

Theoretical Foundation Of Globalization: The World Systems, Modernization, And Dependency.

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Abstract: *This paper initiates from the position that globalization is hinged on theoretical bases- the first is the world system theory, the modernization theory, and the dependency theory- with peculiar assumptions. This paper presents the history, tenets, and limitations of each theory that explains the rise and stabilization of the phenomenon of globalization. The globalization process itself brings together countries with different development views, with different religions and cultures, and, most importantly ex colonialist countries and their old colonies. This paper concludes that globalization is a complex and multifaceted phenomenon.*

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Introduction

Globalization is a process of interaction and integration among the people, firms, and governments of nations. The term globalization refers to the emerging of an international network, belonging to an economic and social system (Beck, 1992). It is a process driven by international trade and investment. One of the earliest uses of the term "globalization", as known, was in 1930 to designate an overview of the human experience (Castells, 2001). This study examined globalization in the light of world-systems theory, modernization theory, and dependency theory.

The World Systems Theory

History of World Systems Theory

Immanuel Wallerstein is credited with developing world-systems theory. It began as a sociological field and evolved into a very interdisciplinary one in the 1970s. Before the sixteenth century, "feudalism" ruled Western European society as the region began its journey toward capitalist growth. Within the boundaries of the feudal system, both population and commerce grew between 1150 and 1300. But this expansion stopped between 1300 and 1450, resulting in a serious economic crisis. Wallerstein argues that the combination of the following factors—a decline or stagnation in agricultural production, the peaking of the feudal economy's economic cycle, a shift in climatic conditions that resulted in low agricultural productivity, and epidemics among the populace—likely caused the feudal crisis. The ascent of Western Europe to global dominance between 1450 and 1670 can be explained by the modern world systems, which emerged in response to the collapse of the feudal

system. The world economic system began to take shape in the late fifteenth and early sixteenth century as a reaction to the feudal crises.

The international division of labor that governed the relationships between various countries and the kinds of labor conditions that existed within each region served as the foundation for the new capitalist global system.

Tenets of World Systems Theory

The world system, not nation states, is emphasized as the major (though not exclusive) unit of social study in world systems theory which is a macro-scale approach to world history and social change (Barfield, 1997, Wallerstein, 2004). The primary claim of the world system theory, according to Jan (1988), is that a capitalist global economy—which may be referred to as a world system—developed in the sixteenth century. A model for comprehending both alterations in the global system and the connections among its components is offered by world-systems theory. It was one of the first to propose that instead of focusing on the relatively new unit of the nation-state, we should analyze global interaction.

What Wallerstein refers to as a "world economy" is a world-system, which is integrated through the market rather than a political center. In this system, two or more regions compete for dominance without the permanent emergence of a single center, and two or more polities are interdependent with respect to basic needs like food, fuel, and protection. According to Wallerstein, "a world-system is a social system, one with member groups, limits, structures, and coherence. Its life is composed of opposing forces that both tear it apart and keep it together via tension as each group constantly tries to reshape it to suit its needs (Wallerstein, 2004). A world system, according to Wallerstein's initial definition, is a "multicultural territorial division of labor in which the production and exchange of basic

goods and raw materials is necessary for the everyday life of its inhabitants." The forces and production relations of the global economy as a whole are referred to in this division of labor. According to Barfield (1997), the term "world system" refers to the interregional and transnational division of labor that separates the world's nations into core, semi-peripheral, and periphery regions.

According to Wallerstein, the global system is made up of a number of mechanisms that transfer surplus value from the periphery to the core. The periphery is made up of undeveloped regions that export raw materials, while the core is made up of developed, industrialized regions. The market serves as a vehicle through which the core takes advantage of the periphery. According to this idea, all parts of the world can be divided into four categories: core, semi-periphery, periphery, and external. Out of the four, the core and periphery are the two most crucial. Geographically and culturally distinct, one concentrates on labor-intensive production while the other on capital-intensive industry.

Relationship between the core and the peripheral is structural. Semi-peripheral nations have a mixture of the institutions and activities found in core and periphery, serving as a buffer between them. Higher skill and capital-intensive production are the main priorities in the core regions. (Source: Robinson, 2011) and gained the most advantage from the global capitalism system. A large portion of northwest Europe, including England, France, and Holland, evolved as the first core region throughout the time period under study. Politically, the states in this region of Europe established sizable mercenary armies, robust central administrations, and enormous bureaucracies. As a result, the local bourgeoisie was able to seize control over global trade and profit personally from capital surpluses. The peripheral zones, which prioritize low skill, labor-intensive production, and raw material extraction, are located at the other end of the scale (Robinson, 2011). These regions relied on repressive labor methods, exported raw materials to the core, and either lacked strong central governments or were under the power of other states. A large portion of the capital surplus produced by the periphery through unfair trade ties was taken by the core. Peripheral territories were present in two regions: Latin America and Eastern Europe, particularly Poland. Poland became a major supplier of wheat to the rest of Europe, and the nobles replaced the kings as the ruling class gained control. The indigenous authority systems in Latin America were destroyed by the Spanish and Portuguese conquests and were replaced with feeble bureaucracies ruled by these European states.

