

## VI. Dependency Theory and the Development Gap.

### A. Defining the Dependency Theory

1. Dependency theory argues that LDCs are locked into a cycle of underdevelopment by the global economic system that supports an unequal structure.
2. The dependency theory argues that the political and economic relations among countries limit the ability of LDCs to modernize and develop b/c the MDCs are dependent upon LDCs to remain at the top



of the world economy.

- a) LDCs remain dependent on MDC's for economic + financial support.
  - b) According to the dependency theory, many countries are poor today b/c their colonization by Europeans that extracted valuable resources from colonies but did not develop lasting infrastructures that would benefit colonized people after the Europeans left.
3. Dependency theory views the world's countries as existing in a system of interlocking parts. That is, each country's actions impact other countries.

## B. Core: Periphery Model

1. The core-periphery model states that the world's countries are divided into 3 groups.

a) The core consists of industrialized countries with the highest per capita incomes and standard of living.

Ex) US, Canada, Australia, New Zealand, Japan, Western Europe

b) The semi-periphery consists of countries that are newly industrialized and have not yet caught up to core countries in level of development. Often having vast inequalities in standards of living among their peoples.

Ex) Brazil, India, and China

c) The periphery consists of LDCs with low levels of industrialized infrastructure, per capita income, and standards of living.

Ex) Most African countries (except South Africa) and parts of Asia and South America are considered in the periphery.



## C. Wallerstein's World Systems Analysis

1. Immanuel Wallerstein's world systems analysis looks at the world as a capitalistic system of interlocking states connected through economic and political competition.
2. Wallerstein's world systems analysis is linked to the core-periphery model. Wallerstein's theory asserts that the unequal positions of countries grew out of early exploration and colonization that began to create a network, or system, of interrelated economies in the world.
3. Wallerstein argued that colonization by western European countries led to economic and political interactions among different regions (or systems) in the world and the inequalities that resulted from domination and exploitation by core countries of the semi-peripheral and peripheral regions.
4. Wallerstein theorized that the global core, semi-periphery, and periphery grew out of the competitive interactions among different countries.