

# World systems theory

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Dane Fuentes Sociology 10/19/12 World System's Theory Immanuel

Wallerstein's World Systems theory is the theory of how multinational corporations and industrializing nations have dominated the world over the last 500 years. Wallerstein also takes a look at how " periphery" and " semi-periphery" nations have become dependent on " core nations", due largely to their lack of varied resources and driven by the need to survive.

Wallerstein goes on to explain how colonialism has been replaced by neo-colonialism, a new form of using people, land, and resources purely for economic gain. This neo-colonialism, he claims, will lead to a perpetuation of wealth and more strict ascribed statuses and global stratification. One way neo-colonialism is highly visible, is in the presence of sweat shops or maquiladoras. Maquiladoras are sweat shops that are owned by multinational corporations that are common in developing and under-developed countries.

These sweat-shops do not give their worker's any rights. There is no job security, benefits, or retirement pensions. People work, until they can no longer work, and then perish. The worker is then replaced, possibly by his children, and the corporation moves on, never noticing the now disenfranchised worker who has to find a new means of survival and, in his desperation, perhaps turning to crime. The IMF and World Bank are two multinational corporations that also may have contributed in many ways to the massive inequality that is the global economy.

These financial institutions provided aid to needy countries. However, in exchange for this aid, the IMF and World Bank asked for very strong influences in those needy countries as well as heightened interest rates on

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the loans themselves. The countries are then, in turn, caught in a cycle of conceding to the Banks demands and paying their national debt. Many underdeveloped countries, such as Ghana and The Philipines, cannot pay these debts, so in turn, these debts grow.

At the same time, the multinational corporations are syphoning out resources due to their influence within those countries, leaving barren wastelands and poverty-stricken, disenfranchised people in their wake. Therefore, it may be seen that the multinational corporations may have sought to help these developing countries in a time of need, but in truth they were seizing an opportunity to indirectly buy the land from under the people living on it. This forms the basis of neo-colonialism.