

## Contemporary Issues in the Global Economy

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### The Global Economy from a Structuralist Perspective

Capitalism runs our world. It is the overarching system that influences the economy, politics, social institutions, and our society as a whole. This system is set up to ensure that we can never leave it by trapping us within this never-ending structure. For this reason, the structuralist IPE theory best describes the current global economy and the way we, as citizens, interact with and serve the system. Structuralism emphasizes the role of the current capitalist global economy as the primary structure in our world and the influence it exerts over everyone who operates within it.

Structuralism is the lens that examines the international political economy, and specifically capitalism, as an exploitive system that unjustly distributes economic output. This perspective allows us to view the global economy from “below”, from the lower, oppressed classes and from developing countries. With roots in the ideas of Karl Marx, structuralism adopts and modifies several of his ideas and theories, specifically around class conflict, within this perspective to aid in analyzing the global economy. While Marx theory must be understood in the context of Europe’s political and economic climate during the 19<sup>th</sup> century, many of his thoughts resonate with structuralists today as they apply his ideas to the current global economy.

Marx’s theory on class struggle, that every system has an oppressed class and an oppressor, is seen today in the way nations are run. Every nation governs a specific population

and exerts influence over them politically, socially, and economically. The state decides who to give money to and prop up, and who to take money from through regulations and taxes. There are always those who are hit harder by political laws and regulations than others, and often times those who are propped up are contributing to the state's agenda. This system contributes to the structure of society where people are broken up into classes, where there are those who control capitalism and those who are controlled by it.

As we watched the short video recorded by Brittany of her being fired from Cloudflare, we saw firsthand the role of the system in our daily lives. One day you show up to work normally, the next you are being fired without any notice or explanation. The employees tasked with firing her were given no real explanation for her firing, they were merely following orders from those above them and serving the system like the rest of us. The only real goal in serving the system is to not end up at the bottom of the totem pole, which is exactly what the employees who fired Brittany were doing. If they were to fight back against the system and their orders to fire her without so much as an explanation, they would be risking their jobs. Everything in the system comes back to serving the structure we have set up in society, and all we can really do is keep following societal orders.

The structural theory of dependency focuses on the relationship between developed and developing countries. The less developed countries in the world are subject to and often reliant on the stronger, more stable developed countries in the world. This dependence has been seen throughout history in the form of colonial dependence, financial and industrial dependence, and in current times, multinational corporation dependence. Neoimperialism is seen across the world today in the ways that stronger nations exert political and economic influence over other nations.

These countries came to be known as developing because of their subjection to the developed nations, they became caught in the structural system of the global political economy. The distribution of power and money among the developed nations in contrast to the lack of it in developing nations proves the idea that capitalism is an exploitive system that unjustly distributes economic output worldwide.

In hand with the dependency theory, the modern world system theory states that the world system determines the political and social relations within and between nations and international organizations. While there is no single body of government or political authority that governs the entire world, the capitalist system almost serves as a type of governing body in the way that it influences and reaches every corner of the world. This capitalist structure that we have set up in our world is behind almost every exchange and interaction we have in our daily lives.

Structuralism offers a perspective of the current global economy as a system being controlled by capitalism. It highlights the inherent inequalities and unequal nature of the system and the constant presence of oppressed and oppressor classes both on a smaller scale, within nations and companies, and on the global scale. We see a real-world example in the power exercised by institutions and multinational corporations, as seen in the abrupt firing of Brittany in the Cloudflare video. As citizens we have no other options but to persist within this system. While structuralism may best describe the current global economy, the specific structure we live in formed in a specific time and may be replaced by a different system of political economy one day, and thus in the future another perspective may be the better option.

## Works Cited

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