

# **SOCI 423: THEORIES OF SOCIAL DEVELOPMENT**

## **SESSION 9: THE WORLD SYSTEMS THEORY: APPROACH AND CRITICISMS**

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# SESSION OVERVIEW

- This session explores the contribution of the World-System theory to the explanation of Development and Underdevelopment and the criticisms leveled against this theory of development.
- **Goals/Objectives:** by the end of the session, the student will be able to:
  - Identify key historical antecedents and theoretical context underpinning the World Systems perspective
  - Explain the core ideas of Immanuel Wallerstein within this perspective.
  - Understand the main criticisms leveled against the world systems perspective



# SESSION OUTLINE

- The historical context and the intellectual context
- Immanuel Wallerstein– the world system theory
- Criticisms of the world system approach



# THE HISTORICAL AND INTELLECTUAL CONTEXT

- World systems theory has obvious affinities with the dependency school in its interest in centers and peripheries. But it had antecedents too in a theory of history named after *Annales: Economies, Sociétés, Civilizations*, a journal founded in 1929 by French historians Lucien Febvre and Marc Bloch.
- Dissatisfied with conventional history for being too isolated and unrealistic, the *Annales* school wanted to remake the discipline.
- The *Annales* historians used a comparative method, over long sweeps of time, to examine differences and similarities between societies.



# THE HISTORICAL AND INTELLECTUAL CONTEXT

- The French geographer Vidal de la Blache, who believed that the *genre de vie* (way of life) mediated between people and nature, deciding which of nature's possibilities came to be realized ("environmental possibilism"), was an ally of a school of historical thought that always had a strong geographic component in its regional histories, geo-histories, and studies of transportation.
- The main themes of the Annales school were social history, especially of the material conditions of working people; structural factors or relative constants; the long term as a common language for the social sciences; and, while this was not a Marxist (mode of production) school of thought, a concern with the relations among the economy, society, and civilization.



# THE HISTORICAL AND INTELLECTUAL CONTEXT

- Ferdinand Braudel (1902–1985), the most famous of the school's second-generation scholars, was particularly interested in structural limitations on material and economic life, the great “slopes of historical change” (those lasting centuries), regional histories, and the sudden breakup of ancient ways of life in the 19th century (Braudel 1972, 1973).
- This view was found to be suited to the study of the long-term history of the people of the Third World and the sudden changes thrust upon them by contact with the First World.
- A more obvious connection with development theory was forged by the sociologist Immanuel Wallerstein (1930–), an English-speaking representative of the Annales school.



# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

- Wallerstein retained the broad spatial reach and long historical time span of Annales scholarship by treating world history as the development of a single system.
- By “system,” Wallerstein meant a geographic entity with a single division of labour, so that all sectors or areas were dependent on the others via interchanges of essential goods.
- The historical past was characterized by mini-systems, spatially small societies, each with a complete division of labor and a single cultural framework, as in early agricultural, or hunting and gathering, societies.



# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

- But the recent integration of the last mini-systems, such as the hill tribes of Papua New Guinea or the bushmen of the Kalahari, into the capitalist world system meant that small systems no longer existed.
- World systems characterized by a single division of labour—yet multicultural systems—had long been dominant, in Wallerstein's view.
- The outstanding example, for Wallerstein, is the capitalist world economy, in which production is for profits and products are made to be sold on the market.





# THE WORLD SYSTEMS THEORY: IMMANUEL WALLERSTEIN

- In such a system production is constantly expanded as long as profits can be made, and producers innovate to expand the profit margin—hence, the secret of capitalist success is the pursuit of profit.
- In the past, world economies held together by strong states tended to become world empires, as with China, Egypt, or Rome. Surplus was extracted from peasants by political coercion (state force).
- With the rise of capitalism, by contrast, power passed to the private owners of means of production and to the market, with the state guaranteeing the political conditions for capital accumulation.



# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

- The capitalist world economy resisted various attempts to create world empires (for example, by Britain and the United States), and capitalism (organized economically through markets) has therefore proven to be a lasting way of regulating and coordinating global production (Wallerstein 1979, 1980, 1988).
- Within the world system there are, for Wallerstein, three main economic zones: core, semiperiphery, and periphery.
- Countries making up the core have efficient, complex production systems and high levels of capital accumulation.



# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

- Core states are administratively well organized and are militarily powerful. Peripheral countries have the opposite characteristics.
- The semi periphery combines elements of both.
- World systems theory saw spatial relations among zones as exploitative that is, involving the flow of surplus from periphery to core as in dependency theory.
- But adding peripheral surplus reduces the level of class and interstate conflict in the core (Chase-Dunn 1989).



# THE WORLD SYSTEMS THEORY: IMMANUEL WALLERSTEIN

- For the periphery, loss of surplus means that capital needed for modernization is not available.
- In the periphery, the system of intense labor exploitation at low wage levels shapes class relations and fosters political conflict.
- Semiperipheral states function to prevent political polarization in the world system while collecting surplus for transmission to the core (Shannon 1989).



# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

- For Wallerstein, the capitalist world economy originated in 16<sup>th</sup> century Europe during an era of increased agricultural production for growing urban markets.
- At the ultimate core of the developing world capitalist economy, in England, the Netherlands, and northern France, a combination of pastoral and arable production required high skill levels and favored free agricultural labour.
- The periphery of this early world system specialized in grains, cotton, and sugar, together with bullion from mines, all activities favoring the use of coerced labor



# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

- In between lay a series of transitional regions, mainly former cores degenerating toward peripheral status, making high-cost industrial products, giving credit, dealing in specie, and using sharecropping in the agricultural arena (for example, northern Italy).
- Whereas the interests of capitalist landowners and merchants coincided in the development of the absolute monarchy and strong central state machineries in the core, ruling class interests diverged sharply in the periphery, leading to weak states.
- Unequal exchange in commerce was imposed by the strong core on the weak peripheries, and the surplus of the world economy was thereby appropriated by the core (Wallerstein 1974: Chapters 2 and 3).



# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

- From this geo-sociological perspective, Wallerstein outlined the main stages in the history of the world capitalist economy as follows:
  1. The European world economy emerged during the extended 16th century (say, 1450–1640). The crisis of feudalism posed a series of dilemmas that could only be resolved through geographic expansion of the division of labor.
- By the end of the period northwest Europe had established itself as core, Spain and the northern Italian cities declined into the semi periphery
- 2. Mercantilist struggle during the recession of 1650–1730 left England as the only surviving core state.



# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

3. Industrial production and the demand for raw materials increased rapidly after 1760, leading to geographic expansion of frontiers in what now became truly a world system under British hegemony.
  - Russia, previously an important external system, was incorporated into the semi periphery while the remaining areas of Latin America, and Asia and Africa were absorbed into the periphery.
  - This expansion enabled some former areas of the periphery (the United States and Germany) to become at first semiperipheral, and then eventually core, states. The core exchanged manufactured goods with the periphery's agricultural products.
  - The concentrated mass of industry created an urban proletariat that became an internal threat to the stability of the core of the capitalist system—the industrial bourgeoisie eventually had to “buy off” this threat with higher wages.
  - This development also solved the problem of what to do with the burgeoning output from the new manufacturing industries





# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

4. World War I marked the beginning of a new stage characterized by revolutionary turmoil (the Russian Revolution ended that country's further decline toward peripheral status) and the consolidation of the capitalist world economy under the hegemony of the United States instead of Britain.
- After World War II, the urgent need was expanded markets, met by reconstructing western Europe, reserving Latin America for U.S. investment, and decolonizing southern Asia, the Middle East, and Africa.
- Since the late 1960s, a decline in U.S. political hegemony has increased the freedom of action of capitalist enterprises, now taking the form of multinational corporations.

