

Rethinking the Semi-Periphery: Some Conceptual Issues

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Introduction

First introduced by Immanuel Wallerstein in the late 70s, the concept of semi-periphery is regarded by some as the most useful contribution of world-systems theory to the understanding of the world-economy.

No doubt partly because of its implications for the dynamism of the world-system, there has recently been a surge of interest for the concept of semi-periphery. However, the concept remains, if anything, theoretically and empirically problematic, and is characterized by a significant degree of disagreement as to how to define and measure it (Lange 1995: 170). This essay traces the origins of the concept in dependency's conceptualization of the world-economy along a core-periphery spectrum. It then examines in more detail world systems' formulation of the concept of semi-periphery, including its measurement and the dynamic role of semi-peripheral actors in the world-economy. Finally, the last section raises some issues surrounding semi-peripherality that need to be addressed in contemporary work on the semi-periphery.

I. The Dependency School and the Concepts of Core and Periphery

Origins of the concept

The terms ‘core’ and ‘periphery’ were coined in the 1960s in the context of the critique of the, then dominant, modernization school of thought. In the ‘developmentalist’ approach, states were seen as independent entities located at various stages along a universal development path. States were thus classified according to a series of descriptive characteristics (Wallerstein 1985).

Against this universalizing view of the development process, dependency theorists introduced the concepts of ‘core’ and ‘periphery’ to highlight the relational nature of countries’ position within the world-economy. Underdevelopment, dependency theorists argued, was not a function of a country’s internal policies but of its dependent position within the world-economy. Dos Santos defined dependency as a relationship in which dominant countries can be self-starting and expand, while dependent countries can only do so as a reflection of that expansion (So 1990: 98). Dependency is seen as both a general process and an economic condition imposed from the outside. In Pakenham’s words, dependency is “capitalism on the periphery” (1992: 86).

Of particular interest in the context of this paper is the idea that dependency is the expression of the global polarization of the world-economy. The development of the core and underdevelopment of the periphery are

indeed analyzed as the two sides of a single process of capital accumulation (So 1990: 104). The core/periphery hierarchy is seen as “a reproduced feature of the capitalist world-economy rather than simply a lag between developed and less developed countries” (Chase-Dunn 1990: 19). In this view, the world is a system in which core countries’ advantage is based on the exploitation of the periphery and any country’s gain represents a loss for others.

The Dependency Approach and the Concept of Semi-Periphery

As we will see below, world-systems theory took up and elaborated the idea of a world-economy ordered along a core-periphery spectrum. Dependency theorists, however, have been impervious to any relaxation of the core-periphery dichotomy and remained committed to a bi-modal (core-periphery) distribution of states. The semi-periphery is treated, at best, as a residual category, i.e. states in this intermediate zone are assumed to be eventually pulled towards either core or periphery (Arrighi 1985: 245). In most cases, however, the concept of semi-periphery is altogether absent from dependency analyses.

This is not surprising considering that dependency is generally seen as incompatible with genuine development. Indeed, if peripheral countries can undergo a certain degree of development, this development remains limited to enclaves and ultimately dependent on core countries (as for example, the

coastal provinces of China). As Paul Baran showed in his study of colonialism in India, the development of peripheral countries is profoundly inimical to the dominant interests of industrialized countries (Seers 1981: 43). Consequently, alliances are formed between the latter and pre-capitalist domestic elites to ensure continued access to domestic resources. This thwarts the possibilities of industrialization and economic growth for peripheral countries.

The core-periphery polarization is thus seen as inescapable and not subject to countersystemic tendencies (Arrighi 1985: 245). Consequently, this model does not allow for the possibility of upward mobility within the system. According to Packenham (1992), dependency theory is primarily interested in changes in *forms of* dependency rather than in changes *away from* dependency. Fernando Cardoso's analysis of change, for example, is "focused almost exclusively on new forms of dependency, domination and exploitation" (Packenham 1992: 73).

Dependency theorists, of course, do raise the question of how, and under what conditions, it is possible to overcome a situation of dependency (Packenham 1992: 73). But since dependency theorists deny the possibility of genuine development within the capitalist system, only by undergoing a socialist revolution, they argue, can a peripheral country overcome its dependent status in the world economy. Indeed, 'delinking' with the world economy is seen as the only "way out" of dependency.

The rise of the East Asian Newly Industrialized Countries (NICs) in the 1970s was perceived by many as a blow to dependency theory. Indeed, it seemed to challenge several central premises of dependency theory, namely that a country's position in the world-economy is structurally-determined, that development within the capitalist economy is impossible and that socialism is the only alternative to dependency. While this view was subsequently refuted,¹ the rise of NICs highlighted dependency's inability to account for change and spurred interest in the conditions under which states can achieve mobility within the world-economy.

