

# Structures of Determination in Contemporary Global Change. Modes of Production and Modes of Foreign Relations

Paper for the Conference on Regulation, Paris, 9 October 2003

**DRAFT VERSION**

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This paper argues that the contemporary world is characterised by a Western-dominated, neo-liberal world order resisting change towards a collectively managed order (usually designated as global governance). Existing state-centric theories cannot satisfactorily account for a change of this type, because even the starting point of the transition postulated here sits uneasily in a Westphalian framework. Taking a step back from the mainstream International Relations canon, the article proposes to look at relations between communities occupying different spaces and treating each other as foreign, by way of 'modes of foreign relations', along the lines of the 'modes of production' in the Marxian critique of Economics. Global change would then be analysed by reference to, first, a 'deep structure' of humanity's exploitation of nature; and next, by the intermediate structures of social determination which these modes represent. The transition from a private to a managerial world order or global governance, takes place as a result of changes in the mode of production and attendant processes of class formation (notably, the process of socialisation of labour under capitalism developing towards a global flow economy, and the rise of a managerial cadre); and changes in the mode of foreign relations from a dominance by the English-speaking, 'Lockean' West, to a structure of global governance to which even the West must submit. There is no preordained outcome to this transition and the terms proposed refer to conflicting pressures rather than to comprehensive, systemic transformation.

## 1. The Structure of Social Determination in the Analysis of Global Change

In this paper, I argue that global society is passing through a phase in which the 'private', self-interested pursuit of power and wealth (by states, corporations, or individuals), is becoming entangled more and more by collective arrangements of a global and/or universal nature, adding up to what is usually designated as global governance. My argument will be that global governance however is a technocratic fantasy given the dominance of the capitalist mode of production in the world economy; indeed, 'governance' in this international/global sense, is very much a mechanism of imposing the discipline of capital on a global scale. The question that arises then is how changes in the sphere of production and reproduction, and changes in the political structure of the world relate to each other. Global governance in this perspective is a form of political regulation grafted on class relations arising in the sphere of production and reproduction; and just as the rise of Britain to pre-eminence in the Pax Britannica in this sense was grafted on the shift to capitalist class relations and the industrial revolution in the UK, so the appearance of global governance may be related to certain shifts in the nature of the world economy that press towards arrangements beyond the capitalist mode of production.

As I will argue, governance/regulation is not a force which encounters the liberal, capitalist world economy from the outside. It is inherent in capitalist development itself. In addition to the profit-seeking, 'private' moment, capital as a collective social force, contains a subordinate process of socialisation, or planned division of labour, which

affects society and its relation to state power in various ways. It is this process of socialisation which paradoxically resurfaces in the context of rampant neoliberalism, and the novel social force it generates, the managerial cadre, under certain conditions may join forces with grassroots resistance to capitalist development. In relations among states, comparable tendencies are at work which complement the socialising drift in the economy.

The paper is organised as follows. In the first section, I argue that to understand global change, we have to develop a prior understanding of the structural forces determining action: beginning with the most fundamental ones, up to intermediate determining structures. In section 2, I identify the more recent 'modes of foreign relations' and their relationship to shifts in terms of modes of production; and in 3, I look at how the neo-liberal offensive to the politicisation of the world economy in the 1970s, has not reversed the drift to what I see as a collectively managed/managerial world order.

### The Limits of State-Centric Explanation

Let us first establish that the problem here is not primarily the development of the world economy per se, but the interrelations between the growth of the capitalist world economy and the evolution of the political structures at the global level, international relations/world politics. But in this area, we are not especially blessed by a wealth of insight when it comes to structural change. As Göran Therborn writes, 'the problem of the social disciplines as sciences can fruitfully be analysed in terms of a search for patterns of societal determination... if there exist any sciences of society... they will by definition be centrally concerned with the discovery of social determinants and the study of their operation' (Therborn, 1980: 70-1). State-centric International Relations (IR) theory by this criterion necessarily stops short of a comprehensive quest for patterns of social determination, because it takes the state as a self-sufficient unit of action and its empiricist/positivist methodology makes it suspicious of any supposed structures that are not directly apparent or at least, statistically obtained. Stephen Krasner's Structural Conflict (1985), as an example of neo-Realist regime theory, analyses the conflict between an 'authoritative', political regime over the world economy (the 1970s projects for a New International Economic Order), with the free market liberalism propagated by the West. Yet change as such is ultimately contingent in Krasner's analysis, as the approach does not open up the sovereign state itself and makes no claim about forces directing it from the systemic level; there are merely certain inherent constraints in the two regimes, say, nationalisation/political bargaining in one, de-regulation/privatisation in the other. Another approach to structural change in the global political economy is Wallerstein's, but whilst he considers the world economy as a self-regulating, quasi-organic system in the way of General Systems Theory, the separate states operate in it as 'private' units, behaving very much like the states in IR Realism rather than changing (Palan, 1992: 23). So structural change remains either movement/development programmed by the system or events revolve around the constant of state security interests and the struggle for power, even if consequences may hang together systematically.

