

## THEORY AND PRACTICE IN THE STUDY OF GLOBALIZATION

*The paper distinguishes three competing approaches to globalization, namely internationalist (state-centrist), Transnationalist (globalization as a contested world-historical project with capitalist and other variants), and globalist (capitalist globalization as a more or less completed and irreversible neoliberal capitalist project).*

### **Introduction**

Theory and research on globalization appears to have reached a mature phase in a relatively short period of time [1]. Most attempts to survey the field, while differing radically on their interpretations of the literature, agree that globalization represents a serious challenge to the state-centrist assumptions of most previous social science. Nevertheless, the «natural» quality of societies bounded by their nation-states, the difficulty of generating and working with data that cross national boundaries and the lack of specificity in most theories of the global, all conspire to undermine the critique of state-centrism. Thus, before the idea of globalization has become firmly established, the sceptics

are announcing the limits and, in some extreme cases, the myth of globalization. Globalization, in the words of some populists, is nothing but globaloney!

Many globalization theorists and researchers, including myself, have a good deal of sympathy with the sceptics. However, I shall argue that globalization is more than an ideology though various versions of globalization can be and have been promoted as ideologies. Globalization in a generic sense needs to be distinguished from its dominant type, namely capitalist globalization, and both of these have to be confronted in theory and research if we are to have any grasp of the contemporary world. This can be done in the context of what I have termed global system theory. To illustrate its cen-

tral themes I argue that the global system can best be analyzed in terms of transnational practices and, in this way, alternatives to capitalist globalization can be conceptualized. In order to reach this stage in the argument it is necessary to distinguish three competing approaches to globalization, namely internationalist (state-centrist), transnationalist (globalization as a contested world-historical project with capitalist and other variants), and globalist (capitalist globalization as a more or less completed and irreversible neoliberal capitalist project).

The paper concludes with the argument that capitalist globalization cannot succeed in the long-term because it cannot resolve two central crises, those of class polarization and ecological unsustainability on a global scale. This lays the transnational capitalist class and its institutions open to the attacks of an ever-widening anti-globalization movement and makes the search for alternatives to capitalist globalization urgent. I introduce the idea that the best prospect for ending capitalist globalization in the long run is to be found in the globalization of economic and social human rights, and that this is attainable through the spread of genuine democracy.

### **Competing approaches to globalization**

By «competing approaches» I mean ideas about the fundamental unit of analysis used when we discuss globalization [2]. This is basic to all scientific inquiry and argument around the scientific method and paradigms of science revolve around agreements and disagreements over these basic units of analysis. In this context there are three types of units of analysis that different (competing) groups of globalization theorists and researchers take to define their field of inquiry. First, and most commonly, the inter-nationalist (state-centrist) approach to globalization takes as its unit of analysis the state (often confused with the much more contentious idea of the nation-state). In this approach, globalization is seen as something that powerful states do to less powerful states, and something that is done to less powerful groups of people in all states. It is sometimes difficult to see where this line of argument differs from older theories of imperialism and colonialism and more recent theories of dependency. The theme that «globalization is the new imperialism» is thus quite common among radical critics of globalization by which they invariably mean (but do not always say) capitalist globalization. I reject this view on the grounds of theoretical redundancy and empirical

inadequacy. It is theoretically redundant because if globalization is just another name for imperialism, more of the same, then the term is redundant at best and confusing at worst. State-centrist approaches to globalization offer no qualitatively new criteria for globalization and, paradoxically, appear to offer at least nominal support those who argue that globalization is a myth.

The globalist approach is the antithesis to the state-centrist thesis, for example in the work of Kenichie Ohmae (formerly McKinsey chief in Japan) and other management gurus (but very few actual researchers). Globalists argue that the state has all but disappeared, that we have already entered a borderless world, and that globalization is a done deal. The global economy is driven by nameless and faceless market forces, the globalist unit of analysis, often referred to as neoliberal globalization. I also reject this approach for its failure to theorize correctly the role of the state and the inter-state system, for globalists (like state-centrists) are unable to analyze adequately the changing role of the state in sustaining the hegemony of capitalist globalization.

The transnational approach to globalization is the synthesis of the collision of the flawed state-centrist thesis and the globalist antithesis. I consider this to be the most fruitful, facilitating theory and research on the struggle between the dominant but as yet incomplete project of capitalist globalization and its alternatives. My own version of this synthesis proposes «transnational practices» (TNPs) as the most conceptually coherent and most empirically useful unit of analysis. Within the familiar political economy categories - economy, politics, and (somewhat less familiar) culture-ideology - we can construct the categories of economic, political and culture-ideology TNPs and conduct empirical research to discover their characteristic institutional forms in the dominant global system (manifestation of globalization). However different they are, these three approaches stem from a real phenomenon, generic globalization.

