

## *The Modern World-System*

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In order to describe the origins and initial workings of a world system, I have had to argue a certain conception of a world-system. A world-system is a social system, one that has boundaries, structures, member groups, rules of legitimation, and coherence. Its life is made up of the conflicting forces which hold it together by tension and tear it apart as each group seeks eternally to remold it to its advantage. It has the characteristics of an organism, in that it has a life-span over which its characteristics change in some respects and remain stable in others. One can define its structures as being at different times strong or weak in terms of the internal logic of its functioning.

What characterizes a social system in my view is the fact that life within it is largely self-contained, and that the dynamics of its development are largely internal. The reader may feel that the use of the term "largely" is a case of academic weaseling. I admit I cannot quantify it. Probably no one ever will be able to do so, as the definition is based on a counterfactual hypothesis: If the system, for any reason, were to be cut off from all external forces (which virtually never happens), the definition implies that the system would continue to function substantially in the same manner. Again, of course, substantially is difficult to convert into hard operational criteria. Nonetheless the point is an important one and key to many parts of the empirical analyses of this book. Perhaps we should think of self-containment as a theoretical absolute, a sort of social vacuum, rarely visible and even more implausible to create artificially, but still and all a socially-real asymptote, the distance from which is somehow measurable.

Using such a criterion, it is contended here that most entities usually described as social systems -- "tribes," communities, nation-states--are not in fact total systems. Indeed, on the contrary, we are arguing that the only real social systems are, on the one hand, those relatively small, highly autonomous subsistence economies not part of some regular tribute-demanding system and, on the other hand, world-systems. These latter are to be sure distinguished from the former because they are relatively large; that is, they are in common parlance "worlds." More precisely, however, they are defined by the fact that their self-containment as an economic-material entity is based on extensive division of labor and that they contain within them a multiplicity of cultures.

It is further argued that thus far there have only existed two varieties of such world-systems: world-empires, in which there is a single political system over most of the area, however attenuated the degree of its effective control; and those systems in which such a single political system does not exist over all, or virtually all, of the space. For convenience and for want of a better term, we are using the term "world-economy" to describe the latter.

Finally, we have argued that prior to the modern era, world-economies were highly unstable structures which tended either to be converted into empires or to disintegrate. It is the peculiarity of the modern world-system that a world-economy has survived for 500 years and yet has not come to be transformed into a world-empire--a peculiarity that is the secret of its strength.

This peculiarity is the political side of the form of economic organization called capitalism. Capitalism has been able to flourish precisely because the world-economy has had within its bounds not one but a multiplicity of political systems.

I am not here arguing the classic case of capitalist ideology that capitalism is a system based on the noninterference of the state in economic affairs. Quite the contrary! Capitalism is based on the constant absorption of economic loss by political entities, while economic gain is distributed to "private" hands. What I am arguing rather is that capitalism as an economic mode is based on the fact that the economic factors operate within an arena larger than that which any political entity can totally control. This gives capitalists a freedom of maneuver that is structurally based. It has made possible the constant economic expansion of the world-system, albeit a very skewed distribution of its rewards. The only alternative world-system that could maintain a high level of productivity and change the system of distribution would involve the reintegration of the levels of political and economic decision-making. This would constitute a third possible form of world-system, a socialist world government. This is not a

form that presently exists, and it was not even remotely conceivable in the sixteenth century.

The historical reasons why the European world-economy came into existence in the sixteenth century and resisted attempts to transform it into an empire have been expounded at length. We shall not review them here. It should however be noted that the size of a world-economy is a function of the state of technology, and in particular of the possibilities of transport and communication within its bounds. Since this is a constantly changing phenomenon, not always for the better, the boundaries of a world-economy are ever fluid.

We have defined a world-system as one in which there is extensive division of labor. This division is not merely functional--that is, occupational--but geographical. That is to say, the range of economic tasks is not evenly distributed throughout the world-system. In part this is the consequence of ecological considerations, to be sure. But for the most part, it is a function of the social organization of work, one which magnifies and legitimizes the ability of some groups within the system to exploit the labor of others, that is, to receive a larger share of the surplus.

While, in an empire, the political structure tends to link culture with occupation, in a world-economy the political structure tends to link culture with spatial location. The reason is that in a world-economy the first point of political pressure available to groups is the local (national) state structure. Cultural homogenization tends to serve the interests of key groups and the pressures build up to create cultural-national identities.