The historical materialist critique of IR pioneered by Robert Cox (and constituting one strand of International Political Economy, IPE) does provide a more comprehensive analysis of political economic change (for an overview, Overbeek, 2000). 'The real

achievement of IPE', Cox writes, 'was not to bring in economics, but to open up a critical investigation into change in historical structures' (Cox, 2002: 79; cf. Rosenberg, 1994). The structure of social determination in Cox's analysis is anchored in changing patterns of social relations of production, on which specific 'state/society complexes' are grafted. World orders, then, result from the re-articulation of state power and social relations at the international level, either through the hegemonic extension of the capacity of a particular ruling class and historic bloc to craft a type of state that relies on consensus on account of its economic efficacy; or as a stand-off between rival contestants, with coercion (which is always immanent) much more in the foreground nationally and internationally (Cox, 1987).

This indeed is a major step forward from both regime analysis and world system theory, leaving behind the black box state and its discrete, strategic choices; as well as the reified 'capitalist world economy' in which actors, states included, lack real historicity and only act out their functional roles or disappear. The limit to Cox's analysis, in my view, is that does not spell out clearly that production is exploitation of nature, and that the natural foundations of human existence in historical society are all somehow implicated in social relations. Thus, when Cox writes, on page 1 of his chief work, that 'Production generates the capacity to exercise power, but power determines the manner in which production takes place' (Cox, 1987: 1), these two key concepts are understood as two separate practices related externally, empirically, to each other, whereas I would argue, they are internally related.

The question at stake here, is formulated by Richard Ashley when he argues (in a critique of Waltz's Theory of International Politics of 1979) that 'international structure' cannot remain confined to 'an external joining of states-as-actors,' but instead should refer to 'a deep, internal relation prior to and constitutive of social actors' (Ashley, 1986: 287). Cox takes social relations of production as a 'deep, internal relation', but it is not really internal, because it is related to 'power' by a relation of mutual dependence, 'external joining'. So even leaving aside whether power should not be identified and itself analysed as the 'deep, internal relation', power is not in production or vice versa.<sup>1</sup> Secondly, it is not 'deep' enough because the analysis begins with production in primitive society, which leaves out humanity-in-nature, from which primitive society (certainly, through production) represents the first departure, the step by which humanity sets out on its uncertain journey into human history—but without ever shedding the constraints of its existence in nature.

### Deep Structure and Intermediate Determination

The deep, internal relation of international structure (and indeed of history per se) should in my view be defined as humanity's exploitation of nature, by which I understand the collective (i.e., group-wise) appropriation and transformation of external and internal (human) nature beyond simple metabolism. This is not an empirical activity in the sense of 'work', from which then, by a chain of causal connections, we reconstruct the wider social picture. First, the 'appropriation and transformation of nature' is a process which affects not just external nature (from hunting and gathering to the discovery of human genome), but it also appropriates and transforms humanity itself through society (cf. Marx in Capital, Marx-Engels Werke, 23: 192).

Secondly, the relation with nature that is transformed by exploitation is both ‘deep, internal’ and comprehensive, all around us. There are no mechanical cause/consequence chains that link humanity’s exploitation of nature to ‘other activities’. The connection instead is one of ‘over-determination’, a term from psycho-analysis which means that ‘our movements are not alone the outcome of single conscious processes’, but the outcome of a deep structure hidden behind ‘what is at first glance but a simple pattern’ (Lasswell, 1960: 253). Applied to social analysis (as in Althusser’s ‘Over-determination and Contradiction’, Althusser, 1977), over-determination even more than in a person, serves to unify a whole range of social activities and institutionally objectified frameworks for action which otherwise would not be seen in conjunction because of the distance in time and space. Laffey and Dean in a perceptive comment observe that, therefore, over-determination differs from multi-causality (which they write, suggests ‘a multiplicity of externally related causal factors’—cf. Ashley’s ‘external joining of states-as-actors’). Over-determination refers to ‘a complex process of causality which functions in a contradictory social whole, composed of a multiplicity of distinct, but internally related and mutually constitutive, practices having a tendency—because of their spatio-temporal separation within complex social formations—to drift apart’ (Laffey and Dean, 2002: 100).

Thirdly, the ‘deep, internal relation’ (or ‘deep structure’ for short) is contradictory, because humanity exists, at any time in its history, in nature whilst striving to master it. Hence, the over-determining deep structure which humanity’s exploitation of nature represents, is never overcome—it is not so that we have developed our material lives and mental make-up socially, and encounter environmental limits only later. The quest for mastery of nature, which Hegel still assumed was rooted in the quest for freedom and which Marx re-conceptualised as the need to secure the group’s material existence on the basis of a certain level of mastery over nature (i.e., the level it finds in existence already), brings us to the next step in our structure of social determination, in Marxist theory, the mode of production.

In the concept of mode of production, the contradictory unity of humanity in/over nature, is specified to account for objective, historical epochs—be it still relatively abstractly, since real society is never identical to one mode of production. A mode of production denotes the specific, contradictory combination of, a) nature as mobilised by humanity (the productive forces), and b) humanity as organised to achieve this mobilisation (the relations of production)—the specific class structure the mode of production generates, and in which it becomes objectified socially (just as it becomes objectified in terms of productive forces as technology—on objectification, cf. Rupert, 1993: 69). This therefore is an intermediate structure of determination, in between deep structure and the surface of actual events (Ilyenkov, 1982).