### **Generic globalization**

The central feature of all the approaches to globalization current in the social sciences is that many important contemporary problems cannot be adequately studied at the level of nation-states, that is, in terms of national societies or inter-national relations, but need to be theorized - more or less - in terms of globalizing (transnational) processes,

beyond the level of the nation-state. Globalization researchers have focused on two new phenomena that have become significant in the last few decades:

(a) The electronic revolution, notably transformations in the technological base and global scope of the electronic mass media, and to most of the material infrastructure of the world today [3];

(b) The subsequent creation of transnational social spaces in which qualitatively new forms of cosmopolitanism flourish [4].

I take these two new phenomena - the electronic revolution and transnational social spaces generating cosmopolitanism - to be the defining characteristics of globalization in a generic sense. They are both irreversible in the long run (absent global catastrophe) because the vast majority of the people in the world, rich or poor, men or women, black or white, young or old, able or disabled, educated or uneducated, gay or straight, secular or religious, see that generic globalization could serve their own best interests, even if it is not necessarily serving their best interests at present. This is the world most people live in, big landlords as well as subsistence farmers in villages, corporate executives as well as laborers in sweatshops in major cities, well-paid professionals as well as informal workers in tourist sites, comfortable manual workers as well as desperate migrants in transit in the hope of better lives.

But, of course, these polarities point to the inescapable fact that we do not live in a world of abstract generic globalization but a world of actually existing capitalist globalization. So, the dominant global system at the start of the 21<sup>st</sup> century is the capitalist global system and I argue that the most fruitful way to analyze and research it is in terms of its transnational practices.

### Global system theory

Global system theory is based on the concept of transnational practices, practices that cross state boundaries but do not originate with state agencies or actors (although they are often involved). This conceptual choice offers, as it were, a working hypothesis for one of the most keenly contested disagreements between globalization theorists and their opponents, namely that the nation-state is in decline [5]. The concept of transnational practices is an attempt to make more concrete the issues raised by such questions in the debate over globalization. Analytically, transnational prac-

tices operate in three spheres, the economic, the political, and the cultural-ideological. The whole is what I mean by the «global system». The global system at the beginning of the twentieth-first century is not synonymous with global capitalism, but the dominant forces of global capitalism are the dominant forces in the global system. To put it simply, individuals, groups, institutions and even whole communities, local, national or transnational, can exist, perhaps even thrive as they have always done outside the orbit of the global capitalist system but this is becoming increasingly more difficult as capitalist globalization penetrates ever more widely and deeply. The building blocks of global system theory are the transnational corporation, the characteristic institutional form of economic transnational practices, a still-evolving transnational capitalist class in the political sphere, and in the culture-ideology sphere, the culture-ideology of consumerism.

In the economic sphere, the global capitalist system offers a limited place to the wage-earning masses in most countries. The workers, the direct producers of goods and services, have occupational choices that are generally free within the range offered by prevailing class structures. The inclusion of the subordinate classes in the political sphere is very partial. The global capitalist system has very little need of the subordinate classes in this sphere. In parliamentary democracies, successful parties must be able to mobilize the masses to vote every so often, but in most countries voting is not compulsory and mass political participation is usually discouraged. In non-democratic or quasi-democratic capitalist polities even these minimal conditions are absent.

The culture-ideology sphere is, however, entirely different. Here, the aim of global capitalists is total inclusion of all classes, and especially the subordinate classes insofar as the bourgeoisie can be considered already included. The cultural-ideological project of global capitalism is to persuade people to consume above their biological needs in order to perpetuate the accumulation of capital for private profit, in other words, to ensure that the global capitalist system goes on for ever. The culture-ideology of consumerism proclaims, literally, that the meaning of life is to be found in the things that we possess. To consume, therefore, is to be fully alive, and to remain fully alive we must continuously consume. The notions of men and women as economic or political beings are discarded by global capitalism, quite logically, as the system does not even pretend to satisfy everyone in the econo-

mic or political spheres. People are primarily consumers. The point of economic activity for «ordinary members» of the global capitalist system is to provide the resources for consumption, and the point of political activity is to ensure that the conditions for consuming are maintained. The importance of the transnational corporations and of consumerism are now widely recognized by proponents, opponents, and those who claim to be neutral about globalization, but the idea of the transnational capitalist class is less familiar and much more controversial.