This is particularly the case in the advantaged areas of the world-economy--what we have called the core-states. In such states, the creation of a strong state machinery coupled with a national culture, a phenomenon often referred to as integration, serves both as a mechanism to protect disparities that have arisen within the world-system, and as an ideological mask and justification for the maintenance of these disparities.

World-economies then are divided into core-states and peripheral areas. I do not say peripheral *states* because one characteristic of a peripheral area is that the indigenous state is weak, ranging from its nonexistence (that is, a colonial situation) to one with a low degree of autonomy (that is, a neo-colonial situation).

There are also semiperipheral areas which are in between the core and the periphery on a series of dimensions, such as the complexity of economic activities, strength of the state machinery, cultural integrity, etc. Some of these areas had been core-areas of earlier versions of a given world-economy. Some had been peripheral areas that were later promoted, so to speak, as a result of the changing geopolitics of an expanding world-economy.

The semiperiphery, however, is not an artifice of statistical cutting points, nor is it a residual category. The semiperiphery is a necessary structural element in a world-economy. These areas play a role parallel to that played, *mutatis mutandis*, by middle trading groups in an empire. They are collection points of vital skills that are often poetically unpopular. These middle areas (like middle groups in an empire) partially deflect the political pressures which groups primarily located in peripheral areas might otherwise direct against core-states and the groups which operate within and through their state machineries. On the other hand, the interests primarily located in the semiperiphery are located outside the political arena of the core-states, and find it difficult to pursue the ends in political coalitions that might be open to them were they in the same political arena.

The division of a world-economy involves a hierarchy of occupational tasks, in which tasks requiring higher levels of skill and greater capitalization are reserved for higher-ranking areas. Since a capitalist world-economy essentially rewards accumulated capital, including human capital, at a higher rate than "raw" labor power, the geographical maldistribution of these occupational skills involves a strong trend toward self-maintenance. The forces of the marketplace reinforce them rather than undermine them. And the absence of a central political mechanism for the world-economy makes it very difficult to intrude counteracting forces to the maldistribution of rewards.

Hence, the ongoing process of a world-economy tends to expand the economic and social gaps among its varying areas in the very process of its development. One factor that tends to mask this fact is that the process of development of a world-economy brings about technological advances which make it possible to expand the boundaries of a world-economy. In this case, particular regions of the world may change their structural role in the world-economy, to their advantage, even though the disparity of reward between different sectors of the world-economy as a whole may be simultaneously widening. It is in order to observe this crucial phenomenon clearly that we have insisted on the distinction between a peripheral area of a given world-economy and the external arena of the world-economy. The external arena of one century often becomes the periphery of the next--or its semiperiphery. But then too core-states can become semiperipheral and semiperipheral ones peripheral.

While the advantages of the core-states have not ceased to expand throughout the history of the modern world-system, the ability of a particular state to remain in the core sector is not beyond challenge. The hounds are ever to the hares for the position of top dog. Indeed, it may well be that in this kind of system it is not structurally possible to avoid, over a long period of historical time, a circulation of the elites in the sense that the particular country that is dominant at a given time tends to be replaced in this role sooner or later by another country.

We have insisted that the modern world-economy is, and only can be, a capitalist world-economy. It is for this reason that we have rejected the appellation of "feudalism" for the various forms of capitalist agriculture based on coerced labor which grow up in a world-economy. Furthermore, although this has not been discussed in this volume, it is for this same reason that we will, in future volumes, regard with great circumspection and prudence the claim that there exist in the twentieth century socialist national economies within the framework of the world-economy (as opposed to socialist movements controlling certain state-machineries within the world-economy).

If world-systems are the only real social systems (other than truly isolated subsistence economies), then it must follow that the emergence, consolidation, and political roles of classes and status groups must be appreciated as elements of this world system. And in turn it follows that one of the key elements in analyzing a class or a status-group is not only the state of its self-consciousness but the geographical scope of its self-definition.

Classes always exist potentially (*an sich*). The issue is under what conditions they become class-conscious (*für sich*), that is, operate as a group in the politico-economic arenas and even to some extent as a cultural entity. Such self-consciousness is a function of conflict situations. But for upper strata open conflict, and hence overt consciousness, is always *faute de mieux*. To the extent that class boundaries are not made explicit, to that extent it is more likely that privileges be maintained.

