

World-System Theory



Outline

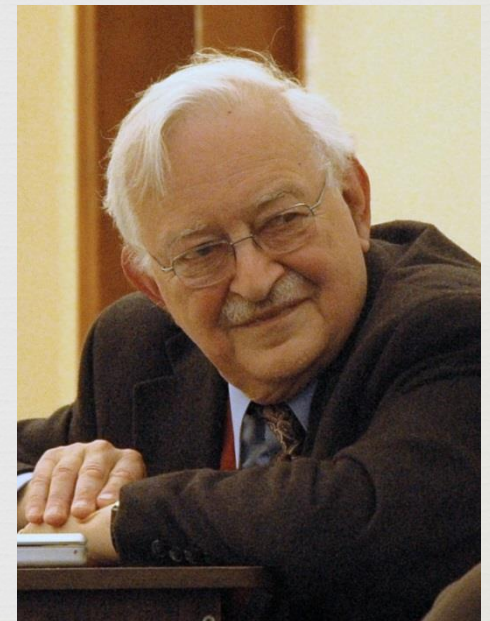


- ❧ Background
- ❧ Key aspects & application
- ❧ Strengths & weaknesses
- ❧ Post-transition vision
- ❧ Discussion: Today's relevance

Background



- ❧ Immanuel Wallerstein (*1930)
- ❧ French Annales School (Braudel: Longue durée)
- ❧ Dependency School
- ❧ Core questions:
 - ❧ East Asia's economic growth
 - ❧ Crisis among socialist states
 - ❧ Crisis concerning US capitalism (1970s)



Key aspects of World-System Theory (1)



- Progress not necessarily good or unidirectional
- Analysis as historical social science
- Unit of analysis: historical system

Mini-system



World empires



World economy



Key aspects of World-System Theory (2)



- ✧ Trimodal system (core, semi-periphery, periphery)
- ✧ Distinct mechanisms concerning development
 - ✧ Periphery → semi-peripheral status
 - ✧ Semi-periphery → core status

Modernisation vs. World-System Theory

	Modernisation Theory	World-System Theory
Unit of analysis	Nation state	World-system
Methodology	Transformation of Third World nation states; general patterns, universal trends, prospects	Historical dynamics of the world-system (cyclical rhythms and secular trends)
Theoretical structure	Bimodal: traditional vs. modern societies	Trimodal: core, semi-periphery, periphery
Direction of development	Upward mobility	Possible upward and downward mobility
Research focus	On Third World nation states	On all three spheres and the world economy