### The transnational capitalist class

The transnational capitalist class (TCC) is transnational in the double sense that its members have globalizing rather than or in addition to localizing perspectives; and it typically contains people from many countries who operate transnationally as a normal part of their working lives. The transnational capitalist class can be conceptualized in terms of the following four fractions:

- (i) Those who own and control major TNCs and their local affiliates (corporate fraction);
- (ii) Globalizing state and inter-state bureaucrats and politicians (state fraction);
- (iii) Globalizing professionals (technical fraction);
- (iv) Merchants and media (consumerist fraction).

This class sees its mission as organizing the conditions under which its interests and the interests of the system can be furthered in the global and local context. The concept of the transnational capitalist class implies that there is one central transnational capitalist class that makes system-wide decisions and that it connects with the TCC in each locality, region and country. While the four fractions are distinguishable analytic categories with different functions for the global capitalist system, the people in them often move from one category to another (sometimes described as the «revolving door» between government and business, *pantouflage* in French) [6].

Together, these groups constitute a global power elite, ruling class or inner circle in the sense that these terms have been used to characterize the class structures of specific countries [7]. The transnational capitalist class is opposed not only by those who reject capitalism as a way of life and/or an economic system but also by those capitalists who reject globalization. Some localized, domestically-oriented businesses can share the in-

terests of the global corporations and prosper, but many cannot and perish. Influential business strategists and management theorists commonly argue that to survive, local businesses must globalize. Though most national and local state managers fight for the interests of their constituents, as they define these interests, government bureaucrats, politicians and professionals who entirely reject globalization and espouse extreme nationalist ideologies are comparatively rare, despite the recent rash of civil wars in economically marginal parts of the world. And while there are anti-consumerist elements in most societies, there are few cases of a serious anti-consumerist party winning political power anywhere in the world.

The transnational capitalist class is transnational in the following respects.

(1) The economic interests of its members are increasingly globally linked rather than exclusively local and national in origin. Their property and shares and the corporations they own and/or control are becoming more globalized. As ideologues, their intellectual products serve the interests of globalizing rather than localizing capital. This follows directly from the shareholder-driven growth imperative that lies behind the globalization of the world economy and the increasing difficulty of enhancing shareholder value in purely domestic firms. While for some practical purposes the world is still organized in terms of discrete national economies the TCC increasingly conceptualizes its interests in terms of markets, which may or may not coincide with a specific nation-state, and the global market, which clearly does not. I define «domestic firms» as those serving an exclusively sovereign state market, employing only local co-nationals, whose products consist entirely of domestic services, components and materials. If you think that this is a ridiculously narrow definition for the realities of contemporary economies then you are more than halfway to accepting my concept of globalization.

(2) The TCC seeks to exert economic control in the workplace, political control in domestic and international politics, and culture-ideology control in every-day life through specific forms of global competitive and consumerist rhetoric and practice. The focus of workplace control is the threat that jobs will be lost and, in the extreme, the economy will collapse unless workers are prepared to work longer and for less in order to meet foreign competition. This is reflected in local electoral politics in most countries, where the major parties have few

substantial strategic (even if many rhetorical and tactical) differences, and in the sphere of culture-ideology, where consumerism is rarely challenged.

(3) Members of the TCC have outward-oriented globalizing rather than inward-oriented localizing perspectives on most economic, political and culture-ideology issues. The growing TNC and international institutional emphasis on free trade and the shift from import substitution to export promotion strategies in most «developing» countries since the 1980s have been driven by alliances of consultancies of various types, indigenous and foreign members of the TCC working through TNCs, government agencies, elite opinion organizations, and the media. Some of the credit for this apparent transformation in the way in which big business works around the world is attached to the tremendous growth in business education since the 1960s, particularly in the US and Europe, but increasingly all over the world.

(4) Members of the TCC tend to share similar life-styles, particularly patterns of higher education (increasingly in business schools) and consumption of luxury goods and services. Integral to this process are exclusive clubs and restaurants, ultra-expensive resorts in all continents, private as opposed to mass forms of travel and entertainment and, ominously, increasing residential segregation of the very rich secured by armed guards and electronic surveillance all over the world, from Los Angeles to Moscow, from Manila to Beijing.

