

EAST ASIA IN THE WORLD SYSTEM

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Summary

Echoing Gunder Frank's (1998) calling for a non-Eurocentric analysis and drawing upon Giovanni Arrighi et al's (2003) and Immanuel Wallerstein's frameworks (2005), this chapter will trace the historical development of East Asia in relation to the transformation of the world system. The first section will examine the regional formation and the rapid economic development of East Asia before the emergence of the capitalist world-economy. The second section will examine why the dynamics of East Asian development was stopped by 1800 and how the incorporation of East Asia into the capitalist world system in the 19th century had lead to the fall of East Asia.

The final section will examine how the Cold War and US policy of polarization in the second half of the 20th century have laid the foundation for the resurgence of East Asia. In the end, this chapter will speculate whether East Asia will become an epicenter of the capitalist world economy in the 21st century.

1. Introduction

In *ReOrient*, Andre Gunder Frank (1998) challenges the conventional wisdom in historiography and social theory. He argues that Adam Smith, Karl Marx, Max Weber, Karl Polanyi, Fernand Braudel, Immanuel Wallerstein, David Landes, and other contemporary social theorists are all wrong in their explanation of “the birth of capitalism,” “the rise of the West,” and “the incorporation of Asia into European world system.” They are wrong because they suffer from a Eurocentric framework examining world system history “under the European street light.” These social theorists attribute a central place in their theories to Europe, and they assert that Europe had some unique elements that “the Rest” did not have. In addition, these social theorists argue that there was a sharp break in world history around 1500, during which capitalism rose up in Europe and spread to the rest of the world.

For Andre Gunder Frank, the above theories are no more than myths based only in Eurocentric ideology. Gunder Frank contends that the world system did not begin in Europe. His book is aimed to show that there already was an ongoing world system before the Europeans had much to do and say in it. Also it was Asia, not Europe, which held center stage for most of the early modern history before 1800. The economies of Asia were far more advanced, and its Chinese Ming/Qing, Indian Mughal, and even Persian Safavid and Turkish empires carried much greater political and even military weight than any or all of Europe.

Only in around 1800 did Asian economies lose their positions of predominance in the world system, while that position came to be occupied by the West during the nineteenth and the twentieth century. At the beginning of the twenty-first century, however, the center of the world system seems to be shifting back to the “East” again; thus Gunder Frank titled his book “*ReOrient*” to stress this impending spatial shift of the world system.

Echoing Gunder Frank’s calling for a non-Eurocentric analysis and drawing upon Giovanni Arrighi’s (2003) and Immanuel Wallerstein’s frameworks (1976), the following sections will trace the historical development of East Asia in relation to the transformation of the world system. The first section will examine East Asia before 1800, when East Asia could be seen as the center of the world system. The second section will examine the de-centering of East Asia in the 19th century. The final section will examine the re-centering of East Asia in the second half of the twentieth century.

2. East Asia before the Capitalist World-Economy

2.1. The Formation of the East Asia Region.

Asian studies in China, Japan, and the West have revolved around the history of land-based states. However, Hamashita (2003) argues that we need to study East Asia in terms of the interfaces and exchanges that take place within and among maritime zones in order to grasp the “regionalization” in the world system.

In particular, Hamashita (2003) proposes a “**Tribute/Trade System**” framework to

study East Asia. This tribute-trade system has functioned from Tang through Qing dynasties from the seventh century to 1911. This system was centered upon China and sustained by a hierarchical order defined by the Confucian conception of a “rule of virtue.” Like any hegemonic order, it was backed by military force. However, when the system functioned well, principles of reciprocity involving politics and economics permitted long periods of peaceful interactions.

In this China-centered order, tributary states (like Japan, Korea, Ryukyu, Siam, Vietnam, Java, Borneo, the Philippines) send periodic tribute missions to the Chinese capital, and each time tributary states changed ruler, China dispatched an envoy to officially recognize the new ruler. Tribute relations were not only political but involved economic and trade relations as well.

In exchange for the gifts carried to the Chinese court, tribute bearers received silk textiles and other goods from the Chinese emperor in return. Specially licensed traders accompanying the envoy engaged in commercial transactions at designated places in the capital. In addition, more than ten times as many merchants as these special traders exchanged commodities with local merchants at the country’s borders and at the designated ports.

