Theory of modern world-system

Immanuel Wallerstein's Theory of World-Systems explains how the world has become a single economic system with interconnected regions or nations. The theory posits that the modern world-system, which emerged in the 16th century, is characterized by a central core region (Western Europe) that dominates the semi-periphery (North America, Australia, Japan) and the periphery (Africa, South America, Asia). The core region benefits from technological and institutional advantages, while the semi-periphery is characterized by rapid industrialization and urbanization, and the periphery by subsistence agriculture and feudal systems.

The division of labor between the three regions has been a driving force in the development of the world-system. The core region produces high-value-added goods that are traded with the semi-periphery, which then produces intermediate goods that are traded with the periphery. This process is facilitated by the development of modern transportation and communication technologies, allowing for the global flow of goods, services, and capital.

The modern world-system is not a stable equilibrium but rather a dynamic system characterized by change and conflict. As the core region becomes more prosperous, it may lose interest in the semi-periphery and the periphery, leading to a decline in economic activity and political instability in these regions. This can result in armed conflict, which in turn can disrupt the global flow of goods, services, and capital. The modern world-system is thus a complex and dynamic system, characterized by both cooperation and conflict, and is subject to change and evolution over time.

References: