

To Have and Have Not: Colonialism and Core-Periphery Relations

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The multistate economic system of the modern world was created by European societies in the late 15th and early 16th centuries. As this world system expanded, it became differentiated into a core of rich countries and a periphery of poor countries. One distinctive linkage between the core and the periphery was colonialism.

Colonialism existed from the beginning of the world system and, for a period, embraced nearly every part of the globe. In 1500, Europeans controlled 9% of the world's land surface. By 1800, they ruled about 35%; by 1878, 67%; and by 1914, 85%. Expansion continued until about the 1930s, when parts of Arabia, Afghanistan, Mongolia, Tibet, China, Siam, and Japan were the only significant areas that had never been under a formal colonial government. After World War II, formal colonies quickly disappeared, and by the early 1970s they had practically ceased to exist.

Periods of colonial expansion and contraction can be examined from what is known as a world-system perspective. In this view, colonialism is part of the world system: it is a cyclical phenomenon and a structural linkage between the core and the periphery. Changes in the rate of colonial activity reflect changes in political and economic configurations at the center of the world system.

There have been two waves of colonialism in modern history. The first wave began in 1415, when the Portuguese seized control of the commercial naval base of Ceuta on the Strait of Gibraltar, and ended soon after 1800. The second wave began in the late 19th century and ended shortly after 1945. During the first wave, European power centered on the Americas; during the second wave, the focus switched to Africa, Asia, and the Pacific. Colonies of the first wave were mainly settlement colonies where quasi-European societies were created by immigrants. The second wave involved colonies of occupation, in which a small number of Europeans exercised political control.

Exceptions to the latter included 19th century British settler colonies in Australasia and in southern and East Africa.

In each wave, a few colonial powers overshadowed the rest. During the first wave, Spain and Portugal stood apart from the Netherlands, Britain, and France. In the second wave, when the number of major colonial powers increased from 5 to 10, Britain and France were far ahead of their contemporaries. At its peak in 1933, the British Empire covered over 12 million square miles (24% of the world's land surface) and contained nearly 1/3 of the world's population (502 million people).

The first wave of colonialism involved conquest, plunder, slavery, and the annihilation of indigenous people. For example, the Spaniards virtually exterminated the Carib population on Hispaniola; in 1492, the total number of Caribs was 400,000, but by 1548, the figure was down to 500. The arrival of the Spaniards in Mexico resulted in the destruction of Aztec civilization and a population decline from 13 million to 2 million by the end of the 16th century. In Africa, the slave trade greatly reduced the population in large parts of the Congo basin and in the West African forest.

During the second wave, there was less destruction and disruption of local societies. Conditions varied from colony to colony, however. For example, the impact of colonialism was generally greater in southern and East Africa than in West Africa. In southern and East Africa, the British alienated land in order to build an export-oriented economy. By denying Africans control over the

principal means of production, the European settler population forced a change in the social organization of indigenous society and obliged its members to participate in the development of a new mode of production, in which the settlers and international companies were the principal beneficiaries.

In British West Africa, no land was alienated for European settlement, and there were few plantations and estates. British policy was geared to economic exploitation rather than political control, instead of acquiring the means of production as they did in Kenya and Zimbabwe, the British purchased the output of existing producers. To a far greater degree than in East Africa, smallholders in West Africa were drawn into export agriculture that made it necessary for them to make considerable adjustments in their farming practices, land tenure arrangements, settlement, and trading patterns.

During the second wave of colonialism, the imperialist countries saw the underdeveloped regions as immense supply depots for the cheap production of raw materials from which their economies could profit. The economies of underdeveloped countries were often deformed into subsidiaries of the colonial powers: Jamaica became a sugar plantation, Sri Lanka a tea plantation, Zambia a copper mine, and Arabia an oil field.