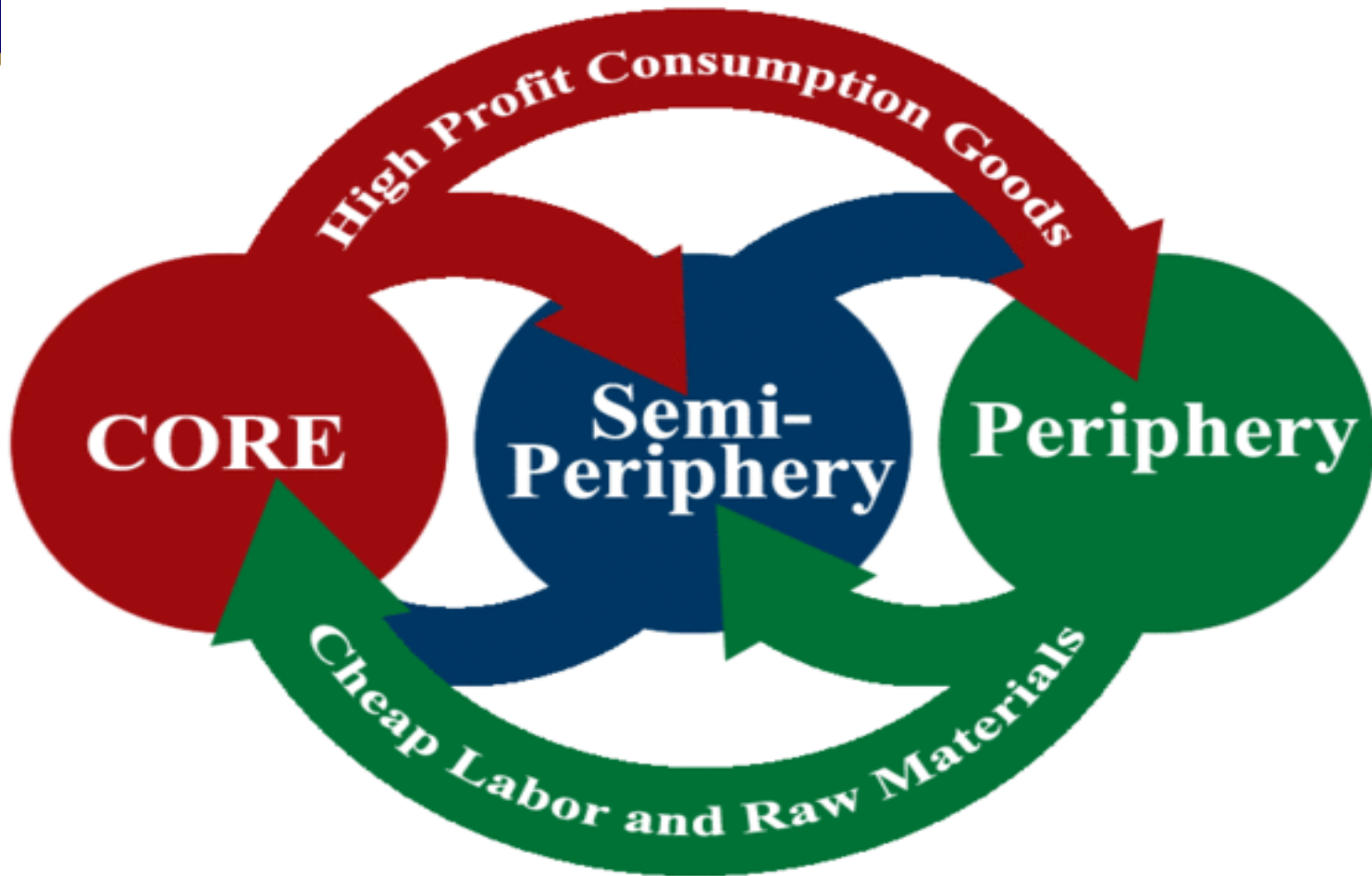


# IMMANUEL WALLERSTEIN: THE WORLD SYSTEMS THEORY

- The world system thus has structural-spatial parts (center, semi periphery, periphery) that evolve through stages of alternating expansion and contraction.
- Within such a framework, Wallerstein argued, comparative analyses of the whole system and the development of its regional parts can be made.
- World systems theory places regional development dynamics in a global context.



# World-System Theory



**Wallerstein's World System Theory Model**



# CRITICISMS OF THE WORLD SYSTEMS THEORY

1. Reification of the concept of world capitalist world economy and inverts the real historical process in which these global relations were created.
2. World system is criticized for neglecting the study of historically specific development.
3. According to critics, the world-system perspective has focused on exchange relations and the distribution of rewards in the market rather than classes and conflict in the production sphere.
4. The world system perspective seldom examines the historically specific class relations within nations that shape the global relations between them



# ACTIVITY

- Discuss the assertion that what the Third World needs is more capitalism, not less.
- Why can capitalism exist only in a world-economy, according to Wallerstein?
- How would you go about completing a mode of production analysis on any one country?



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