In this light, every society can be imagined as wrapped around an ‘axis of exploitation’ ultimately rooted in nature including the human physical/mental substratum. Positions along this axis are paired according to particular modes of production, into (for each) an exploiting and an exploited class. The general pattern is that the community exploits nature and in the process, develop the productive forces; while at the same time, the exploiting class (say, a feudal landowning class) exploits the exploited (say, bonded peasants). The contradiction of humanity in/over nature, here is specified in that one class (the peasants in the example) are part of nature being exploited, whilst being ‘over nature’ is confined to those controlling the relation of exploitation of nature as such, and the

relation of exploitation with the class of people relegated to a position of being instruments of labour in that process. Of course, there cannot be a society constituted by only one mode of production. Even contemporary capitalist society in the West incorporates at least the remnants of the domestic mode of production (e.g. in unpaid household labour), tributary relationships (say, in criminal extortion based on the threat of force), and so on. Hence, the social forces which are formed in the original class relation (relation of exploitation) of these other modes will also be present in any cross-section of actual society. Equally, real society at any given point in time will contain modes which are still in the process of gestation, such as a managerial one building on the socialisation of labour in contemporary capitalist society.

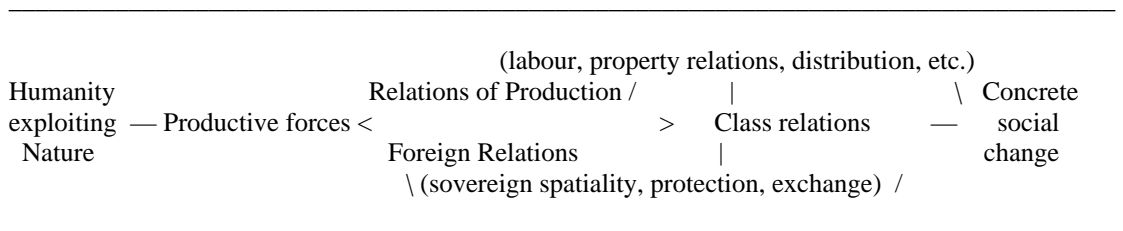
Given its inner tension (the contradiction between forces and relations, and the class relation arising out of it as argued above), the mode of production is always a site of conflict, contestation, and struggle; indeed it identifies the fault-lines along which these become manifest. But struggle itself tends to mobilise people into a dynamic of its own, involving passion, prestige, and perseverance; as a result, they will be propelled beyond what would seem the limit necessary to achieve a particular objective (Gramsci, 1971: 140). Therefore, the illusion of developing a structure of social determination as a series of mechanical causes and consequences, from the deep internal relation across a 'mode' to phenomenal, concrete reality, must be rejected right from the start.<sup>2</sup> If we trace international trends such as a transformation of the global political economy, back to their origins in the relationship of humanity in/over nature (the deep structure), and retrace our steps again back to the real complexity, the concept of mode of production, in which this fundamental contradiction is reproduced at a higher level of specificity (i.e. the interaction and tension between forces and relations of production) represents one intermediate level of determination, beyond which real historical society begins to lose its 'logical' transparency because constitutive structures and processes are spatially and temporally disparate but yet additive (Laffey and Dean, 2001: 100). Since the conflicts modes of production generate, trigger ambitions and passions that develop a momentum of their own, no comprehensive structure of determination is possible, and concepts of 'conjuncture' and 'relative autonomy' aim to cover this deficit in theoretical explanation. But obviously, these terms explain little but the reality of the deficit (Poulantzas, 1971). In other words, the 'last mile' in theoretical explanation will always be covered without actual theory.

Modes of production in this type of analysis are not the only intermediate structure of determination. Other 'modes' may be distinguished, such as modes of warfare (Kaldor, 1982) and, although its author does not use the term as such, modes of thought (Foucault, 1966). But these in my view are already specifications of modes of production and what I will argue should be also taken as a fundamental intermediate structure of determination, modes of foreign relations. Just as modes of production serve to distinguish between historically different patterns of underlying productive relations, and thus keep us from projecting our own society as the norm for all others; so modes of foreign relations serve to distinguish between different patterns of communities dealing with others occupying a different space and considering each other as foreigners. Hence 'foreign' relations, in order not to take the inter-state ('international') pattern as the norm.

Now what I call the 'foreign encounter' is as important of a community's exploitative relationship with its environment, as is the 'domestic' ordering of society for the purpose of its material and mental extended reproduction. Establishing a 'sovereignty' in spatial

terms, or as Marx puts it in his notes for Capital, ‘the communal labour which is required... to occupy the objective conditions of being there alive,’ constitutes the starting point of foreign relations (Marx, 1973: 474). A mode of foreign relations is further shaped by a particular way of protecting the space thus occupied. Finally, communities interact with others not only through warding off each other’s presence, but also ‘exchange’—goods, services, spouses, slaves, etc., which will foster integration. If we sum up the above, the relation of exploitation of nature, over-determining concrete social change, would then rely on intermediate structures of determination (relations of production, foreign relations) as follows. Again, this is not a causal chain, but on of over-determination as indicated above.