Tanzania provides an example of how the colonial mind organized space to serve its own imperatives. Between 1933 and 1967, the colonial space economy rooted itself ever more firmly, as early locational decisions which shaped the system were subsequently reinforced. The result was a concentrated and polarized pattern of development. Throughout the period, the primate city of Dar es Salaam increased its dominance. As the capital and hub of regional trade routes, Dar es Salaam was linked to a network of provincial towns. Regional towns that functioned as administrative headquarters, transportation nodes, or centers surrounded by zones of export agriculture grew steadily: Tanga benefited from the sisal industry, Mwanza from the cotton-growing area to the south of Lake Victoria, and Moshi from the nearby coffee farms on the well-watered slopes of Mount Kilimanjaro. Growth also occurred along transport corridors linking extractive regions to port cities. Beyond the towns, major transport routes, and export enclaves, levels of infrastructural development decreased sharply. Overall, such development was greater in northern than in southern Tanzania because the British neglected the southern part of the country and its productive potential. In fact, parts of the south were isolated from Dar es Salaam and the rest of the country by a lack of roads or by high water during the rainy season.

Why did colonialism expand at one time and contract at another? World-system theory suggests that the key to understanding waves of colonialism is the changing structure of the core: periods of instability and stability in the core coincide with periods of colonial expansion and contraction in the periphery. During periods of instability, when there is competition for preeminence among rival core countries, colonialism contracts. A hegemonic power can control the world without formal colonies, which are expensive encumbrances.

Hegemony exists when one core power enjoys supremacy in production, commerce, and finance, and occupies a position of political leadership. The hegemonic power controls and owns the largest share of the world's production apparatus. It is the leading trading and investment country, its currency is the universal medium of exchange, and its primate city is the financial center of the world. Because of political and military superiority, the dominant country maintains order in the world-system and imposes solutions to international conflicts. Consequently, hegemonic situations are characterized by periods of peace as well as by universal ideologies such as freedom to trade and freedom to invest.

During a core power's rise to hegemony, core-periphery relations become more informally structured. Economic linkages between center and periphery increasingly focus on the hegemonic power. This reorientation results in decolonization. The hegemonic power relies on economic mechanisms to extract the surplus value of the periphery. Lopsided development between the core and the periphery flourishes, and terms of trade deteriorate for the colonized periphery. During a power's fall from hegemony, rival core states, who can focus on capital accumulation without the burden of maintaining the political and military apparatus of the supremacy, catch up and challenge the country that dominates the world system.

Competition exists when power in the core of the world system is dispersed among several countries. With pluralization, competing centers control and own a larger share of the world's production apparatus. They increase their share of world trade, enclose national economic areas behind tariff and non-tariff barriers, and use their national currencies in a growing volume of transactions. With a hegemonic power dominating the world system, political tensions increase and can develop into armed conflicts.

With competition, core-periphery relationships become more formally organized. Competing core countries rely on the mechanism of colonialism to extract surplus from the periphery. Economic linkages between the colonized and the colonizers become more multilateral, and economic transactions become more frequent.

World-system theory maintains that periodic fluctuations from a single, hegemonic power to a group of competing countries are essential to the survival of the world system. The system would either break into separate empires if competition at the core were to persist or mutate into world empire if hegemony were to last. Moreover, this cyclic realignment is not limited to colonialism but is manifested in all the ways the world system binds itself together. For example, trade is more formally structured during periods of core stability.

During the 500-year history of the world system, there have been 3 periods of formal core-periphery relations (1415-1815, 1871-1945, 1973-present) and 2 of the informal relations (1816-1870, 1946-1972). Western Europe began the first formal period with a "slight edge" on the rest of the "civilized" world. Its open social structure facilitated the transition from feudalism to capitalism and the growth of centralized monarchies. Because there were several competing countries, the core of the world system was unstable. This was a time of almost constant conflict. There were 19 major wars during this period, beginning with the Italian Wars and ending with the Napoleonic Wars. There were religious wars, commercial rivalries, balance-of-power conflicts, and revolutionary wars.

