of the capitalist state.

This problem is compounded by Arrighi's treatment of imperial states. The 'unnatural path' that foregrounds external trade as the route to economic development necessitates increased military power, creating a 'synergy between capitalism, industrialism and militarism, driven by interstate competition'.¹⁸ Starting with Smith's observation that 'superior military force' explains why Europeans could 'appropriate the benefits of the greater integration of the global economy at the expense of non-European nations' in the sixteenth and seventeenth centuries, Arrighi claims that what defines the European developmental path as capitalist 'more than anything else' is the sequence of endless accumulation of capital and power that led from the Italian city-states to the Dutch 'proto-nation-state' to 'the fusion of capitalism and imperialism' by the United Kingdom ('the heir to the imperialist tradition initiated by the Iberian partners of the Genoese'), culminating in 'the most ambitious political project ever conceived in human history' – the US attempt to turn itself into 'a world state'.¹⁹

In keeping with his political determinism, Arrighi distances himself from Harvey's distinction between the territorial and capitalist logics of imperialism, insisting that imperialism of the capitalist sort has little or nothing to do with 'the accumulation of power and capital *within states*' rather than 'the

18. Arrighi 2007, pp. 90, 95, 241.

19. Arrighi 2007, p. 249.

accumulation of power and capital in an evolving system of states'.²⁰ Yet the real problem with Harvey's distinction is that, while he argues that the capitalist logic dominates the other in 'the imperialism of the capitalist sort', whatever imperial actions that are hard to explain in terms of 'spatial fixes' occasioned by overaccumulation can be attributed to a precapitalist territorial logic of power that persists within the capitalist state. What this occludes is the kind of understanding of the role of capitalist empires – already visible in the British empire, but especially characteristic of the American empire in the twentieth century – whereby the hegemonic state is less concerned with the expansion of its sovereign territorial remit than with ensuring that other formally independent states are structured as capitalist states (that is, that they take responsibility for sustaining capital-accumulation and protecting private property – and not just the property of the imperial state's nationals – within their territories).²¹

Arrighi's misunderstanding of the nature of the US as the pre-eminent capitalist empire of the twentieth century is above all revealed in his portrayal of it as seeking to make itself into a 'world state' either during the postwar

20. Arrighi 2007, p. 229. This largely closes the opening Arrighi made thirty years ago in his *Geometry of Imperialism* towards an appreciation among Marxists of Schumpeter's argument that the precapitalist nature of late developing European states was implicated in the imperialism of that time. The work of Marxist scholars such as George Comninel on the pre-bourgeois nature of the French state well into the nineteenth century, an argument that has very excitingly been advanced and generalised recently by Hannes Lacher, is unfortunately ignored by Arrighi here. See Comninel 1987; Lacher 2005.

21. As Sam Gindin and I have argued, even military interventions by the American state, in our time and earlier, can best be understood in this manner (Panitch and Gindin 2004). The distinction between mercantilist and capitalist forms of empire was appreciated by Paul Reinsch, the American political scientist who went on to become Woodrow Wilson's Ambassador to China. In a number of works at the beginning of the twentieth century, Reinsch addressed the question of why 'the pressure for extended political control is much stronger at present than it ever was in the days of purely commercial colonization'. He found the answer in the fact that foreign investment in mines, forests, plantations, railways and manufacturing enterprises involved 'a far more intimate connection with the territory and the population than do purely commercial dealings'. Foreign investment required that 'titles to property in land must be secure; there must be no fear of violence or of revolutions of government. Orderly methods of administration, a sound system of banking and currency – all these are prerequisites to a safe and paying investment in foreign or colonial regions'. And whereas, in the imperialism of the Roman-type, the problem might have been solved by bringing all administration under the rubric of a singular world-empire, under the prevailing condition of 'modern national imperialism' which not only recognised the separate existence of national states, but even embraced the claim that 'the national state is... a necessary condition of progress', the answer increasingly had to be found in capitalist empires trying to ensure that all the world's states conformed to capitalist notions of good government. See Reinsch 1900, pp. 12–13 and 41–2; Reinsch 1905, esp. pp. 85–6.