II. World-System Theory and the Concept of Semi-Periphery

By introducing an additional component – the semi-periphery - to the basic core-periphery model, world-systems theorists opened up the possibility of upward (and downward) mobility within the core-periphery hierarchy.

In contrast to dependency and modernization theorists, world-system theorists argue that the semi-periphery is not a residual category nor a transitional stage but a distinct and permanent feature of the world-system (Arrighi 1985: 245). Semiperipheral status, they argue, implies both a definite structural position in the international division of labor – as noted above - and

¹ By Bienefeld, who showed that the experience of NICs in fact corroborates some of dependency's premises (Bienefeld 1981).

a historical process of development - dependent development – marked by dependence on outside sources of capital (Gereffi 1981).

The “commodity-chains” thesis posits that production processes are located along transnational commodity chains. States can be located along a continuum based on their economic mix of activities, with the predominance of either industrial (core) or primary goods (peripheral) production. Semi-peripheral states are those states that have a fairly even mix of the two types of activities (Wallerstein 1985: 34).

The core-periphery relation implies the unequal exchange of different commodities, but the particular products involved can change overtime (Wallerstein 1985: 33). The “industrial goods-primary products” definition of the core-periphery, while appropriate to the context in which it was developed, may no longer be adapted to today’s rapidly changing world-economy. We will see below how the concept is currently being redefined to account for current developments in the world-economy.

Elaborations of the concept of semi-periphery

Despite the claim that it is not a residual category, the semi-periphery remains a contested concept. Indeed, while there is general agreement as to which countries belong to either core or periphery, there is much debate as to the composition of the semi-periphery. The great diversity of states classified

as semi-peripheral (e.g. Ireland and Thailand, Canada and Malaysia) raises questions as to whether there is such thing as a distinct semi-peripheral group of states (Terlouw 1993: 88).

Some authors have thus attempted to introduce greater precision into this model by differentiating among different types of semi-peripheral states. Hence, Chase-Dunn distinguishes between the semi-peripheral states where there is a balance of both types of production - the conventional definition of semi-peripheral states - and those where there is a preponderance of intermediate activities in terms of level of capital-labour intensity, i.e. activities that can be conceptualized as distinctively “semi-peripheral” (Chase-Dunn 1990: 3). This has important implications for the type of conflicts found in these states: the former, because of their mix of economic activities, are more likely to experience political conflict among opposing interests, while the latter are more likely to experience class conflict. Indeed, the more uniform type of economic activities found in the second type of semi-peripheral states makes it easier for workers to organize. Moreover, the fact that they are unlikely to have as good working conditions as core workers is an additional incentive for them to organize.

C.P. Terlouw (1993), for his part, argues that countries classified as semi-peripheral can be very different in appearance because a similar degree of ‘coreness’ may conceal a different balance of economic and political strength.

He thus sets apart the *political* (e.g. Indonesia, Pakistan or Iraq) from the *economic* semi-periphery (comprising states such as New Zealand, Ireland and Mexico). Economic strength is measured by real GDP per capita while political strength is (narrowly) measured as military power. Other authors (Nemeth and Smith 1985; Smith and White 1986) have used the level of processing of imports as a measure of the core-periphery structure to distinguish between a “strong” and a “weak” semi-periphery.

Peter Lange coined the expression “perimeter of the core” to refer to countries that are “newly arrived” in the core and thus still undergoing an adjustment process (Lange 1985: 182).² Lange is careful to note that his purpose is not so much to introduce a new position as to better account for changes in the position of countries and their timing.

Measuring semi-peripherality

Given these varied and somewhat vague definitions, the concept of semi-periphery is not surprisingly handicapped by a lack of operational criteria for identifying semiperipheral states. As some point out, the fact that the core-periphery hierarchy is a continuum makes the measurement of semiperipherality problematic, and given the significant amount of mobility

² See Resnick (1989) for a discussion of the notion of “perimeter of the core” applied to the Canadian case.

along the continuum it may be vain to try to identify zones delimited by clear-cut boundaries (Chase-Dunn 1990: 20).

Some attempts at measuring semi-peripherality have nonetheless been made. The most widespread is Giovanni Arrighi's suggestion of using GNP per capita as an indicator of the total surplus generated within the commodity chain, with core activities being those "that command a large share of the total surplus produced within a commodity chain," and peripheral activities those "that command little or no such surplus" (Arrighi 1985: 244). In other words, high surplus is associated with high GNP per capita in core countries, low surplus is associated with low GNP per capita in peripheral countries, and semiperipheral countries are characterized by intermediate per capita incomes.

