

capitalist era financial expansions have signalled the transition from one regime of accumulation on a world scale to another. They are integral aspects of the recurrent destruction of “old” regimes and the simultaneous creation of “new” ones.

In the light of this discovery, I reconceptualized the long twentieth century as consisting of three phases: (1) the financial expansion of the late nineteenth and early twentieth centuries, in the course of which the structures of the “old” British regime were destroyed and those of the “new” US regime were created; (2) the material expansion of the 1950s and 1960s, during which the dominance of the “new” US regime translated in a world-wide expansion of trade and production; and (3) the current financial expansion, in the course of which the structures of the now “old” US regime are being destroyed and those of a “new” regime are presumably being created. More importantly, in the interpretative scheme which I derived from Braudel, the long twentieth century now appeared as the latest of four similarly structured long centuries, each constituting a particular stage of development of the modern capitalist world system. It became clear to me that a comparative analysis of these successive long centuries could reveal more about the dynamic and likely future outcome of the present crisis than an in-depth analysis of the long twentieth century as such.

This recasting of the investigation in a much longer time frame has resulted in a contraction of the space taken up by the overt discussion of the long twentieth century to about one third of the book. I have none the less decided to retain the original title of the book to underscore the strictly instrumental nature of my excursions into the past. That is to say, the only purpose of reconstructing the financial expansions of earlier centuries has been to deepen our understanding of the current financial expansion as the concluding moment of a particular stage of development of the capitalist world system – the stage encompassed by the long twentieth century.

These excursions into the past brought me onto the treacherous terrain of world historical analysis. Commenting on Braudel’s *magnum opus* from which I have drawn inspiration, Charles Tilly has wisely warned us against the dangers of venturing on this terrain:

If consistency be a hobgoblin of little minds, Braudel has no trouble escaping the demon. When Braudel is not bedeviling us with our demands for consistency, he parades . . . indecision. Throughout the second volume of *Civilisation matérielle*, he repeatedly begins to treat the relationship between capitalists and statemakers, then veers away. . . . Precisely because the conversation ranges so widely, a look back over the third volume’s subject matter brings astonishment: The grand themes of the first volume – population, food,

clothing, technology – have almost entirely disappeared! . . . Should we have expected anything else from a man of Braudel’s temper? He approaches a problem by enumerating its elements; fondling its ironies, contradictions, and complexities; confronting the various theories scholars have proposed; and giving each theory its historical due. The sum of all theories is, alas, no theory. . . . If Braudel could not bring off the coup, who could? Perhaps someone else will succeed in writing a “total history” that accounts for the entire development of capitalism and the full growth of the European state system. At least for the time being, we are better off treating Braudel’s giant essay as a source of inspiration rather than a model of analysis. Except with a Braudel lending it extra power, a vessel so large and complex seems destined to sink before it reaches the far shore. (Tilly 1984: 70–1, 73–4)

Tilly’s recommendation is that we deal with more manageable units of analysis than entire world systems. The more manageable units he prefers are the components of particular world systems, such as networks of coercion that cluster in states, and networks of exchange that cluster in regional modes of production. By systematically comparing these components, we may be able “to fix accounts of specific structures and processes within particular world systems to historically grounded generalizations concerning those world systems” (Tilly 1984: 63, 74).

In this book I have sought another way out of the difficulties involved in accounting for the full development of world capitalism and of the modern inter-state system. Instead of jumping off Braudel’s vessel of world historical analysis, I stayed on it to do the kinds of thing that were not in the captain’s intellectual temperament to do but were within the reach of my weaker eyes and shakier legs. I let Braudel plow for me the high seas of world historical fact, and chose for myself the smaller task of processing his overabundant supply of conjectures and interpretations into an economical, consistent, and plausible explanation of the rise and full expansion of the capitalist world system.

It so happens that Braudel’s notion of financial expansions as closing phases of major capitalist developments has enabled me to break down the entire lifetime of the capitalist world system (Braudel’s *longue durée*) into more manageable units of analysis, which I have called systemic cycles of accumulation. Although I have named these cycles after particular components of the system (Genoa, Holland, Britain, and the United States), the cycles themselves refer to the system as a whole and not to its components. What is compared in this book are the structures and processes of the capitalist world system as a whole at different stages of its development. Our focus on the strategies and structures of Genoese, Dutch, British, and US governmental and business agencies is due exclusively to their successive centrality in the formation of these stages.