period or as a means of averting decline today.²² Although the making of a truly global capitalism has certainly been the American state's project, at least since the Second World War, that project has emphatically *not* been to govern the world directly itself, *or* to assign that task to international institutions to which it would subject its own sovereignty. Rather, it has conceived the project of making global capitalism as consisting of making the world safe for capital-accumulation everywhere by trying to make all the world's states capitalist, with appropriate legal, juridical, bureaucratic and coercive institutions and practices. In direct contradiction to what Arrighi takes to be the essence of a capitalist state, this has usually entailed encouraging the opening of markets and the extension of competition, not least because the American state has expected that US capitalists would profit from this. Moreover, understanding the American empire since the Reagan era, as Arrighi does, as a mere 'protection racket' for narrow US capitalist interests,²³ is far too limited a conception. Relative autonomy to the end of fostering the global accumulation of capital also operates at the level of the imperial capitalist state.

I will not rehearse here the arguments that Sam Gindin and I have previously presented against Arrighi's thesis of US 'hegemony unravelling'.²⁴ Suffice it to say that we do not find persuasive his rather categorical argument that the American state has lost the capacity to sustain its imperial role in the making of global capitalism into the twenty-first century. His designation of the US experience in Vietnam as representing the 'signal crisis' of US hegemony, and the experience so far in Iraq as its 'terminal crisis', runs the danger of projecting conjunctural contradictions into long-term structural ones. Given what the flow of capital to the US from East Asia (more than covering the US trade-deficit) indicates about the way the circuits of global capital sustain American capitalism, this flow cannot simply be taken as a measure of imperial weakness. The alleged threat that sovereign wealth-funds pose to the empire is likely to turn out to be no more serious than the similarly predicted threat from workers' pension-funds, before their integration in the circuits of capital was properly recognised. The material foundations of the US empire remain far from being exhausted in light of its massive and sustained lead in research- and development-expenditure, and in the proportion of global production and employment directly and indirectly generated by US MNCs.

22. Arrighi 2007, p. 253.

23. Arrighi 2007, p. 257.

24. Panitch and Gindin 2005; Arrighi 2005a, 2005b.

Is China capitalist?

And so we come, finally, to the point of the whole exercise – what to make of China’s remarkably rapid economic development in recent decades, which Arrighi takes up in the last chapter on the ‘Origins and Dynamics of the Chinese Ascent’. The argument here that ‘most features of China’s return to a market economy fit [Adam Smith’s] conception of [self-centred] market-based development’ is strained to say the least.²⁵ It is difficult to sustain an argument that China has followed the Smithian ‘natural’ path of giving priority to agriculture and domestic markets when over a period of less than a quarter of a century three-quarters of Chinese GNP has become externally-oriented (that is, the sum of exports and imports equals around 75 per cent of GDP compared to 30 per cent for the US and 32 per cent for Japan).²⁶ It could in fact be argued that, insofar as the Chinese state has used markets as ‘an instrument of rule’, this resembles what went on in the case of other late-capitalist developers in the late nineteenth century – the very ones Arrighi designates here as capitalist imperialist states.

The main difference is that China has relied to a much greater degree on direct foreign investment, with the stock of total investment owned by foreigners now amounting to over a third of GNP (compared with only two per cent for Japan) and with affiliates of foreign firms accounting for a third of its total manufacturing sales and half of its exports.²⁷ Moreover, in their classic pattern, the affiliates of US MNCs based in China have raised almost two-thirds of their loans for investment in China from local sources, as compared with less than one-fifth coming from loans from the parent-corporation. In China, as elsewhere, ‘the local subsidiaries of foreign multinationals can be seen as relatively creditworthy borrowers, ultimately backed by deep-pocketed foreign parents’.²⁸ Nor should China’s own rather classical imperialist role, not least in Africa today, be ignored.²⁹

It is certainly true that it was not the US that made China capitalist – if it was made capitalist by anyone, it would be more accurate to see it as the work of the Communist Party-élite turning itself into a bourgeoisie with the aid of capital from the Chinese diaspora. But even if we regard the contemporary Chinese state as more relatively autonomous from the bourgeoisie than such an instrumental interpretation allows, it is difficult to