This measure obviously has the advantage of being easy to operationalize; however, different authors using the same measure have come up with different distributions, thus raising questions as to the validity of using GNP per capita as a measure of world-system position (Arrighi and Drangel 1986; Nemeth and Smith 1985).

Resistance in the semi-periphery

The semi-periphery has variously been characterized as a region marked by high levels of political instability (Becker 1995; Chase-Dunn 1990), a "locus of transformation" (Gereffi 1981: 55) and a zone of "political innovation"

(Arrighi 1985: 276). This contradicts Wallerstein's earlier view that the political function of the semi-periphery is to stabilize the system by depolarizing it and "by concentrating deviant political forms in an intermediate position" (Chase-Dunn 1990:7). In his later work, however, Wallerstein revises his assessment and suggests that semi-peripheral states are indeed an important mechanism for restructuring the world-economy (in Arrighi 1985: 35).

In Wallerstein's formulation of world-system theory, changes in the position of a country are accounted for in terms of the interaction between its national political economy and the world-economy (Lange 1985: 183). This has led some to deplore world-system theory's relative neglect of domestic politics and to argue that greater emphasis should be placed on the role of the state in the semi-periphery (Chase-Dunn 1990; Lange 1985; Terlouw 2001).

Chase-Dunn (1990: 4) draws attention to the important distinction between, on the one hand, action aimed at moving upward in the core-periphery hierarchy and, on the other, action that challenges the very logic of that system. The relative degree or nature of internal stratification of a state is one factor that accounts for whether a semiperipheral country will promote upward mobility or embark upon transformative social action, the latter being more likely to emerge in more stratified semi-peripheries (Chase-Dunn 1990: 9). Because of the mix of production activities found in semiperipheral states, the latter are more likely to have economic groups with conflicting interests,

and this situation can favour the development of a strong state acting as a mediator among economic groups. Moreover, economic crises provide opportunities for semiperipheral development that can, if supplemented by political action, foster economic development (Terlouw 2001: 83). The semi-periphery is thus characterized by the concentration of state-oriented political activity aimed at achieving upward mobility (Wallerstein 1985: 35).

According to Chase-Dunn's thesis of the semi-periphery as "the weak link," transformative social movements – i.e. those that deeply challenge the logic of capitalism - are more likely to emerge and succeed in the semi-periphery (Chase-Dunn 1990: 2). This stems from semi-peripheral countries' contradictory position in the world-system, which exacerbates social tensions. Indeed, the mix of economic activities found in the semi-periphery carries with it the potential for conflict among opposing economic interests. In both core and periphery, the more homogenous production activities promote class alliances. In the semi-periphery, in contrast, capitalists involved in peripheral-type activities tend to favour closer links with the core while those involved in core-type activities favour more independent policies (Chase-Dunn 1990: 5). Moreover, the relative wealth of the core allows for a certain measure of redistribution which eases social tensions. This mechanism does not operate in the periphery; however, the latter lacks the resources necessary to mount an effective challenge to the world-system. In sum, whereas the relatively

privileged core areas lack motivation and the weak peripheral areas lack opportunity, in the semi-periphery there is both motivation *and* opportunity (Chase-Dunn 1990: 25).

Globalization and the contemporary semi-periphery:

How the concept is being revised to account for current developments in the world-economy

There has recently been a surge of interest in how the changes currently altering the world-economy - TNCs and global sourcing, changes in production processes and locations, etc. - affect the place of the semi-periphery in the world-economy. Hence, global sourcing, for example, entails a transformation of the place of the semi-periphery in TNC strategy as countries such as Brazil and Mexico are no longer simply seen as profitable domestic markets but as integral parts of a strategy of global sourcing (Gereffi 1981: 42).

Most useful for understanding the globalization of production and its implications is the concept of “commodity chains,” which refers to the network of labour and production processes necessary to produce a finished commodity (Martin 1992: 50). As Martin (1992: 48) points out, the interest of this approach is that it disentangles the concept of core-periphery relations from any particular kinds of products or industries.

This concept is useful because, as Arrighi (1985) suggests, the relevant distinction is no longer between the production of industrial versus primary

goods, but between ‘intellectual’ activities (i.e. those that involve strategic decision-making, control and administration, R&D, etc.) and “executive” activities. According to him, “the transnationalization of capital [...] has probably become the key mechanism through which the core, semiperipheral and peripheral zones of the world-economy are reconstituted and reproduced” (Arrighi 1985: 275). In this view, semiperipheral states are those where TNCs have a fairly even mix of ‘intellectual’ and ‘execution’ activities.