This is admittedly a very narrow focus. As I explain in the Introduction,

systemic cycles of accumulation are processes of the “commanding heights” of the capitalist world-economy – Braudel’s “real home of capitalism.” Thanks to this narrow focus, I have been able to add to Braudel’s survey of world capitalism some logical consistency and some extra mileage – the two centuries that separate us from 1800, where Braudel ended his journey. But the narrowing of the focus also has great costs. Class struggle and the polarization of the world-economy in core and peripheral locales – both of which played a prominent role in my original conception of the long twentieth century – have almost completely dropped out of the picture.

Many readers will be puzzled or even shocked by these and other omissions. All I can tell them is that the construction presented here is only one of several equally valid, though not necessarily equally relevant, accounts of the long twentieth century. I have presented elsewhere an interpretation of the long twentieth century which focuses on class struggle and core-periphery relations (see Arrighi 1990b). Having completed this book, there are many new insights that I would like to *add* to that earlier interpretation. Nevertheless, there are very few things that I would *change*. As far as I can tell, that account still stands from its own angle of vision. But the account presented in this book, as indicated by its subtitle, is the more relevant to an understanding of the relationship between money and power in the making of our times.

In order to bring my leaner version of Braudel’s vessel to the far shores of the late twentieth century, I had to vow to keep out of the debates and polemics that raged in the islands of specialized knowledge that I visited and raided. Like Arno Mayer (1981: x), “I freely admit to being an ardent ‘lumper’ and master builder rather than an avid ‘splitter’ and wrecker.” And like him, all I ask is “a patient hearing’ and that [the] book be ‘taken and judged as a *whole*’ and not only in its discrete parts.”

The idea that I should write a book about the long twentieth century was not mine but Perry Anderson’s. After a heated discussion about one of the several long papers that I had written on the world economic crisis of the 1970s, he convinced me, as long ago as 1981, that only a full-length book was an adequate medium for the kind of construction I had in mind. He then kept a watchful eye on my wanderings through the centuries, always giving good advice on what to do and not to do.

If Perry Anderson is the main culprit for my involvement in this overambitious project, Immanuel Wallerstein is the main culprit for making the project even more ambitious than it originally was. In lengthening the time horizon of the investigation to encompass Braudel’s *longue durée*, I was in fact following in his footsteps. His insistence in our daily work at the Fernand Braudel Center that the trends and conjunctures of my long twentieth century might reflect structures and

processes that had been in place since the sixteenth century were sufficiently unsettling to make me check the validity of the claim. As I checked, I saw different things than he had; and even when I saw the same things, I gave them a different treatment and application than he has been doing in *The Modern World-System*. But in insisting that the *longue durée* of historical capitalism was the relevant time frame for the kind of construction I had in mind, he was absolutely right. Without his intellectual stimulus and provocation, I would not even have thought of writing this book in the way I did.

Between conceiving a book like this and actually writing it, there is a gulf that I would never have bridged were it not for the exceptional community of graduate students with whom I have been fortunate to work during my fifteen years at SUNY-Binghamton. Knowingly or unknowingly, the members of this community have provided me with most of the questions and many of the answers that constitute the substance of this work. Collectively, they are the giant on whose shoulders I have travelled. And to them the book is rightfully dedicated.

As mastermind of the Sociology Graduate Program at SUNY-Binghamton, Terence Hopkins is largely responsible for turning Binghamton into the only place where I could have written this book. He is also responsible for anything that is valuable in the methodology I have used. As the harshest of my critics and the strongest of my supporters, Beverly Silver has played a central role in the realization of this work. Without her intellectual guidance, I would have gone astray; without her moral support, I would have settled for far less than I eventually did.

An earlier version of chapter 1 was presented at the Second ESRC Conference on Structural Change in the West held at Emmanuel College, Cambridge, in September 1989, and was subsequently published in *Review* (Summer 1990) and reprinted in Gill (1993). Sections of chapters 2 and 3 were presented at the Third ESRC Conference on the same topic held at Emmanuel College in September 1990. Participation in these two conferences, as well as in the preceding one held in September 1988, added steam to my vessel at a time when it might otherwise have sunk. I am very grateful to Fred Halliday and Michael Mann for inviting me to the entire series of ESRC conferences, to John Hobson for organizing them effectively, and to all the other participants for the stimulating discussions we had.

Perry Anderson, Gopal Balakrishnan, Robin Blackburn, Terence Hopkins, Reşat Kasaba, Ravi Palat, Thomas Reifer, Beverly Silver, and Immanuel Wallerstein read and commented on the manuscript before the final round of revisions. Their different specializations and intellectual perspectives helped me enormously in fixing what could be fixed in the product of this hazardous enterprise. Thomas Reifer also helped me in a