Figure 1. Productive Forces, Relations of Production, and Foreign Relations



Thus the contradictory relationship between forces and relations, as in modes of production, is also operative in modes of foreign relations. If we translate productive forces into means of production, their objectified form (incorporating, but as we will see, not confined to technology)—one can establish that the means to occupy space, protect the occupation, and exchange with other communities, are obtained in the mode of production, viz., in its ‘productive forces’ aspect. On the relations side, they obviously constitute the separate ‘foreign relations’ aspect. But we should not think of this simply as ‘the economy’ providing the material means of power with which to engage in foreign affairs, because that would leave out the human physical/mental substratum. Indeed ‘nationality’ defined as ethnic particularity (in a non-essentialist way, simply as socially real), has been argued to be an instance of the forces of production as well (Shanin, 1986), and the same goes for language and other aspects of the community that belong to its prior make-up and inventory of abilities, mobilised as ‘productive forces’ and developed through specific relations.

If the mode of production as a combination of productive forces and relations of production, includes a particular articulation of the ethnic/language/gender foundations of a community that it inherits from nature, with a particular class structure, this also may explain why class relations in the consciousness of those part of it, so often are expressed in terms of what Benedict Anderson (1983) calls ‘imagined communities’ other than class—especially by those on the lower rungs of the ladder of exploitation, who themselves are so obviously part of the productive forces that include such primordial identities. But even in the mirror of antecedent identities, class relations define the fault-lines of social and political conflict, through which change progresses (cf. Cox, 2002: 30).

In Figure 2 below I have summed up what I see as the main ‘modes of foreign relations’.

Figure 2 Modes of Foreign Relations and their Characteristics

Mode of Foreign Relations	<i>Forms of Sovereign Occupation of Space</i>	<i>Organisation of Protection</i>	<i>Forms of Exchange</i>
<i>Tribal Relations</i>	Status in shared space, Ritual passages	Symbolic rituals and threats	Exchange of women
<i>Empire/nomad Relations</i>	Imperial universalism, Frontier zone interaction	Recruitment of nomad warriors on frontier	Tributary payments, dynastic marriages
<i>Relations of Multiple Sovereignty</i>			
A. <i>Sovereign Equality</i>	Territorial jurisdiction	Standing armies, Power balance, Treaties	Mercantilist trade
B. <i>Heartland/ Contender States*</i>	Overseas settlement, transnational civil society, integration into heartland	Long-distance mobile warfare supremacy, active balancing	International credit, capital exports
C. <i>Global Governance</i>	Functional multiplication of sovereign spheres	Police actions	Globally integrated production chains

\*Characteristics of Heartland states; contender states retain characteristics of phase A.

Of course this raises an enormous amount of discussion but I will not pursue that argument here—it is articulated in several forthcoming publications, notably a book entitled *Nomads, Empires, States*, currently being written. What I will pursue here, is how within the broader relations of multiple sovereignty, the global governance aspect is gradually encroaching on the heartland/contender state aspect; and how this interacts with a parallel shift, within the capitalist mode of production, to a managerial capitalism.

## 2. Sovereign Equality, Heartland, Global Governance

The idea of a ‘modernity’ displacing prior forms is alien to the approach offered here. Wallerstein’s suggestion that the ‘modern world system’ and its supporting ‘capitalist world economy’, dealt the death-blow to empires such as that of Philip II of Spain, in that sense is mistaken, because the imperial element remains operative, as later in ‘imperialism’, or in ‘Empire’ today. And even if we may question the validity of this metaphor (Hardt and Negri, 2000), the role of the US as the sole remaining superpower, recognising no equivalent authority anywhere on the globe, does work to reactivate imperial attitudes in the relations with foreigners lacking a proper state of their own. Thus in Afghanistan in 2002, the US typically used local proxies (the Tadjik/Uzbek ‘Northern Alliance’) against the Pashtun Afghans, which is a belated echo of the tendency of an empire to protect its frontier by recruiting nomad or other barbarian auxiliaries (Deleuze and Guattari, 1986). Just as the tribal mode continues to operate in our inner cities and in the extremities of world society, we must recognize that in large parts of the world,

foreign relations continue to be structured to a considerable extent by the empire/nomad mode even under the structural conditions set by the multiple sovereignty, inter-state patterns that followed it.

The conjunction between capitalism and a new structure of world affairs can be linked to the Glorious Revolution of 1688, which consecrated a transnational structure in world politics that served as the geopolitical staging area of the internationalisation of capital, what I call a 'Lockean heartland' in the global political economy (van der Pijl, 1998: chapter 3; on the revolution in foreign affairs, Teschke, 2002; Rosenstock-Huessy, 1993: chapters 6 and 15). Henceforth, foreign relations of the multiple sovereignty type obtain a second modality which in practice if not in theory, is no longer characterised by sovereign equality as (briefly) under the Westphalian system; but by a commercial, calculating state commanding an intercontinental social compact, and actively playing off the continental European states against each others whilst expanding globally through informal empire (cf. Rosenberg, 1994).