(5) Finally, members of the TCC seek to project images of themselves as citizens of the world as well as of their places of birth. Leading exemplars of this phenomenon include Jacques Maisonrouge, French-born, who became in the 1960s the chief executive of IBM World Trade; the Swede Percy Barnevik who created Asea Brown Boveri, often portrayed as spending most of his life in his corporate jet; the German Helmut Maucher, CEO of Nestle's far-flung global empire; David Rockefeller, said to be one of the most powerful men in the United States; the legendary Akio Morita, the founder of Sony; and Rupert Murdoch, who actually changed his nationality to pursue his global media interests. Today, major corporate philanthropists, notably Bill Gates and George Soros, embody the new globalizing TCC.

The inner circle of the TCC gives a unity to the diverse economic interests, political organizations and cultural and ideological formations of those who make up the class as a whole. As in any social class, fundamental long-term unity of inter-

ests and purpose does not preclude shorter-term and local conflicts of interests and purpose, both within each of the four fractions and between them. The culture-ideology of consumerism is the fundamental value system that keeps the system intact, but it permits a relatively wide variety of choices, for example, what I term «emergent global nationalisms» as a way of satisfying the needs of the different actors and their constituencies within the global system. The four fractions of the TCC in any region, country, city, society, or community, perform complementary functions to integrate the whole. The achievement of these goals is facilitated by the activities of local and national agents and organizations connected in a complex network of global interlocks.

A crucial component of this integration of the TCC as a global class is that virtually all senior members of the TCC will occupy a variety of interlocking positions, not only the interlocking directorates that have been the subject of detailed studies for some time in a variety of countries, but also connections outside the direct ambit of the corporate sector, the civil society as it were servicing the state-like structures of the corporations. Leading corporate executives serve on and chair the boards of think tanks, charities, scientific, sports, arts and culture bodies, universities, medical foundations and similar organizations. It is in this sense that the claims «the business of society is business» and «the business of our society is global business» become legitimated in the global capitalist system. Business, particularly the transnational corporation sector, then begins to monopolize symbols of modernity and post-modernity like free enterprise, international competitiveness and the good life and to transform most, if not all, social spheres in its own image.

### **The end of capitalist globalization**

The literature on globalization is suffused with a good deal of fatalism. Even some progressive academics, popular writers and political and cultural leaders seem to accept that there is no alternative to capitalist globalization and that all we can do is to try to work for a better world around it [8]. While I cannot fully develop the counter-argument to this fatalism here, it seems to me to be both morally indefensible and theoretically short-sighted. Capitalist globalization is failing on two counts, fundamental to the future of most of the people in the world and, indeed, to the future of our planet it-

self. These are the class polarization crisis and the crisis of ecological unsustainability. There is, further, evidence to suggest that capitalist globalization may be intensifying both crises [9]. Nevertheless, globalization should not be identified with capitalism, though capitalist globalization is its dominant form in the present era. This makes it necessary to think through other forms of globalization, forms that might retain some of the positive consequences of capitalism (insofar as they can exist outside capitalism) while transcending it as a socio-economic system in the transition to a new stage of world history [10].

One path out of capitalism that is clear to some but quite unclear to most, takes us from capitalist globalization (where we are), through what can be termed co-operative democracy (a transitional form of society), to socialist globalization (a convenient label for a form of globalization that ends class polarization and the ecological crisis). One strategy to achieve such a transformation involves the gradual elimination of the culture-ideology of consumerism and its replacement with a culture-ideology of human rights. This means, briefly, that instead of our possessions being the main focus of our cultures and the basis of our values, our lives should be lived with regard to a universally agreed system of human rights and the responsibilities to others that these rights entail. This does not imply that we should stop consuming. What it implies is that we should evaluate our consumption in terms of our rights and responsibilities and that this should become a series of interlocking and mutually supportive globalizing transnational practices.

By genuinely expanding the culture-ideology of human rights from the civil and political spheres, in which capitalist globalization has often had a relatively positive influence, to the economic and social spheres, which represents a profound challenge to capitalist globalization, we can begin seriously to tackle the crises of class polarization and ecological unsustainability. But political realism dictates that this change cannot be accomplished directly, it must proceed via a transitional stage. Capitalism and socialism, as can be seen in the case of market socialism in China, are not watertight categories. Capitalist practices can and do occur in socialist societies (for example, making workers redundant to increase profits) just as so-

cialist practices can exist in capitalist societies (for example, trying to ensure that everyone in a community enjoys a basic decent standard of living). The issue is hegemony, whose interests prevail, who defends the status quo (even by reforming it), who is pushing for fundamental change, and how this is organized into effective social movements for change globally.

