Centre-periphery. An old theory in new times

The object of the study was an attempt aimed at ascertaining whether the core-periphery theory can be used to describe the international economic relations involved in the emergence of a knowledge-based global economy. To that end, the most important core-periphery theses were selected and subjected to empirical verification. When applying core-periphery theory to the present day, the new, global division of labour should be taken into account. The economic core consists of the nations which are the most advanced in creating a knowledge-based economy. The essence of the core’s ascendance is the fact that it produces new, innovative goods for which there is a mass demand. The greater the periphery nations’ demand for those goods, which they themselves are unable to produce, the greater the core’s dominance and ability to dictate prices. In joining the global economy and taking over industrial production, the periphery nations have derived direct benefits. The core nations have benefited indirectly by way of social security and political stability. The peripheral nations have undergone a new economic and political stratification, which has separated them into an industrial semi-periphery and a raw materials periphery. The industrial periphery, processing raw materials into manufactured goods, acts as the intermediary in the trade between the core and raw materials periphery.