In short, lucrative trade was the lubricant for the tributary system defining East Asian regional political, economic, and cultural intercourse. Not only overseas Chinese merchants but also Indian, Muslim, and European merchants participated in this tribute trade, linking land and maritime zones in East Asia, Southeast Asia, South Asia, Central Asia, and Europe together. This dense and extensive tribute/trading networks had forged the coastal areas of maritime East Asia into a diverse and well-integrated economic-commercial realm, making it the most advanced economy (the core) in the early modern world system.

2.2. The Economic Development of East Asia before 1800.

As a result of this tribute/trade system, economic growth in East Asia and intra-Asian trade was much faster and much larger scale than European trade before 1800. Indeed, Asian trade was a flourishing and on-going enterprise into which the Europeans only entered as a relatively minor player.

The core region of the world system, especially of industrial production, was in China. While China was in overall balance of trade surplus throughout most of the early modern period due to her export of huge quantities of valuable commodities (silk, tea, ceramics) and importing vast quantities of silver, Europe had a chronic balance of payments deficit due to the bullion drain to Asia. Also, between 960 and 1127, China passed through a phase of economic growth that was unprecedented in earlier Chinese history, perhaps in world history up to this time. It depended on a combination of commercialization, urbanization, and industrialization that have led some authorities to compare this period of Chinese history with the development of early modern Europe six centuries later.

In this perspective, China was an unquestioned advanced country in the world at least

until 1500, and was equal in most respects (productivity in industry, agriculture; transportation; competitiveness; share in world population and production) until 1800. Thus Gunder Frank argues that East Asia was the center of the early modern world system.

As such, what then explains the great reversal of fortune during the nineteenth century when East Asia and Europe swap their places in the world system? Why did the dynamics of East Asian economic growth stopped before 1800? And why did East Asia fail to resist European imperialism and degenerate into a poor and backward region in the nineteenth century?

3. The Fall of East Asia

The fall of East Asia passed through two phases: (1) Before 1800 when East Asia lost its developmental dynamics, became stagnant, and failed to develop further into industrial capitalism; (2) After 1800 when East Asia interacted with European imperialism. Let us examine these two phases one by one in the following sections.

3.1. Why East Asian dynamics stopped before 1800?

On this issue, Peter Perdue (1999) pointed out the literature tends to provide “fast-food” explanations which attempt to take a short cut through complex empirical and theoretical issues. The explanatory scheme tends to single out one factor held to be unique to England (the most predominant state in Europe) and lacking in East Asia. For example, Max Weber uses the factor of Protestant ethic to explain the divergent development of Europe and East Asia; similarly, Douglas North highlights the factor of property rights; demographers emphasize the factor of over-population; and economic historians focus on the factor of the barriers to trade and commerce in East Asia. In criticizing the above internal explanations, Peter Perdue argues that we need to embrace a truly global perspective, one that does not separate societies into closed compartments, but one recognizes the constant structured interactions between the peoples of the world over long periods of time.

From a world system perspective, Giovanni Arrighi, Po-Keung Hui, Ho-fung Hung, and Mark Selden (2003) point to the decline of the trade/tributary system as the critical factor to explain why East Asia lost the dynamics to develop its economic locomotive further. Up to the end of the Song dynasty in 1276, the flourishing maritime trade and robust market economy of the East Asian coastal regions entered a “commercial revolution” characterized by advances in navigation technology, the consolidation of the “sea silk route,” and the setting up of new port cities (Quanzhou, Guangzhou) as the centers of tributary trade and private trade for overseas Chinese trading networks.

However, this coastal trading dynamics had largely stopped in the Ming dynasty after the Ming emperor discontinued Zheng He’s voyages in the 1400s. Since then, the Ming state turned inwards, prioritized security and the strengthening of domestic/inland trade, and at times banned or proscribed foreign trade. To show its determination, the Ming state restricted the number of tributary missions, circumscribing private maritime commerce, and even banned the building of seagoing ships. After these drastic actions,

East Asian maritime trade and commerce had lost its dynamics and East Asian economy quickly ran into stagnation. By 1800, East Asia was no longer to be considered as the center of world system. On the other hand, overseas expansion and colonial conquest, especially the discovery and development of the Americas, had given rise to a new stage of development in Europe. Such development eventually led to the head-to-head confrontation between Europe and East Asia in the 19th century.

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Biographical Sketch

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