

# Dependency and World-Systems Theories

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Dependency approaches emerged out of Latin America in the 1960s in reaction to modernization theories of development. *Dependentistas* attributed the difficulties of development in the global South to the legacies of the long history of colonialism as well as contemporary international power relations. This approach suggested that international inequalities were socially structured and that hierarchy is a central feature of the global system of societies.

The world-systems perspective is a strategy for explaining social change that focuses on whole intersocietal systems rather than single societies. The main insight is that important interaction networks (trade, information flows, alliances, and fighting) have woven polities and cultures together since the beginning of human social evolution. Explanations of social change need to take intersocietal systems (world-systems) as the units that evolve. However, intersocietal interaction networks were rather small when transportation was mainly a matter of hiking with a pack. Globalization, in the sense of the expansion and intensification of larger interaction networks, has been increasing for millennia, albeit unevenly and in waves.

The intellectual history of world-systems theory has roots in classical sociology, Marxian political economy, and the thinking of the *dependentistas*. But in explicit form the world-systems perspective emerged only in the 1970s when Samir Amin, André Gunder Frank, and Immanuel Wallerstein began to formulate the concepts and to narrate the analytic history of the modern world-system.

The idea of the *whole system* ought to mean that all the human interaction networks, small and large, from the household to global trade, constitute the world-system. It is not just a matter of "international relations" or global-scale institutions such as the World Bank. Rather, at the present time, the world-system is all the people of the earth and all their cultural, economic, and political institutions and the interactions and connections among them. The world-systems perspective looks at human institutions over long periods of time and employs the spatial scales that are required for comprehending these whole interaction systems.

The modern world-system can be understood structurally as a stratification system composed of economically, culturally, and militarily dominant core societies (themselves in competition with one another), and dependent peripheral and semiperipheral regions. Some dependent regions have been successful in improving their positions in the larger core/periphery hierarchy, while most have simply maintained their peripheral and semiperipheral positions. This structural perspective on world history allows us to analyze the cyclical features of social change and the long-term patterns of development in historical and comparative perspective. We can see the development of the modern world-system as driven primarily by capitalist accumulation and geopolitics in which businesses and states compete with one another for power and wealth. Competition among states and capitals is conditioned by the dynamics of struggle among classes and by the resistance of peripheral and semiperipheral peoples to domination and exploitation from the core. In the modern world-system, the semiperiphery is composed of large and powerful countries in the third world (e.g., Mexico, India, Brazil, China) as well as smaller countries that have intermediate levels of economic development (e.g., the newly industrializing countries of East Asia). It is not possible to understand the history of social change without taking into account both the strategies

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and technologies of the winners, and the strategies and forms of struggle of those who have resisted domination and exploitation.

It is also difficult to understand why and where innovative social change emerges without a conceptualization of the world-system as a whole. New organizational forms that transform institutions and that lead to upward mobility most often emerge from societies in semiperipheral locations. Thus all the countries that became dominant core states in the modern system had formerly been semiperipheral (the Dutch, the British, and the United States). This is a continuation of a long-term pattern of social evolution that Chase-Dunn and Hall (1997) have called “semiperipheral development.” Semiperipheral marcher states and semiperipheral capitalist city-states had acted as the main agents of empire formation and commercialization for millennia. This phenomenon arguably also includes organizational innovations in contemporary semiperipheral countries (e.g., Mexico, India, South Korea, Brazil) that may transform the now-global system.

This approach requires that we think structurally. We must be able to abstract from the particularities of the game of musical chairs that constitutes uneven development in the system to see the structural continuities. The core/periphery hierarchy remains, though some countries have moved up or down. The interstate system remains, though the internationalization of capital has further constrained the abilities of states to structure national economies. States have always been subjected to larger geopolitical and economic forces in the world-system, and as is still the case, some have been more successful at exploiting opportunities and protecting themselves from liabilities than others.

In this perspective many of the phenomena that have been called “globalization” correspond to recently expanded international trade, financial flows, and foreign investment by transnational corporations and banks. Much of the globalization discourse assumes that until recently there were separate national societies and economies, and that these have now been superseded by an expansion of international integration driven by information and transportation technologies. Rather than a wholly unique and new phenomenon, globalization is primarily international economic integration, and as such it is a feature of the world-system that has been oscillating as well as increasing for centuries. Recent research comparing the nineteenth and twentieth centuries has shown that trade globalization is both a cycle and a trend.