It has also been suggested that the effects of globalizations are felt most strongly in the semi-peripheries of the world-economy. Externally, semi-peripheral countries such as China and the ex-Soviet Union face the difficult task of having to turn to new forms of production at the same time as they are under intense pressure to comply with the new economic rules and relinquish their centralized states and development strategies. This is compounded by the internal pressure arising from the state’s fiscal and political crises, and the unmet demands of poor mass societies (Becker 1995). This leads Becker (1995: 254) to conclude that “already weakened in the eighties by the end of the growth cycle sustained by the external debt and state intervention, the semi-peripheries would now be threatened by the prospect of a return to peripheral status.” She outlines three alternatives as to the future of the semi-periphery: in the first scenario, the end of US hegemony results in a drastically reduced maneuvering space for the semi-periphery. In the event of a strengthening of

US hegemony, the semi-periphery would remain but with limited autonomy. Finally, “a defense reaction of the world-economy preventing its conversion into a world-empire” would create more maneuvering space for the semi-periphery.

III. Rethinking the Semi-periphery: Some Conceptual Issues

This final section takes up some of the conceptual issues surrounding the notion of semi-periphery addressed in this paper, namely the implications of globalization for the semi-periphery; the ‘industry-oriented’ versus more ‘state-oriented’ approaches to the semi-periphery; the question of the role of the semi-periphery in triggering systemic change and, finally, the issue of how to measure semi-peripherality.

1) What are the implications of globalization for the semi-periphery?

Are existing frameworks of analysis adequate for understanding the new global economic relations, or do they conceal more than they reveal? Nederveem, for example, puts forth the notion of “reverse dependency” to highlight the new dependency of de-industrializing regions in the North (Wales, Scotland, Great Britain) on investors from Asia (South Korea, Taiwan) (Nederveem 2000: 131). The traditional definition of the semi-periphery as characterized by a mix of core and peripheral types of activities may no longer

be appropriate to the changing global production processes and networks. Hence, the conceptualization of the semi-periphery – as well as of the world-system more broadly – should allow for significant changes in the operation of that system. It is also important to assess how the changing role of the state under the pressure of globalization affects the state's capacity to promote mobility along the core-periphery continuum.

2) *Should we favour an 'industry-oriented' or more 'state-oriented' approach to the semi-periphery?*

As mentioned earlier, the rise of the Asian newly industrialized countries highlighted the key role of the state in promoting policies conducive to economic growth. On the other hand, the literature on global commodity chains emphasizes the role of global production networks at the expense of national policies. These different approaches to semi-peripherality have important implications for how to explain movement along the dependency spectrum (i.e. as resulting from state policies as opposed to changing economic relations). In reconceptualizing the semi-periphery to account for current developments in the world-economy, attention should thus be paid to the relative balance of the political and economic dimensions of semi-peripherality.

3) *Is it possible—let alone useful - to devise reliable measurements of semi-peripherality?*

This question logically follows from the first two. While GNP per capita arguably provided a measure of a country's relative balance of capital-intensive and labour-intensive types of production, it may no longer be an appropriate indicator, for example, of a country's relative mix of intellectual and execution activities. Moreover, this indicator is clearly biased toward a more industry-oriented approach to the concept of semi-peripherality. The challenge is to devise multidimensional indicators that reflect both the political and economic dimensions of semi-peripherality, and that are sufficiently precise while flexible enough to reflect changes in a country's position.

4) *What is the role of the semi-periphery in promoting antisystemic change?*

There is widespread agreement that, because of its contradictory position in the global division of labor and inter-state system, the semi-periphery is a primary locus for the formation of anti-systemic movements. This raises a number of questions. Is this argument verified, for example, in the case of today's anti-globalization movements? Do the changes affecting the semi-periphery enhance, or on the contrary play down, the dynamic role of the semi-periphery in the world-system? More importantly, where is the locus of agency in the contemporary world? In world-systems theory, class and state remain the central units of analysis. In the face of the proliferation of transnational

movements that cut across classes and borders, we may need to question whether this still represents an accurate analytical framework.

Beyond World-Systems' Conceptualization of Semi-Peripherality: Gender and the Environment in the Semi-Periphery

As the above discussion shows, world-systems theory has used the notion of semi-periphery to understand and explain individual countries' positions within the world economy as well as movements in the world-system. Because its units of analysis are the state and class, this conceptualization of semi-peripherality is, however, ill-fitted to integrate issues of gender and the environment. Is semi-peripherality a useful category for the understanding of these issues; in other words, does the condition of semi-peripherality affect these issues? And if so, how can our conceptualization of semi-peripherality be adapted to take these dimensions into account?

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