It was also an age of exploration and colonization. The territorial empires of the Spanish, Portuguese, Dutch, British, and French were unevenly developed. The colonial powers occupied the Americas but ventured only to the perimeters of Africa and Asia. This was due in part to European motives and in part to the continent's resources. Although Africa was as defenseless as the Americas at that time, it was not as attractive to Europeans. In general, Europeans were content with the African slaves, gold, and ivory that required only the maintenance of coastal bases there. Asia was not technically feasible for Europeans to acquire: it had powerful political organizations, professional armies, and guns.

Colonial trade in this era was politically controlled. The mercantile regulation of trade began with the Spanish and Portuguese empires but eventually became common to all core countries with colonial possessions. Regulations included the exclusion of foreign ships from colonial ports of the core country, and limitations on the manufacture of certain products in the colonies.

The structure of the core changed after the Napoleonic Wars. Britain emerged as the hegemonic power, thereby creating a stable core. Competition and conflicts among core powers declined and colonialism contracted. The mercantile regulation of trade gave way to an era of free trade in the 1820s. For a short period (1850-1870), Britain controlled the world economy almost on its own. As the predominant power, Britain established monopolist relations with most of the periphery and prevented other core countries from interfering with its operations.

British hegemony, however, was short-lived, eroding with the onset of the world economic crisis in the 1870s. Germany, Japan, and the U.S. became major powers. The resulting instability that returned to the core was reflected in two world wars and in a new wave of colonization in Africa, Asia, and the Pacific. Imperial expansion was especially rapid in Africa after 1880. The “mad scramble” for colonies brought 96% of Africa’s territory and perhaps 92% of its people into colonial status by 1914. From the last quarter of the 19th century onward, trade between the core and the periphery was more formally regulated. Tariffs rose and economic blocs based on preferences proliferated. Multinational corporations became dominant features of world business.

By the end of World War II, Western Europe, Japan, and the U.S.S.R. lay in ruins. Only the U.S. emerged from the war as a tower of economic and political strength. Core stability returned when the U.S. moved into the vacuum left by its competitors. Colonial holdings disappeared, and the formal regulation of trade ended in 1947 with the General Agreement on Tariffs and Trade, which set out to liberalize trade along lines more favorable to the U.S. Although the core powers remained at peace, U.S. hegemony was contested by the U.S.S.R. in the Cold War.

The relative decline of U.S. power became evident in 1973. The year began with the American withdrawal from Vietnam and the collapse of the U.S.-dominated monetary system of fixed foreign exchange rates, and it ended with the quadrupling of oil prices by the Middle East-led oil cartel. American political and economic hegemony was challenged by the recovery or emergence of other capitalist countries, notably members of the European Economic Community (EEC) [now the EU] and Japan. As before, American military hegemony was challenged by the U.S.S.R. Even Third World countries, who had gained access to the international organizations that were created after World War II to reflect American interests, began to attack the U.S. and realize some of their political objectives. For example, Third World countries have had some success in altering the principles, norms, rules, and decision-making procedures of multinational corporations and international financial institutions.

The core of the world system is moving once again from domination by a hegemonic power to competition and rivalry among several states. The Third World is being divided into spheres of influence—arms dependence, political influence, and client states—instead of colonies. The emergence of protectionist policies also signals more formal core-periphery relationships, as does the 1975 Lomé Convention, a North-South agreement between the EEC and 46 countries in Africa, the Caribbean, and the Pacific (ACP countries). This agreement instituted a commodity price support system that provides a framework for continuing a colonial-type relationship and for discriminating against non-ACP countries. The EEC is the primary trading partner for ACP countries, absorbing more than ? of their exports and providing nearly ? of the imports.

Waves of core domination over peripheral areas have become more indirect, less disruptive, shorter, and more extensive. Nowadays, almost every country is incorporated in some way into the world system and its complex division of labor. Because the world system is more tightly integrated than ever before, it is tempting to suggest that the present wave of political regulation by the core over the periphery will be shorter and milder than in the past, and that future waves will

be even more so. A more realistic prospect is that periodic world crises will continue to occur and will require political regulations to maintain the existing international order. Core countries may even find the prospects for regime maintenance more difficult because of the growth of the collective bargaining power of the Third World.