Application

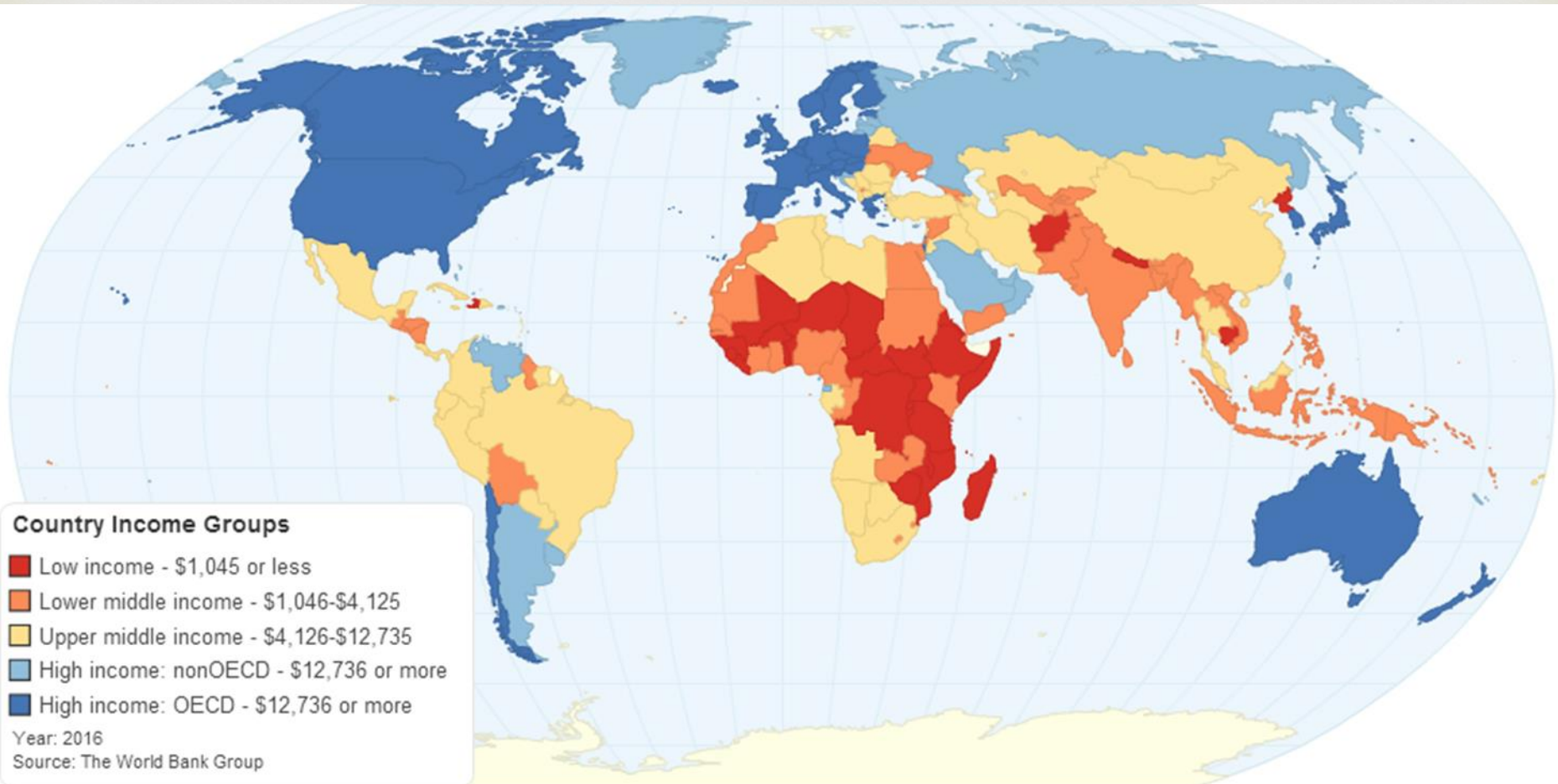


- ⌘ Often used as general framework in various disciplines (economy, political science, history, anthropology etc.)
- ⌘ Comparative development: Dynamics and relationships
- ⌘ Van Hamme & Pion (2012): Core-peripheries division still structures economic flows
- ⌘ Example: Information Flows (Golan, Himelboim 2016)

