World Systems Theory

Wallerstein
Immanuel Wallerstein’s World-Systems Theory:

1. The world economy has one market and a global division of labor.
2. Although the world has multiple states, almost everything takes place within the context of the world economy.
3. The world economy has a three-tier structure.
Construction of the World Economy

Capitalism — people, corporations, and states produce goods and services and exchange them in the world market, with the goal of achieving profit.

Commodification — the process of placing a price on a good and then buying, selling, and trading the good.

Colonialism — brought the world into the world economy, setting up an interdependent global economy.
Three Tier Structure

Core
Processes that incorporate higher levels of education, higher salaries, and more technology
* Generate more wealth in the world economy

Periphery
Processes that incorporate lower levels of education, lower salaries, and less technology
* Generate less wealth in the world economy

Semi-periphery
Places where core and periphery processes are both occurring. Places that are exploited by the core but then exploit the periphery.
* Serves as a buffer between core and periphery
Countries in the Semi-Periphery

Mexico
Venezuela
Argentina
South Africa
Portugal
Saudi Arabia
Turkey
Brazil
Russia
India
China

Poland
Czech Republic
Hungary
Romania
Bulgaria
Greece
Ukraine
Moldova
Belarus
Estonia
Latvia
Lithuania

Albania
Slovenia
Croatia
Bosnia-Herzegovina
Serbia
Macedonia
Montenegro
Ireland