

## **STATES, MARKETS AND CAPITALISM, EAST AND WEST**

Giovanni Arrighi

The ongoing crisis of US hegemony has been associated with an acceleration of economic growth in the East Asian region that has made a re-centering of the global economy on East Asia a distinct historical possibility. This tendency constitutes a major turnaround from the region's predicament circa 1950, when China had become one of the world's poorest countries, Japan had been reduced to a vassal state of the United States, and the Cold War was creating a seemingly unbridgeable gulf between maritime East Asia and Mainland China. And yet, less than half a century later the gulf was bridged by a dense web of commercial exchanges; Japan and other lesser "islands" of East Asia's "capitalist archipelago" had replaced the United States as the world's leading creditor nations; and Mainland China's weight in the global economy was increasing far more rapidly than that of any other region of comparable demographic size. Whether this turnaround is the preamble to a re-centering of the global economy on East Asia is too early to tell. But whether it will or not, explaining the dynamic of the turnaround and how the turnaround relates, if at all, to the legacy of the China-centered tribute trade system constitutes a major challenge for the historical social sciences. The purpose of this paper is to provide an explanation of the phenomenon through an analysis of the dynamic and contradictions of the single global system that emerged out of the nineteenth century globalization of the European system of states. The concluding part of the paper, on which the presentation at the conference will focus, discusses the implications of the analysis for an understanding of present tendencies and the likely future trajectory of the East Asian dynamic.