Certainly the Lockean heartland that crystallised around England/New England in the late 17<sup>th</sup> century, left separate statehood intact. On the face of it, this aspect was even reinforced by the American war of secession, and the emancipation of Canada, Australia, and New Zealand in the context of the British Commonwealth. But it was a new type of state, and juridical sovereignty, because of the Lockean subordination of state to bourgeois society, left the common bonds of language, respect for the law, and other aspects of the common civilisation unimpaired. Continental European states, beginning with France, then Prussia/Germany, Japan, Russia/USSR, China, and so on, on the other hand had to ward off peripheralisation by pursuing a strategy of catch-up development, more emphatically so once Britain went through the industrial revolution (Senghaas, 1982: 29). Hence they were forced to reaffirm exclusive territorial sovereignty and an activist state role. The English-speaking heartland on the other hand could set its sights on conquering the globe by 'economic' means, avoiding the huge overheads of a land war capacity against major rivals, who had to rely on intensified exploitation of the internal tax base—the peasants (Lefebvre, 1976: 30-6).

There were many centrifugal elements still at work, and politics as such was never suspended. But on the basis of an internal circulatory system involving food exports, finance, and continuing migration, the Lockean heartland towards the end of the 19<sup>th</sup> century drew together to become the core of the global political economy in a more formal sense as well. Britain in 1887 began organising the Imperial Conferences to tie the self-governing Dominions more closely to its foreign policy again. At the 1911 Imperial Conference, the British Commonwealth was established and simultaneously, its foreign policy delegated to Britain (Hall, 1971: 67; Williamson, 1968: 82). In the same year, the Arbitration Treaty between the US and Britain outlawed war between the two countries as a means of conflict resolution. Therefore, the immanent transcendence of exclusive, 'private' sovereignty of the separate state which is already present in the idea of belonging to a common legal order, could first assume practical shape in the Lockean heartland because here, the trappings of state sovereignty were formal rather than material, juridical rather than economic. The Commonwealth model (with the US a silent partner) created a loose and highly flexible structure of sovereign states, 'a system of interlinked groups, organizations and societies within the greater community [which] was able to avoid in very large measure the growth of rigidities and compartmentalization in its political, economic and social structure' (Hall, 1971: 106). Flexibility was achieved

partly by transnational policy planning groups such as the Round Table which often charted the course that international bodies later were to follow (Quigley, 1981; cf. Gill, 1990); or by recruiting groups of experts on particular issues, which likewise performed an 'intellectual' function for both the wider heartland and the transnational class occupying its commanding heights. The intermediary between such private networks and the actual international quasi-state structure was a secretariat which prepared meetings and decided over the agenda. The British Committee on Imperial Defence pioneered this secretariat function also for the League of Nations that was to carry on crucial aspects of the Commonwealth in its organisational pattern (Jordan, 1971; cf. Murphy, 1994: ch. 2).

What we see here, are the contours of a manifest structure which we now would range under the heading of 'global governance', largely confined of course to the heartland. What I want to stress is that these processes cannot be reduced to the mode of production, although global capital obtained its key staging area in the English-speaking heartland. The mobilisation of the English legacy of common language; the Lockean, liberal civilisation and its implications in terms of the conception of law (rights-based individualism against the encroaching state); as well as the dominant ethnic substratum and religious outlook in which this is anchored, are productive forces which not only allow a particular (and particularly successful) capitalist mode of production to develop. They also provide the means by which this complex of states can engage with the outside world under the particular mode of foreign relations in which it, as an inter-continental heartland, faces and without exception, subdues, the succession of contender states which adopt an expressly 'Westphalian' posture as they resort to state-driven economic catch-up strategies in a context of exclusive national sovereignty—but who find themselves, increasingly, beleaguered by the universalist claims emanating from the heartland and the institutions, public and private, under its control. Today, any state reserving the same sovereign rights for itself as enjoyed by the expanded heartland (essentially, the North Atlantic bloc), will find itself relegated, sooner or later, to the 'rogue state' gallery. Yet, by the dynamic of the institutions in which the global aspirations of the heartland have crystallised, this also produces the encapsulation, by regulation, of the heartland states themselves, including the United States.

Let me now address the shifts in terms of the mode of production which occurred in the geopolitical context of the 20<sup>th</sup>-century evolution of the Lockean heartland under US leadership. These shifts, I will argue, can be summed up under the heading of the socialisation of labour in advanced capitalism, leading to pressures to acknowledge the socialised nature of the economy both nationally and at the regional international level.

### Social Determinants of 20<sup>th</sup>-Century Managerialism—Two Types of Socialisation

The changes at the intermediate levels of social determination that became apparent in the 1970s and which explain the incidence of the New International Economic Order movement, can be summed up as follows. First, the ascendancy of a mode of production beyond the capitalist one; secondly, the rise of a managerial cadre class determined by this shift and by the expansion of multilateral institutions in terms of the mode of foreign relations; and thirdly, the adoption of a contender state posture by a large group of Third World states pursuing an industrial catch-up strategy. Let me go through these briefly and indicate how they worked out in the 1970s context.

Changes in the capitalist mode of production from the late 19<sup>th</sup> century on have begun to delineate the contours of a new mode of production and a corollary process of class formation. In Capital, volume 3, Marx argues that what he terms an ‘associated’ mode of production, arises out of certain inherent tendencies in the capitalist mode of production. One is the conscious appropriation by the workers of the process of socialisation of labour, that is, the planned division of tasks within the overall labour process. The second is the tendency towards large-scale swindle by the autonomisation of finance, which at some point will threaten the real economy to such an extent that public authorities will have to curtail it in order to safeguard actual production (Marx-Engels Werke, 25: 485-6).