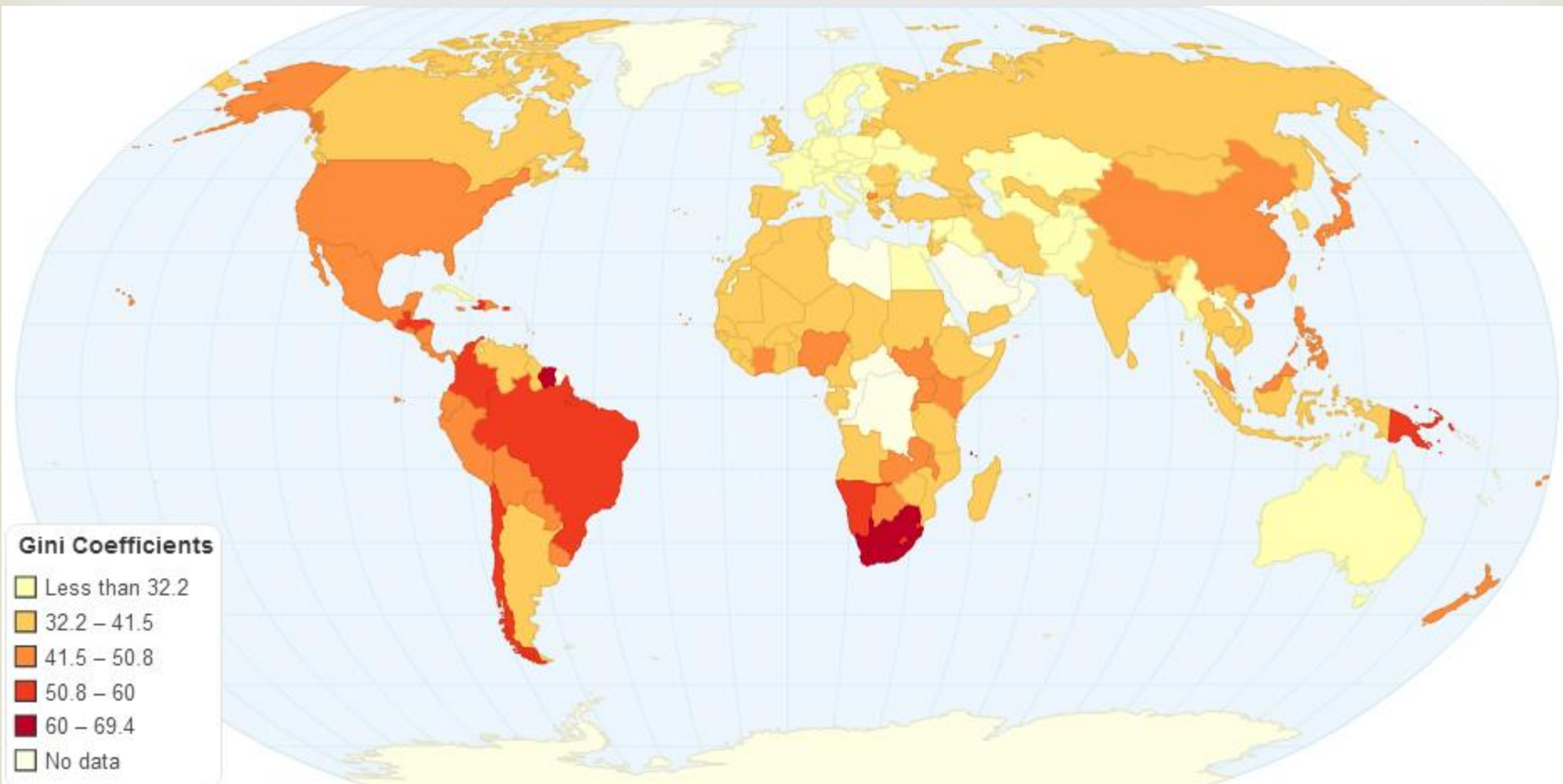
Trade Openness (2000)



Country Income



Gini Coefficient



Strengths & weaknesses of World-System Theory (1)



Strengths

- ❧ Inclusion of concept of semi-periphery (as for many countries it has proven to be stable condition, more than a transitional phase)
- ❧ holistic perspective allows for more abstract conclusions
- ❧ mirrors interdependency of spheres (not only inter-connection of single states)

Weaknesses

- ❧ Development measured on questionable criteria
→ core status will most likely stay with same actors
- ❧ development of peripheries depends upon core countries (internal factors are rather neglected)
- ❧ Specialisation in low-tech production may produce profits in the short term, but this is at the cost of long-term development.

Strengths and weaknesses (2)



Strengths

- ❧ Critic of the benefits of foreign investment in peripheral countries (rather extraction of profits without investing in long-term industrial infrastructure)

Weaknesses

- ❧ Trade is asymmetrical (poorer countries depend more on trade with core countries than vice-versa)
- ❧ Research findings are mixed
- ❧ Almost any action can be interpreted as “serving the interests of global capitalists” (no useful predictions)
- ❧ Is causality correct? “Dependency leads to being trapped in state of underdevelopment” could be the other way round: Poverty leads to a state of dependency (poorer countries are only able to trade commodities)

What happens after the transition?



Wallerstein: Radical transformation of the world system

→ global socialist revolution

= re-distribution of resources and power

Discussion: Relevance



Discussion: Relevance



Are the so-called crises (such as the capitalist crisis) exaggerated and the capitalist system is actually working quite well?

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Is Mr. Hannan proving Wallerstein's point concerning environmental quality, i.e. core states having the power to shift environmental problems to other spheres?

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Bibliography: Images



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