Strong local Hispanic landlords developed into aristocratic capitalist farmers. The export of inexpensive raw resources to Europe was made possible by the enslavement of the local populace, the introduction of African slaves, and oppressive labor methods. The labor systems in these peripheral regions were designed to generate items not only for domestic use but also for a capitalist global economy, which set them apart from

earlier forms in medieval Europe. The semi-peripheries are located in between the two extremes. These territories were either declining core regions or peripherals trying to gain a better position relative to the global economic system. They frequently functioned as barriers between the center and the edges. Portugal and Spain are excellent examples of declining cores that turned into semi-peripheries over the research period.

Italy, southern Germany, and southern France were also semi-peripheries during this time. From an economic standpoint, these areas continued to have restricted but dwindling access to foreign banks and the manufacturing of expensive but superior manufactured goods. They did not, however, profit to the same degree as the core as they were unable to dominate global trade. Wallerstein claimed that although the core exploited the semi-peripheries, they frequently exploited the peripheries themselves, just like the Spanish and Portuguese empires in America. For instance, Spain imported gold and silver from its American colonies, which were primarily acquired through forced labor; however, rather than promoting the development of a homegrown manufacturing industry, the majority of these specie were used to purchase manufactured goods from core nations like France and England. These regions were mostly able to stay outside of the contemporary global economy while yet maintaining their own economic systems. Russia makes sense in this situation.

According to Wallerstein (1983), a significant section of the global populace would suffer as a result of the growth of the capitalist global economy. A key component of the existing global order is the hierarchy of power between the core and the periphery, whereby wealthy and powerful "core" civilizations subjugate and take advantage of weaker and impoverished "peripheral" societies. The systematic transfer of surplus from semi-proletarian sectors in the periphery to the high-technology, industrialized core is what Wallerstein referred to as unequal exchange. This results in the appropriation and transformation of peripheral surplus, which is a necessary step in the global process of capital accumulation.

Criticisms of World Systems Theory

The World System Theory has drawn criticism for emphasizing the economics over culture (Barfield, 1997). Robinson (2011) argues that because these operate on a global rather than state system and are incomprehensible by Wallerstein's nation-centered approach, the theory fails to account for emerging transnational social forces, relationships formed between them, and global institutions serving their interests. He also chastised the theory for failing to conceptualize the emergence of globalization and for using a state-structuralist approach. Wallerstein (2004) claims that positivists fault the method for being too dependent on generalizations and for missing quantitative facts. The notion is criticized by state autonomists for obfuscating the distinctions between the state and private enterprises. Culturalists contend that world-systems theory overemphasizes the economy and undervalues culture. Although the interstate system constitutes an analytically

independent level of global capitalism, Skopal (1979) contends that it is far from being merely a structure of the capitalist world economy because it was not first produced by capitalism and cannot be reduced to it.

Modernization Theory

History of Modernization Theory

Western scholars created modernization theory in the 1950s and 1960s. A number of historical factors contributed to the modernization theory of development's early years following World War II. The emergence of the US as a superpower came first. After World War II, the United States emerged from the conflict stronger than its adversaries, France, Germany, and Great Britain. It also gained international prominence when it implemented the Marshall Plan, which helped rebuild Western Europe after the conflict. The growth of a global communist movement came in second. The influence of the former Soviet Union reached China and Korea in addition to Eastern Europe. Third, there was the collapse of European colonial empires in Latin America, Africa, and Asia, which resulted in the formation of numerous new nation-states in the Third World. These young nation-states were looking for a development model to boost their political and economic independence.

Tenets of Modernization Theory

The modernization idea states that welfare for the poor is increased, children obtain a higher quality education, and contemporary nations are more productive. The distinctive characteristic of modern societies is social structural differentiation, or the distinct articulation of political positions and functions from national institutions. While structural differentiation has made modern organizations more functional, it has also made integration and coordination among the many new entities more difficult. Differentiating political structures, secularizing political cultures with an emphasis on equality, and enhancing the ability of a society's political system through its political culture were characteristics of modern societies.

The major assumptions of the modernization theory of development basically are:

- The process of modernization is gradual. These five stages—traditional society, takeoff preparation, takeoff itself, drive to maturity, and high mass consumption society—come from Rostow's paradigm.

- The process of modernization homogenizes. In this way, we can say that modernization creates tendencies for societies to converge. Levy (1967), for instance, asserts that "as time goes on, they and we will increasingly resemble one another because the patterns of modernization are such that the more highly modernized societies become, the more they resemble one

another."

- The process of europeanization or americanization is modernization. There is a complacent attitude toward the United States and Western Europe in the literature on modernization. These countries are thought to possess unparalleled democratic stability and economic development (Tippis 1976).

- The process of modernization cannot be stopped. Modernization cannot be stopped once it begins. Put another way, once developing nations interact with the West, they will find it impossible to resist the pressure to modernize.