The transition to socialist globalization will eventually create new forms of transnational practices. Transnational economic units will tend to be on a smaller and more sustainable scale than the major TNCs of today; transnational political practices will be democratic coalitions of self-governing and co-operative communities, not the unaccountable, un-elected and individualistic transnational capitalist class. And cultures and ideologies will reflect the finer qualities of human life not the desperate variety of the culture-ideology of consumerism. These sentiments might appear Utopian, indeed they are, and other alternatives are also possible, but in the long term, muddling through with capitalist globalization is not a viable option if the planet and all those who live in it are to survive.

Thus, while the discourse and practice of what I have labelled «capitalist globalization» would seem to suggest that it is a force for convergence, the inability of capitalist globalization to solve the crises of class polarization and ecological unsustainability makes it both necessary and urgent to think through alternatives to it. This implies that capitalist globalization contains the seeds of divergence. The globalization of human rights leading to what can (but need not necessarily) be termed «socialist globalization» is certainly one, if presently rather remote, alternative, and there are many others. Communities, cities, subnational regions, whole countries, multi-country unions and even transnational cooperative associations could all in principle try to make their own arrangements for checking and reversing class polarization and ecological unsustainability. It is likely that the twenty-first century will bring many new patterns of divergence before a global convergence on full human rights for all is established. This is unlikely to occur in a world dominated by transnational corporations, run by the transnational capitalist class and inspired by the culture-ideology of consumerism.

1. There are few ideas in the social sciences that have spawned textbooks of several hundred pages a decade after they have been announced. See, for example, *Scholte J. A. Globalization: A Critical Introduction*.- L.: Macmillan,

2000 and dozens of collections, notably: *The Globalization Reader* / Ed. by F. Lechner, J. Boli.- Oxford: Blackwell, 2000. There is a useful account of the origin of the term in the social sciences in the first, short textbook,

- Waters M.* Globalization.- L.: Routledge, 1995.- Chapter 1. The present paper borrows from my own contributions, *The Transnational Capitalist Class*.- Oxford: Blackwell, 2001 and *Globalization: Capitalism and its Alternatives*.- Oxford: Oxford University Press, 2002, the third and much revised edition of a book originally published in 1991.
2. In *Sklair L.* Globalization.— Chapter 3, I distinguish four competing conceptions of globalization that focus on who or what is driving the processes. The approaches discussed here are at a higher level of generality, at the level of metatheory rather than theoretical concepts.
  3. See, for example, *Castells M.* *The Rise of the Network Society*.- L.: Blackwell, 2000; *Herman E., McChesney R.* *The Global Media: The New Missionaries of Corporate Capitalism*.- London: Cassell, 1997.
  4. Worked out in different ways in *Faist T.* *The Volume and Dynamics of International Migration and Transnational Social Spaces*.- Oxford: Oxford University Press, 2000; *Beck U.* *World Risk Society*.- Cambridge: Polity, 1999; *Transnationalism from Below* / Ed. by Smith P., Guarnizo L.- Brunswick, NJ: Transaction Books, 1998.
  5. For good critical discussions of these issues see Holton R. *Globalization and the Nation-State*.- L.: Macmillan, 1998 and *Strange S.* *The Retreat of the State*.- Cambridge: Cambridge University Press, 1996.
  6. For a constructive critique, see *Embong A. R.* *Globalization and transnational class relations: some problems of conceptualization* // *Third World Quarterly*.- 2000- Vol. 21- №4.- P. 989-1000.
  7. Pre-globalization capitalist class theory, for which see *Scott J.* *Corporate Business and Capitalist class*.- Oxford: Oxford University Press, 1997, does not necessarily exclude the globalizing extension proposed here.
  8. The most politically important example is the Third Way thesis, for which see *Giddens A.* *The Third Way and its Critics*.- Cambridge: Polity Press, 2000.
  9. These two crises of capitalist globalization are elaborated in *Sklair L.* *Globalization*.- P. 47-58.
  10. The following paragraphs are based on *Sklair L.* *Ibid.*- Chapter 11.

Склар Л.

## ТЕОРІЯ І ПРАКТИКА У ДОСЛІДЖЕННІ ГЛОБАЛІЗАЦІЇ

*Стаття вирізняє три конкурентні підходи до глобалізації, а саме: інтернаціональний (зосереджений на державі), транснаціональний (глобалізація як проект світової історії, в рамках якого відбувається боротьба капіталістичного та інших підходів) та глобалістський (капіталістична глобалізація як більш-менш завершений та необоротний проект неоліберального капіталізму).*