The Great Chartered Companies of the seventeenth century were already playing an important role in shaping the development of world regions. Certainly, the transnational corporations of the present are much more important players, but the point is that “foreign investment” is not an institution that only became important since 1970 (nor since World War II). Arrighi (1994) has shown that finance capital has been a central component of the commanding heights of the world-system since the fourteenth century. The current floods and ebbs of world money are typical of the late phase of very long “systemic cycles of accumulation.”

Most world-systems scholars contend that leaving out the core/periphery dimension or treating the periphery as inert are grave mistakes, not only for reasons of completeness, but also because the ability of core capitalists and their states to exploit peripheral resources and labor has been a major factor in deciding the winners of the competition among core contenders. And the resistance to exploitation and domination mounted by peripheral peoples has played a powerful role in shaping the historical development of world orders. Thus world history cannot be properly understood without attention to the core/periphery hierarchy.

McMichael (2000) has studied the “globalization project” – the abandoning of Keynesian models of national development and a new (or renewed) emphasis on deregulation and opening national commodity and financial markets to foreign trade and investment. This approach focuses on the political and ideological aspects of the recent wave of international integration. The term many prefer for this turn in global discourse is “neoliberalism,” but it has also been called “Reaganism/Thatcherism” and the “Washington Consensus.” The worldwide decline of the political left predated the revolutions of 1989 and the demise of the Soviet Union, but it was certainly also accelerated by these events. The structural basis of the rise of the globalization project is the new level of integration reached by the global capitalist class. The internationaliza-

tion of capital has long been an important part of the trend toward economic globalization, and there have been many claims to represent the general interests of business before. Indeed, every modern dominant state has made this claim. But the real integration of the interests of capitalists all over the world has very likely reached a level greater than at the peak of the nineteenth-century wave of globalization.

This is the part of the theory of a global stage of capitalism that must be taken most seriously, though it can certainly be overdone. The world-system has now reached a point at which the old interstate system based on separate national capitalist classes exists simultaneously with new institutions representing the global interests of capital, and both are powerful forces. In this light each country can be seen to have an important ruling class faction that is allied with the transnational capitalist class. The big question is whether or not this new level of transnational integration will be strong enough to prevent competition among states for world hegemony from turning into warfare, as it has always done in the past, during a period in which a dominant state (now the United States) is declining.

The insight that capitalist globalization has occurred in waves, and that these waves of integration are followed by periods of globalization backlash, has important implications for the future. Capitalist globalization increased both intranational and international inequalities in the nineteenth century and it has done the same thing in the late twentieth century (O'Rourke & Williamson 2000). Those countries and groups that are left out of the "beautiful époque" either mobilize to challenge the status of the powerful or they retreat into self-reliance, or both.

Globalization protests emerged in the non-core with the anti-IMF riots of the 1980s. The several transnational social movements that participated in the 1999 protest in Seattle brought globalization protest to the attention of observers in the core, and this resistance to capitalist globalization has continued and grown despite the setback that occurred in response to the terrorist attacks on New York and Washington in 2001.

There is an apparent tension between, on the one hand, those who advocate deglobalization and delinking from the global capitalist economy and the building of stronger, more cooperative and self-reliant social relations in the periphery and semiperiphery and, on the other hand, those who seek to mobilize support for new, or reformed, institutions of democratic global governance. Self-reliance by itself, though an understandable reaction to exploitation, is not likely to solve the problems of humanity in the long run. The great challenge of the twenty-first century will be the building of a democratic and collectively rational global commonwealth. World-systems theory can be an important contributor to this effort.

SEE ALSO: Anti-Globalization Movements; Capitalism; Colonialism (Neocolonialism); Development: Political Economy; Empire; Global Economy; Global Justice Movement; Global Politics; International Gender Division of Labor; Kondratiev Cycles; Revolutions; Transnational Movements; World Conflict; World-System Theory: Premodern

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