- Modernization is a progressive process that is both unavoidable and desirable in the long run. Compared to conventional political systems, modernized political systems are better able to handle issues like national identity, legitimacy, penetration, participation, and distribution.

- The process of modernization is drawn out. This is not a revolutionary shift, but rather an evolutionary one. It will take decades or maybe centuries to finish, and only time will be able to fully appreciate its tremendous effects.

- Modernization is a transformative process; a society must completely replace its previous structures and values with a new set of current ideals in order to transition into modernity.

- Because modernization is a methodical and transformative process that introduces change into the social structure, it is an impending process.

Criticisms of Modernization Theory

Among the arguments against the theory are the following: To begin with, development is not always one-way. Second, the modernization viewpoint only presents one potential development paradigm. The United States' development pattern is the preferred example. However, in contrast to this situation, we can observe that other countries, like Taiwan and South Korea, have made progress toward development; and we have to acknowledge that strong authoritarian regimes have been responsible for bringing these countries to their current state of development. Third, the theory addresses the necessity of doing away with conventional values. Third World nations' highly diverse value systems prevent them from having a uniform set of traditional values. Fourth, traditional and modern values do not always have to conflict with one another. Japan and China, for instance, both seem to be operating under traditional values in spite of their economies' advancements. Furthermore, it is

incorrect to claim that traditional values and contemporary status are invariably mutually exclusive.

Dependency Theory

History of Dependency Theory

ECLAC (the Economic Commission for Latin America and the Caribbean) conducted research in the 1950s that laid the groundwork for the theory of reliance. Raul Prebisch was one of the most representative writers. The main ideas of the Prebisch model are that in order to foster development within a nation, it is imperative to: regulate the monetary exchange rate and prioritize fiscal over monetary policy; encourage a more effective role for the government in terms of national development; establish an investment platform where national capitals are given priority; and permit the inflow of outside money in accordance with the development priorities already set forth in national plans in order to support the industrialization process in Latin America; encourage a more effective internal demand in terms of domestic markets; increase internal demand by raising worker wages and salaries, which will positively affect aggregate demand in internal markets; develop a more effective government social service coverage, particularly for impoverished sectors, in order to create conditions that will make those sectors more competitive; and create national policies based on the import substitution paradigm, safeguarding domestic output through the imposition of tariffs and quotas on foreign markets.

Dependency theory had its roots in the proposal made by Prebisch and ECLAC at the start of the 1950s. Nonetheless, a number of writers, including Falleto and Dos Santos, contend that the dependency model was only established as a result of the failure of the ECLAC's development initiatives. The latter part of the 1950s and the middle of the 1960s saw the publication of this more complex theoretical model. Andre Gunder Frank, Raul Prebisch, Theotonio Dos Santos, Enrique Cardozo, Edelberto Torres-Rivas, and Samir Amin are some of the prominent writers of dependence theory.

Tenets of Dependency Theory

The theory of dependency blends aspects of Keynes' economic theory—the liberal economic theories that arose in the United States and Europe in reaction to the Great Depression of the 1920s—with neo-marxist perspectives. Four key ideas from Keynes' economic theory are embodied in the theory of dependency: To: a) Create a significant internal effective demand in terms of domestic markets; b) Acknowledge the importance of the industrial sector in achieving higher levels of national development, particularly given that it can add more value to products than the agricultural sector can.; c) To raise worker incomes in order to boost aggregate demand in domestic markets; d) To encourage a more capable role for the

government in order to uphold domestic development conditions and raise living standards.

The following are the main theories put out by the dependency theory regarding Third World country development:

1. The growth of countries in the Third World requires deference to the core, while the development of the core nations is self-sufficient. Examples of this kind of circumstance are found throughout Latin America, particularly in highly industrialized nations like Sao Paulo, Brazil.
2. The weakest connections to the core coincide with the greatest economic progress for the periphery countries. The industrialization process that began in South America in the 1930s, while the Western powers were fighting in World War II and the core nations were concentrating on finding solutions to the issues left over from the Great Depression, is an example of this situation.
3. The periphery countries are fully reincorporated into the system by the time the core emerges from its crisis and resumes trade and investment relations, which stunts the expansion of industrialization in these areas. Third World countries suffer in terms of balance of payments, inflation, and political stability when core countries recover from war or other crises that divert their focus from the periphery.
4. The areas that have the strongest historical ties to the center are those that are extremely poor and continue to function under a feudal system.

Criticisms of Dependency Theory

The main criticism of the dependency theory has centered on the fact that this institution's conclusions are not fully supported by actual data. Moreover, this theoretical stance employs extremely abstract analytical levels. Another criticism leveled at the dependency movement is that connections with multinational firms are viewed as exclusively bad for nations, despite the fact that these connections can be leveraged to transfer technology.

Conclusion

While from the review of these theories, it is clear that there are issues of globalization- issues that links it to the imperialism (history of conquest, colonialism and hostile/foreign ruling remain relevant even today, in many ways) and to the understanding of the postcolonial world, globalization has its merits and is a large and complex process.

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