Since in conflict situations, multiple factions tend to reduce to two by virtue of the forging of alliances, it is by definition not possible to have three or more (conscious) classes. There obviously can be a multitude of occupational interest groups which may organize themselves to operate within the social structure. But such groups are really one variety of status-groups, and indeed often overlap heavily with other kinds of status-groups such as those defined by ethnic, linguistic, or religious criteria.

To say that there cannot be three or more classes is not however to say that there are always two. There may be none, though this is rare and transitional. There may be one, and this is most common. There may be two, and this is most explosive.

We say there may be only one class, although we have also said that classes only actually exist in conflict situations, and conflicts presume two sides. There is no contradiction here. For a conflict may be defined as being between one class, which conceives of itself as the universal class, and all the other strata. This has in fact been the usual situation in the modern world-system. The capitalist class (the bourgeoisie) has claimed to be the universal class and sought to organize political life to pursue its objectives against two opponents. On the one hand, there were those who spoke for the maintenance of traditional rank distinctions despite the fact that these ranks might have lost their original correlation with economic function. Such elements preferred to define the social structure as a non-class structure. It was to counter this ideology that the bourgeoisie came to operate as a class conscious of itself. . . .

The European world-economy of the sixteenth century tended overall to be a one-class system. It was the dynamic forces profiting from economic expansion and the capitalist system, especially those in the core-areas, who tended to be class-conscious, that is to operate within the political arena as a group defined primarily by their common role in the economy. This common role was in fact defined somewhat broadly from a twentieth-century perspective. It included persons who were farmers, merchants, and industrialists. Individual entrepreneurs often moved back and forth between these activities in any case, or combined them. The crucial distinction was between these men, whatever their occupation, principally oriented to obtaining profit in the world market, and the others not so oriented.

The "others" fought back in terms of their status privileges--those of the traditional aristocracy, those which small farmers had derived from the feudal system, those resulting from guild monopolies that were outmoded. Under the cover of cultural similarities, one can often weld strange alliances. Those strange alliances can take a very activist form and force the political centers to take account of them. We pointed to such instances in our discussion of France. Or they can take a politically passive form that serves well the needs of the dominant forces in the world-system. The triumph of Polish Catholicism as a cultural force was a case in point.

The details of the canvas are filled in with the panoply of multiple forms of status-groups, their particular strengths and accents. But the grand sweep is in terms of the process of class formation. And in this regard, the sixteenth century was indecisive. The capitalist strata formed a class that survived and gained *droit de cite*, but did not yet triumph in the political arena.

The evolution of the state machineries reflected precisely this uncertainty. Strong states serve the interests of some groups and hurt those of others. From however the standpoint of the world-system as a whole, if there is to be a multitude of political entities (that is, if the system is not a world-empire), then it cannot be the case that all these entities be equally strong. For if they were, they would be in the position of blocking the effective operation of transnational economic entities whose locus were in another state. And obviously certain combinations of these groups control the state. It would then follow that the world division of labor would be impeded, the world-economy decline, and eventually the world-system fall apart.

It also cannot be that no state machinery is strong. For in such a case, the capitalist strata would have no mechanisms to protect their interests, guaranteeing their property rights, assuring various monopolies, spreading losses among the larger population, etc.

It follows then that the world-economy develops a pattern where state structures are relatively strong in the core areas and relatively weak in the periphery. Which areas play which roles is in many ways accidental. What is necessary is that in some areas the state machinery be far stronger than in others.

What do we mean by a strong state-machinery? We mean strength vis-a-vis other states within the world-economy including other core-states, and strong vis-a-vis local political units within the boundaries of the state. In effect, we mean a sovereignty that is *defacto* as well as *de jure*. We also mean a state that is strong vis-a-vis any particular social group within the state. Obviously, such groups vary in the amount of pressure they can bring to bear upon the state. And obviously certain combinations of these groups control the state. It is not that the state is a neutral arbiter. But the state is more than a simple vector of given forces, if only because many of these forces are situated in more than one state or are defined in terms that have little correlation with state boundaries.