25. Arrighi 2007, p. 358.

26. See the excellent discussion on China’s place in the global economy in Bromley 2008, esp. pp. 177–87.

27. Bromley 2008, p. 178.

28. Branstetter and Foley 2007, p. 5.

29. See McGreal 2008.

credit Arrighi's claim that China looks like 'a Smithian world of capitalists driven by relentless competition to work in the national interest'; and it is even harder to agree that it has involved 'the subordination of capitalist interests to the national interest'.³⁰ The idea that the Chinese state is non-capitalist by virtue of it being more oriented to promoting competition than those states which Arrighi does label as capitalist is quite dubious, nor does Arrighi offer such comparative evidence as would sustain such an argument.³¹

Above all, what is missing – at least until the final few pages of the final chapter – is a much more sceptical probing of the notion of 'national interest' in the increasingly unequal class-society that China has become. Certainly the argument that, as an 'active state', China should not be seen as (necessarily) capitalist – because this does not conform with 'the neo-liberal prescriptions of the Washington Consensus'³² – cannot be taken very seriously. Just as it took active states to oversee the making of capitalist economies in the nineteenth century, so has the making of neoliberalism, especially in the developing world, required active states. To say that the Chinese state has 'retained the upper hand' over domestic and international capitalists, rather than becoming a mere instrument of the bourgeoisie, does not tell us much in itself. Arrighi's claim that the Chinese state has made 'capitalists rather than workers compete with one another'³³ is not sustained here, nor should we ignore the use that has been made of the Chinese example of competitiveness by capitalist states around the world to undermine their own workers' resistance and solidarity in recent years.

After all is said and done, the question of whether China is pursuing a capitalist path or not comes back to the workers' relationship to the process of economic development. Arrighi contends that:

so long as the principle of equal access to land continues to be recognized and implemented in China... Brenner's second condition of capitalist development

30. Arrighi 2007, pp. 358–9.

31. See in this regard Lam 2007: 'According to World Trade Organization provisions, the Chinese Communist Party (CCP) has opened up an unprecedented number of sectors for foreign-equity participation. Yet the authorities have at the same time tightened control over other aspects of the economy. This has resulted in the truncation, if not atrophy, of thousands of private firms. These are in danger of being edged out by powerful monopolies and oligopolies that are controlled either by the party-and-state apparatus or by senior cadres and their offspring.' In this light it is hardly surprising to hear Chinese entrepreneurs grumbling: "As entrepreneurs we are condemned to being either the concubines of state enterprises or the mistresses of multinationals" (quoted in McGregor 2006).

32. Arrighi 2007, p. 354.

33. Arrighi 2007, pp. 358–9.

(that the direct producers must have lost control of the means of production) [the first being competition among capitalists – L.P.] is far from being fully established. In spite of the spread of market exchanges in the pursuit of profit, therefore, the nature of Chinese development is not necessarily capitalist.³⁴

By thus granting that the relation of the direct producers to the means of production is a crucial measure not present in the Smithian framework, Arrighi implicitly undermines the alternative definition of capitalism he draws from Smith, based on the relationship between state and capitalists. And, in his final chapter, Arrighi seems to inadvertently concede that dispossession of the direct producers from the means of production does represent the fundamental defining feature of a capitalist society by entitling his section on ‘Town and Village Enterprises’ (TVEs) in the turn to the market-economy: ‘Accumulation without Dispossession’. This section, however, not only ignores the unequal class-relations that quickly developed within the TVEs, but also fails to note that TVEs have now been marginalised as the foundation of China’s economic development. If they once served as means of retaining surplus-labour in the countryside, it is now clear that in this respect they served as at best a staging-post for the vast migrant labour-force that has fuelled China’s economic development, with their villages depending on their remittances just as much as do Mexican or Salvadoran villages from their migrant-workers in American cities.

