

WORLD-SYSTEMS THEORY

Immanuel Wallerstein

Note:

This presentation is based on the theory of Immanuel Wallerstein as presented in books listed in the bibliography. A summary of this and other macro-social theories can be found in *Macrosociology: Four Modern Theorists*, by Frank W. Elwell.

Introduction

Marx's legacy in social theory does not lie in his predictions of future utopias but rather in his analyses of the workings and contradictions of capitalism. Within contemporary sociology this tradition is very much alive in world-systems analysis, a perspective developed by Immanuel Wallerstein in the 1970s.

World-Systems

According to Wallerstein, the modern nation state exists within a broad economic, political, and legal framework which he calls a “world-system.” Just as individual behavior cannot be understood without reference to the sociocultural system in which they are members, individual societies or nation states cannot be understood without reference to the world-system in which they are embedded.

World-Systems

Modern nation states are all part of the world-system of capitalism, and it is this world-system that Wallerstein seeks to understand.

Types of Social Systems

Wallerstein believes that there are only three basic types of social systems. The first he terms as “mini-systems,” these are the small, homogenous societies studied by anthropologists. Hunting and gathering, pastoral, and simple horticultural societies are relatively self-contained economic units, producing all goods and services within the sociocultural system itself.

Types of Social Systems

The second type of social system is a “world-empire.” This system has an economy that is based on the extraction of surplus goods and services from outlying districts. Much of this tribute goes to pay for the administrators who extract it and for the military to ensure continued domination, the rest goes to the political rulers at the head of the empire.

Types of Social Systems

The third type of social system, according to Wallerstein, are the world-economies. Unlike world-empires, the world-economies have no unified political system; nor is its dominance based on military power alone. However, like a world-empire, a world-economy is based on the extraction of surplus from outlying districts to those who rule at the center.

Capitalist World-System

From the start, Wallerstein argues, capitalism has had a division of labor that encompassed several nation state. The capitalist world-system began in Europe in about 1500 and under the spur of the accumulation of capital, expanded over the next few centuries to cover the entire globe. In the process of this expansion the capitalist world system has absorbed small mini-systems, world-empires, as well as competing world-economies.

Capitalist World-System

The capitalist world-economy was created by establishing long-distance trade in goods and linking production processes worldwide, all of which allowed the significant accumulation of capital in Europe.

Capitalist World-System

But these economic relationships were not created in a vacuum. The modern nation state was created in Europe along with capitalism to serve and to protect the interests of the capitalists. What was in the interest of early European capitalists was the establishment of a world-economy based on an extremely unequal division of labor between European states and the rest of the system.

Capitalist World-System

Also in the interest of early European capitalists was the establishment of strong European states that had the political and military power to enforce this inequality.

Capitalist World-System

For Wallerstein, the capitalist world-economy is a mechanism of surplus appropriation that is both subtle and efficient. It relies upon the creation of surplus through constantly expanding productivity. It extracts this surplus for the benefit of the elite through the creation of profit.

Capitalist World-System

The capitalist world-system is based on a two-fold division of labor in which different classes and status groups are given differential access to resources within nation states, and the different nation states are given differential access to goods and services on the world market. Both types of markets, both those within and those between nation states, are very much distorted by power.

Peripheral States

Wallerstein divides the capitalist world-economy into core states, semi-peripheral, and peripheral areas. The peripheral areas are the least developed; they are exploited by the core for their cheap labor, raw materials, and agricultural production.

Semi-peripheral States

The semi-peripheral areas are somewhat intermediate, being both exploited by the core and take some role in the exploitation of the peripheral areas. In the recent past they have been expanding their manufacturing activities particularly in products that core nations no longer find very profitable.

Core States

The core states are in geographically advantaged areas of the world – Europe and North America. These core states promote capital accumulation internally through tax polity, government purchasing, sponsorship of research and development, financing infrastructural development (such as sewers, roads, airports – all privately constructed but publically financed), and maintaining social order to minimize class struggle.

Core States

Core states also promote capital accumulation in the world-economy itself. These states have the political, economic, and military power to enforce unequal rates of exchange between the core and the periphery.

Core States

It is this power that allows core states to dump unsafe goods in peripheral nations, pay lower prices for raw materials than would be possible in a free market, exploit the periphery for cheap labor, dump in their environment, abuse their consumers and workforce, erect trade barriers and quotas, and establish and enforce patents.

Core States

It is the economic, political, and military power of the core that allows significant capital to be accumulated into the hands of the few, the capitalist world-system that produces and maintains the gross economic and political inequalities within and between nations.

Capitalist World-System

As with capitalism within nation states, this unequal power between nation states is not uncontested. It is the subject of struggle. There are internal contradictions that with the passage of time cause political and economic instability and social unrest.

Capitalist World-System

Eventually, according to Wallerstein, a world wide economic crisis will be reached and the capitalist world-system will collapse, opening the way for revolutionary change.

Capitalist World-System

For a more extensive discussion of world-systems theory, as well as a fuller discussion of its implications for understanding international and national relations, refer to *Macrosociology: Four Modern Theorists*. For an even deeper understanding, read from the bibliography that follows.

Bibliography

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