A strong state then is a partially autonomous entity in the sense that it has a margin of action available to it wherein it reflects the compromises of multiple interests, even if the bounds of these margins are set by the existence of some groups of primordial strength. To be a partially autonomous entity, there must be a group of people whose direct interests are served by such an entity: state managers and a state bureaucracy.

Such groups emerge within the framework of a capitalist world-economy because a strong state is the best choice between difficult alternatives for the two groups that are strongest in political, economic, and military terms: the emergent capitalist strata, and the old aristocratic hierarchies.

For the former, the strong state in the form of the "absolute monarchies" was a prime customer, a guardian against local and international brigandage, a mode of social legitimation, a preemptive protection against the creation of strong state barriers elsewhere. For the latter, the strong state represented a brake on these same capitalist strata, an upholder of status conventions, a maintainer of order, a promoter of luxury.

No doubt both nobles and bourgeois found the state machineries to be a burdensome drain of funds, and a meddlesome unproductive bureaucracy. But what options did they have? Nonetheless they were always restive and the immediate politics of the world-system was made up of the pushes and pulls resulting from the efforts of both groups to insulate themselves from what seemed to them the negative effects of the state machinery.

A state machinery involves a tipping mechanism. There is a point where strength creates more strength. The tax revenue enables the state to have a larger and more efficient civil bureaucracy and army which in turn leads to greater tax revenue--a process that continues in spiral form. The tipping mechanism works in other direction too--weakness leading to greater weakness. In between these two tipping points lies the politics of state-creation. It is in this arena that the skills of particular managerial groups make a difference. And it is because of the two tipping mechanisms that at certain points a small gap in the world-system can very rapidly become a larger one.

In those states in which the state machinery is weak, the state managers do not play the role of coordinating a complex industrial-commercial-agricultural mechanism. Rather they simply become one set of landlords amidst others, with little claim to legitimate authority over the whole.

These tend to be called traditional rulers. The political struggle is often phrased in terms of tradition versus change.

This is of course a grossly misleading and ideological terminology. It may in fact be taken as a general sociological principle that, at any given point of time, what is thought to be traditional is of more recent origin than people generally imagine it to be, and represents primarily the conservative instincts of some group threatened with declining social status. Indeed, there seems to be nothing which emerges and evolves as quickly as a "tradition" when the need presents itself.

In a one-class system, the "traditional" is that in the name of which the "others" fight the class-conscious group. If they can encrust their values by legitimating them widely, even better by enacting them into legislative barriers, they thereby change the system in a way favorable to them.

The traditionalists may win in some states, but if a world-economy is to survive, they must lose more or less in the others. Furthermore, the gain in one region is the counterpart of the loss in another.

This is not quite a zero-sum game, but it is also inconceivable that all elements in a capitalist world-economy shift their values in a given direction simultaneously. The social system is built on having a multiplicity of value systems within it, reflecting the specific functions groups and areas play in the world division of labor.

We have not exhausted here the theoretical problems relevant to the functioning of a world-economy. We have tried only to speak to those illustrated by the early period of the world-economy in creation, to wit, sixteenth-century Europe. Many other problems emerged at later stages and will be treated, both empirically and theoretically, in later volumes.

In the sixteenth century, Europe was like a bucking bronco. The attempt of some groups to establish a world-economy based on a particular division of labor, to create national states in the core areas as politico-economic guarantors of this system, and to get the workers to pay not only the profits but the costs of maintaining the system was not easy. It was to Europe's credit that it was done, since without the thrust of the sixteenth century the modern world would not have been born and, for all its cruelties, it is better that it was born than that it had not been.

It is also to Europe's credit that it was not easy, and particularly that it was not easy because the people who paid the short-run costs screamed lustily at the unfairness of it all. The peasants and workers in Poland and England and Brazil and Mexico were all rambunctious in their various ways. As R. H. Tawney says of the agrarian disturbances of sixteenth-century England: "Such movements are a proof of blood and sinew and of a high and gallant spirit. . . . Happy the nation whose people has not forgotten how to rebel."

The mark of the modern world is the imagination of its profiteers and the counter-assertiveness of the oppressed. Exploitation and the refusal to accept exploitation as either inevitable or just constitute the continuing antinomy of the modern era, joined together in a dialectic which was far from reached its climax in the twentieth century.



[Back to the Syllabus](#)