Socialisation (from the German Vergesellschaftung, literally, ‘societisation’), is an aspect of every market-mediated society. It refers to the sum total of activities by which a society which rests on a division of labour, retains its cohesion in spite of the centrifugal nature of that division. This pertains not only to the material coordination of economic activity, but also to a normative structure in which common interests can be articulated and legitimated against the ethos of self-interest. Adam Smith’s ‘invisible hand’ referred not to the market per se, but to this quality of society to sustain itself as a cohesive organism in spite of the competition among individual producers—hence, to socialisation. Certainly we are always looking at alienated socialisation because the social constraint is brought about either unintentionally, or consciously subsumed under a dominant ‘private’ relation such as ownership of capital.

Socialisation occurs in two main forms, which we have to distinguish clearly in order to understand the moment of transformation in the contemporary world order. Socialisation in a capitalist society of relatively small producers (the type of society Smith had in mind), is realised blindly as far as the actual economic division of labour is concerned. Market exchange ‘spontaneously’ connects the producer of chairs and the supplier of timber etc., into a chain of production. In the normative sphere, the state and the legal apparatus critically assist this process of socialisation by providing overall cohesion and guaranteeing the right to private property (Weber, 1976: 383). This form of Vergesellschaftung I call market socialisation. In class terms, the personnel who are involved in handling the process of market socialisation and in upholding the attendant normative structure, are self-employed ‘notables’ such as notaries and lawyers, as well as public dignitaries like town clerks and others, who represent some particular state function. In addition to these intermediaries, there is the stratum of traditional intellectuals from priests and journalists to novelists and philosophers who contribute in one way or another to shaping and/or upholding the normative structure of society. Self-employment and state employment are the hallmark of this class.

However, as the process of concentration and centralisation of capital advances, through crises in which small producers are expropriated, a different form of socialisation begins to emerge. This new form goes back to the scientific management methods of Taylor and the Gilbreths at the beginning of the 20<sup>th</sup> century (cf. Sohn-Rethel, 1970; Giedion, 1987). We then speak of socialisation of labour. Now the market no longer is the only mechanism by which the division of labour is validated, and social cohesion assured; capital begins to contain the division of labour within itself, and society so to speak moves from its ‘Smithian’ configuration to a ‘Marxian’ one. Capital itself is already a form of socialisation of labour, both at the level of the firm, which brings together a complex structure of labour-at-work under a single private jurisdiction; and at the level of the network of all firms connected by market relations, in competition. Within the firm,

the market is transcended and replaced by flow processes, logistical input/output configurations; yet beyond it, the terrain of competition is not a free, open space either. It is a structure ‘between market and hierarchy’ (Fennema, 1982), in which capitals cluster not only to organise flow economies among themselves but also, into potentially political coalitions (‘fractions’) seeking to direct the state, and/or any quasi-state structure on the international level that may assist their specific accumulation strategy.

Under socialised labour, labour actually begins to configure itself as the ‘collective worker’, because managers and a new type of qualified technician who stands apart from manual work, are brought together into a functional unity with the workers whose skills have been separated from them. Those entrusted with tasks of direction and conception in production, and of normative unification, but who yet are salaried employees, in French are termed cadre (l’encadrement, cf. Duménil, 1975; Boltanski, 1982; Bihr, 1989; Duménil and Lévy, 1998). In English, according to Webster’s Dictionary, ‘cadre’ means ‘a nucleus esp. of trained personnel capable of assuming control and of training others,’ which nicely sums up whom we are talking about. The modern ‘cadre’—managers, engineers, and all kinds of ‘knowledge workers’ taking the places of the priest and novelist of old: PR managers, soap opera writers, ‘spin doctors’, university lecturers, and so on, thus emerged in the context of an economy characterised by socialisation of labour, as a new class, somehow in the middle in between the property-owning bourgeoisie and manual labour or non-directive employees. The self-employed, ‘notable’ status for the greater part has been left behind here and replaced by state or corporate employment (Whyte, 1963; Benveniste, 1972). In the advanced heartland economies, this process followed straight on the introduction of scientific management around the turn of the century.<sup>3</sup>

The separate moments of transformation that Marx had identified in Capital, vol. 3, did become manifest in the crisis of the 1930s. But they were dealt with not by socialists, but by a coalition of fractions of the capitalist class and the managerial cadre. James Burnham, the American Trotskyist-turned-Cold-Warrior, in 1941 argued that the managers were taking over from the capitalists, and actually were barring the way to workers’ power in the same movement (Burnham, 1960). Indeed in the intense political struggles of the 1930s, the cadre did move to centre-stage in all capitalist countries hit by the Depression—in the New Deal in the US, in the Nazi take-over in Germany, in the Popular Front in France, but also in Latin America (Burnham also claims that the USSR had succumbed to this managerial revolution). In each national setting, the balance of forces between capital and labour was decided by cadre allegiance—in the US and France, they veered to a democratic solution, whereas, in Germany, they sided with the most reactionary elements of the capitalist class and the large landowning classes. The paradoxically identical, structural aspect in the process was the socialisation of labour crowding out market socialisation at the national level (Polanyi, 1957: 152; 185). Keynes too recognised a degree of socialisation of the economy by developing his macro-economic variety of a systems conception of the national economy, in which he was willing to accept the disappearance of the rentier aspect of capitalism as a case of ‘euthanasia’. The private investment function was to be entrusted to a managerial equivalent of the rentier whose skills would then ‘be harnessed to the service of the community on reasonable terms of reward’ (Keynes, 1970: 376-7).

