Wallerstein's World System's Theory

Development happens in context: it reflects what is happening in a place as a result of forces operating at the same time across multiple scales. To understand why some countries are poor and others are wealthy, we need to consider the context.

In the 1970s, historian Immanuel Wallerstein proposed an alternative view on economic development, which he called the **World Systems Theory**. It is a **dependency model**, meaning that countries do not exist in isolation but are part of an intertwined global economy within which countries are dependent on each other. Because World Systems Theory includes both political and economic elements, it is sometimes viewed as a political theory and sometimes as an economic theory.

Wallerstein divided the global economy between two processes. **Core processes** require high skills, high levels of education and high access to technology and consequently generated high levels of wealth. While **periphery processes** require low skills, low education and low levels of technology and generate little wealth. This allows the countries of the world to be divided between what roles they play. As a result, his theory is sometimes referred to as the **Core-Periphery model**. However, there are many countries where both processes are in play **at significant levels**. They are referred to as the **semi-periphery** (remember there are NO "semi-periphery" processes, the semi-periphery is a place where both core and periphery processes are happening simultaneously in significant amounts).

The countries of the world, according to Wallerstein, can be grouped geographically into three categories. The core countries are where economic activities are reliant on core processes (finance, high technology manufacturing, industrial/commercial agriculture, information processing, research, etc.). The periphery countries are where most economic activities rely on periphery processes (subsistence farming done by hand or with limited machinery, raw material extraction using manual labor, low-tech/skill manufacturing like textiles).

Wallerstain did not originally envision the existence of the "semi-periphery". Remember that the semi-periphery is a place NOT a process. It sits between the two extremes where there is a mixture of both processes happening. In recent decades, the semi-periphery has come to dominate manufacturing output because it is a PLACE where both low-skill manufacturing (i.e., textiles) and high-tech manufacturing (i.e., solar panels) are both happening at the same time (we will discuss why this is happening later). In the semi-periphery, you will also find large cities with financial and technological power but also rural areas where people are engaged in non-mechanized farming. Often, countries in the semi-periphery tend to have large land areas and large levels of inequality between urban and rural areas.

At the global scale, the European idea of a capitalist world-economy diffused across the world with colonialism/imperialism. The Industrial Revolution and colonialism made colonies dependent on the colonizers and brought wealth to the imperial powers. The core countries achieved their initial dominance through industrial production and the political control of resources. During the peak of colonialism, the imperialists exercised control over their domains and organized them for economic exploitation. Infrastructure for efficient profiteering was installed; entire populations were regimented in the service of the colonial order. Colonizers organized the flows of raw materials for their own benefit, and we can still see the evidence of that organization (plantations, ports, mines and railroads) on the cultural landscape in the periphery.

Not all core countries today were colonial powers, however. Some countries have significant global economic power even though they were never classic colonial powers. These positions were gained through these countries' geographic or cultural access to the wealthiest parts of the world and their ability to take advantage of that access. Norway and Switzerland, for example, were never colonial powers but exploited their proximity to Western European imperialist countries to benefit economically.

Even after colonies achieved political independence, the core countries continued to maintain their supremacy by controlling the production of goods and extraction of natural resources in countries in the semi-periphery and the periphery. Private corporations worked closely with governments and have had significant influence over the economies of periphery and semi-periphery countries. In many cases raw material flows are as great as they were before the colonies gained independence. This new form of control, which relied on economic exploitation and cultural influences rather than political power, is called **neo-colonialism**.

Some models can also be described as **"structuralist"** because they hold that difficult-to-change, large scale economic arrangements limit what can happen in fundamental ways. The development of the global economy created a structure (such as the concentration of wealth and unequal relations among places) that made it very difficult for poorer regions to improve their economic situation. Structuralists argue that these countries face a very different and more difficult development circumstances than those faced by former colonial powers. They further argue that such dependency helps sustain the prosperity of dominant regions and the poverty of other regions, even after decolonization occurred.

Many scholars would argue that Wallerstein's ideas are also structuralist. Unlike other development models which we will discuss later in the year, Wallerstein's model does not suggest that all countries can reach the highest level of development, nor does it explain how countries can improve their position. In contrast, it indicates that as a result of the nature of dependency, the world system will always include a combination of these three types of countries. The core which exploits the semi-periphery for cheap labor and raw materials and as markets, the periphery which is exploited by both the core and semi-periphery for raw materials and the semi-periphery which is exploited by the core (usually for cheap labor) but in turn exploits the periphery (usually for raw materials).

While Wallerstein built his model for a global scale, geographers apply the concepts of core, semi-periphery and periphery to smaller scales, such as a country. In the United States, for example, the core would be the major cities, such as New York, Los Angeles and Chicago. The semi-periphery would be smaller cities and towns with manufacturing and the periphery would be the rural areas that mostly supply raw materials.