Far from equal access to land, rural residents in China have been increasingly subject to ‘the demands of rapacious officials and developers’; and the Chinese state’s response to their complaints against this has mainly been only to promise compensation against the requisition of the farmers’ land.³⁵ Since 1978, as the number of cities tripled and the urban population exploded from 18 per cent to 44 per cent of the total, migrant-workers have flooded out from the countryside: by 1989, there were already 30 million migrant-workers; by 1993, there were double that; and, by the end of 2006, there were 130 million, making up 58 per cent of all workers in secondary industries and 52 per cent in tertiary industries (and no less than 80 per cent in construction). Not only do they get the lowest-paying jobs, they are also deprived of the social services and health-care that goes with the household-registration system in China.³⁶

It is, in fact, the commodification of labour-power and the creation of labour-markets that above all defines the nature of China’s contemporary

34. Arrighi 2007, p. 24.

35. See Dickie 2006.

36. See the recent exhaustive report on migrant workers in *China Labour Bulletin* 2008.

economic development. Insofar as much of the Chinese population has been removed from absolute poverty-level incomes, this precisely reflects their integration into a commodified society based on production and consumption through exchange-relations. The new labour-legislation passed in 2008 needs to be seen in the same light. As one state-bureaucrat has put it:

Most people consider the new labor law a law that protects only the interests of employees, but not protecting enough the interests of enterprise investors. This is in fact a misunderstanding. The new labor-law articles not only protect the interests and rights of employees, but also regulate their responsibilities.³⁷

As for what exactly goes on in ‘the hidden abode of production’, very little credence should be given to the citation of a *New York Times Magazine* article that takes the relatively low ratio of managers to workers in Chinese factories as evidence of how ‘incredibly well self-managed they are’.³⁸ Is this not the same sort of ‘Newspeak’ that talks about ‘three billion new capitalists’ being created in China and India, when what is really meant is that there are three more billion workers for capital to exploit?

Of course, Arrighi was too good a scholar and far too committed to social justice to ignore this. The beginning of the final chapter promises to address how ‘ruthless competition’ has led to ‘countless episodes of super-exploitation, especially among migrant workers’.³⁹ It does turn to this in the final few pages of the chapter, in a section called the ‘Social Contradictions of Economic Success’, where it is averred that the ‘huge increase in income inequality within and between urban and rural areas as well as among different classes, social strata and provinces is one of the best-established facts about China’s switch to a market economy’.⁴⁰ Moreover, despite having earlier repeatedly extolled the Chinese state for following in recent decades the millennia-old traditions of ‘labour intensive and energy saving’ market-development, the final page of the epilogue suddenly admits that ‘by relying too heavily on the energy-consuming Western path, China’s rapid economic growth has not yet opened up for itself and the world an ecologically sustainable developmental path’.⁴¹

Indeed, it turns out in the end that the main object of Arrighi’s admiration was no longer Adam Smith’s version of the Chinese state and its market-

37. Cai Kang, vice director of the Dongguan Bureau of Foreign Trade and Economic Cooperation, quoted by Cha 2008.

38. Arrighi 2007, p. 367.

39. Arrighi 2007, p. 360.

40. Arrighi 2007, p. 375.

41. Arrighi 2007, p. 389.

oriented promotion of competition among capitalists ‘in the national interest’, but rather Karl Marx’s version of the Chinese proletariat – since Arrighi saw it as imbued with a ‘revolutionary tradition [that] endowed China’s subaltern strata with a self-confidence and combativeness with few parallels anywhere else in the global South and, we may add, the global North as well’.⁴² It is surely significant that, at the very end of the book, we find that Giovanni Arrighi (*in contrast with* Adam Smith) in Beijing places his hopes for redirecting Chinese development ‘in a more egalitarian direction’ in ‘the proliferation of social struggles in urban and rural areas alike’.⁴³

Well said. But it is still a moot point as to whether China’s peasants and workers are actually confident and combative enough. The great many strikes and protests that do take place in their tens of thousands a year still remain largely localised and separated from one another. Indeed, the specific tradition associated with the Communist Party’s ‘democratic centralism’ – sustained today by the continuing authoritarian practices of a Communist élite that has venally encouraged so many of its senior members and their families to turn themselves into capitalists – unfortunately still acts like an albatross on the working classes, severely restraining class-struggles and most certainly not providing revolutionary inspiration for such struggles.

But this much is certainly clear. We do need to give primacy to the category of social relations in developing our understanding of what makes China capitalist today. And we do need to look to how subaltern classes there organise and struggle against the oppressive and exploitative social relations that define that society, in order to gain a proper perspective on whether what is happening in China might eventually yield an alternative to capitalism.

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42. Arrighi 2007, p. 376.

43. *Ibid.*

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