How did these shifts interact with the geopolitical reconfiguration of the heartland after World War Two?

The triumph of the English-speaking heartland over the Fascist challenge, and its subsequent siege of the Soviet bloc, provided the context in which national class compromises under Fordist-Keynesian auspices were articulated with an international/intergovernmental infrastructure for the capitalist world economy (the Bretton Woods institutions, GATT). There was always a tension between this, specifically heartland set of structures of which only capitalist state/societies can be members, and the universalist political framework of the United Nations that was the result of the alliance which had defeated the Axis Powers. Whereas the Bretton Woods institutions and GATT were securely controlled by the North Atlantic states through their voting rights, the UN was always potentially out of control. Until the mid-1970s, the post-war order was dominated by the outward push of the American economy, solidifying, by public and private transfers and interventions, the hegemony of the capitalist class throughout the 'West'—i.e., the expanding heartland ranged against the main contender, the USSR, its bloc, and its actual and potential allies in the periphery. Jean-Christophe Graz has termed the trade liberalisation component of this outward push, 'transnational mercantilism' since it was not so much a real liberalisation, as it was an 'opening up' of hitherto closed national-economic spaces whilst retaining social protection in the developed economies (Graz, 1999: chapter 2). GATT in this perspective served the purpose of finding a way round the protectionist bias built into the American political system, and offered the US, through the discretionary tariff negotiating powers granted to successive Presidents, 'an institution that could solve the problems facing leaders at home in the 1950s through the 1970s' (Goldstein, 2000: 253). The public international governance structure of the UN in this period shared the Keynesian/ 'transnational mercantilist' assumptions that underlay the IMF-World Bank-GATT nexus broadly speaking. As de Senarclens (1990) reminds us, the post-war multilateral governance infrastructure was to a considerable extent populated by a cadre for whom national welfare was the priority consideration (Hammarskjöld, Furtado, Kaldor, Kalecki, Myrdal, and many others committed to development of the Third World in a broad Keynesian perspective).

Of course the cadre deployed by the UN organisations and the Bretton Woods institutions were technocrats first of all. This had a background in political sensitivities of the Cold War and Third World non-alignment, but more fundamentally reflected the fact that their knowledge is obtained in the characteristic managerial way, as something appropriated from a more complex human context, abstracted, and 'technicised' (cf. Saurin, 1994: 56). Even so, one may claim that broadly speaking, this generation of cadre belonged to the Keynesian family, easily working with the Social Democratic concepts that dominated the Western intelligentsia in the post-war period (de Senarclens, 1990: 240-1). The managerial revolution that had emanated from the socialisation of labour nationally, thus came to characterise the international order as well, and in the 1970s Keynesianism began to spill over to the international sphere irrespective of Cold War dividing lines, as deficit-financed industrialisation in the contender state belt (both the Soviet bloc and the strongest Third World states such as Mexico, Algeria, South Korea, and Brazil) evolved into a challenge to heartland pre-eminence (Frieden, 1981). This would culminate in the drive(s) for a New International Economic Order (NIEO) in the 1970s. Let me now look at how this challenge, in a sense the most formidable of the contender state challenge to the heartland since the Soviet bloc here sided with the state-capitalist Third World and with much of western Social Democracy.

### 3. Neo-Liberal Counter-Movement, Persistence of Socialisation

From the 1968 explosion of discontent across the heartland, the cadre prominence in the political economy of the heartland was given a left-wing inflection, which was inscribed in a really global drive for reform in the direction of greater equity and emancipation, however much this was often disfigured by the presence of authoritarian-ruled states in the reform coalition on the international plane—not surprising given that historically, only strong states can hope to achieve anything in the context of heartland/contender state struggles. But the cadre element in advanced capitalism became more receptive to alternative options for organising the world economy. The Social Democratic orientation of the reform movement was its strength (in the sense of resisting left adventurism) and its weakness (the timidity and technocratic orientation), and as the focus was always on the national state and state-to-state cooperation, the international arena was left as a launch-pad for a neo-liberal counteroffensive. Those opposed to the NIEO saw this clearly. The paramount think-tank to emerge from the conservative backlash taking shape in the United States, the Heritage Foundation, in one of its first publications launched a virulent attack on the NIEO platform (Feulner, 1976). The Heritage Foundation served to focus the concerns of big corporations against a threatening UN regime in areas like seabed exploration, labour regulation, and environmental considerations. The International Chamber of Commerce also had become especially vocal in attacking the 1970s regulation drive (Paul, 2001: 105-8). In a more scholarly vein, authors Michel Crozier, Samuel Huntington and Joji Watanuki in their report to the Trilateral Commission entitled The Crisis of Democracy argued that the demand load placed on the state exceeded its capacity to accommodate it and they accordingly recommended its curtailment by bracketing the economy off from politics (Crozier *et al.*, 1975; cf. Robinson, 1996: 68-9; Gill, 1990). These are only a few of the many instances by which, through leaps and bounds, a neo-liberal counteroffensive was beginning to take shape; and the restoration of the international sphere as a sphere free of political control was a key element in that counteroffensive.

Socialisation of labour, unlike market socialisation, has a profound and potentially, transformative effect. As socialisation of labour and the flow economy develop, capital more and more turns into private appropriation of the fruits of a vast, collaborative and ultimately global, process of socialised labour. Socialisation turns the world economy into an integral organism, into which every single human being is absorbed, but which lives a life of its own. It establishes ‘the connection of the individual with all, but at the same time also the independence of this connection from the individual’ and hence, ‘the formation of the world market already at the same time contains the conditions for going beyond it’ (Marx, 1973: 161; cf. Marx-Engels Werke, 23: 790).

The negotiated, political nature of the proposals for organising the inter-national world economy in the 1970s under the auspices of the UN, indeed threatened to expose capitalist power nationally to alternative modes of organising the economy whilst freezing relations among states in formal, neo-Westphalian patterns premised on political and economic sovereignty. When in the 1980s under Reagan and Thatcher, the market was restored as the central frame of reference for all social activity, one aspect of the shift was the attempt to reverse the trend towards socialisation of labour; and restore market socialisation as the mode of regulation of the world economy as well as of national

economies. But in terms of the mode of foreign relations, the simultaneous reaffirmation of the directive role of the multilateral infrastructure, what Robert Cox calls the ‘internationalising of the state’(Cox, 1987: 253), pointed in a direction other than restoring liberalism. When the US Federal Reserve under Paul Volcker unhinged the Keynesian logic of a credit-financed global economy by reducing the money supply in 1979, the inflationary financing of the industrialisation/ industrial modernisation drives of the Soviet bloc and the non-aligned world were derailed and a global debt crisis erupted instead. This in turn created leverage for the Bretton Woods institutions to apply deregulation and privatisation recipes on the debtor countries (Lipietz, 1984). The internationalisation of the state then served to create a transnational governance structure that turned states into relays of the requirements of the world market movement of capital—requirements which are synthesised into policy prescriptions by such institutions as the IMF, the World Bank, the WTO, etc. States, particularly through their finance ministries, are bound to conform to these regulations also because they are not technical, but express hierarchical relations of power in the global political economy. What is left to states after their rulers have given up their capacity to organise their own national economy by redistribution and the privileging of certain forms of national accumulation, is to try to anchor global capital circuits to pools of labour power within their territory, in competition with other states (Palan and Abbott, 1996: 36-9).

The transnational unification of hitherto nationally contained and state-monitored circuits of money capital turns the ‘world market’ into a structure no longer connecting separate states and firms on a level field, but a structure in which states and firms find themselves submerged. There develops a world market for companies, that is, a market in which companies as such are bought and sold. By all kinds of new techniques such as leveraged buy-outs, a whole new kind of capitalist, the dealer in corporations, emerged (Wildenberg, 1990). The shift to market socialisation in a liberalised international context, entailed the new prominence of a cadre which functions like the notaries and town clerks of old, but this time, not in a quiet atmosphere as provincial ‘notables’, but as highly dynamic operators in a global arena. However, like the 19<sup>th</sup>-century professional intermediaries, this cadre, emerging in the context of comprehensive market socialisation, also carry certain aspects of state authority even though in principle they are self-employed, or employed in partnerships, and the like. In a study on private international authority, Cutler *et al.* (1999: 10) speak of ‘coordination services firms—multinational law, insurance, and management consultancy firms, debt-rating agencies, stock exchanges, and financial clearinghouses.’ The tasks assumed by this particular cadre in the context of global market socialisation, can be summed up as standardisation along the lines of ‘best practice’—defined by reference to the extremes of exploitation (cf. the analysis of Motorola’s ‘global program benchmarking’ in Sklair, 2001: chapter 5). This ‘best practice’, benchmarking management concept has spread like wildfire across global society at large, and into politics as well, entailing a de-politicisation of administrative practices. It replaces any programmatic goal developed in social debate and the needs of concrete social forces, by the given ‘best practice’, which becomes the sole norm—however it has been motivated or achieved. The concept of ‘governance’ has actually come up in this very context, as a set of administrative practices conforming to the norms set by consultancies, credit rating agencies, and increasingly, relayed also through multilateral institutions (Tidow, 1999: 308-9; Sinclair, 1994).

However, the thrust of neo-liberalism, which consists of attacking the cumulative structures of social protection and planning matured under corporate liberalism, cannot as such undo the process of socialisation of labour. Certainly, the neo-liberal counteroffensive succeeded in undermining the state-mediated, UN-monitored global economy projected in the various NIEO proposals. The micro-computer and the revolt of the capital markets complemented this neo-liberal thrust, adding to the apparent triumph of private entrepreneurs and the down-sized state. But very soon, the reality of socialisation of labour has become manifest again, and whilst the global economy has been privatised and ownership emphasised, standardisation, networks, compatibility, and other signifiers of socialisation of labour have become more prominent again (Costello, 1988: 3-5).

This transpires very clearly in the growth trends of the different forms of capital circulating at the global level in the first decade of global neo-liberal restructuring. From 1982 to 1990, manufactures production grew by 4.7 per cent a year, trade in manufactures by 6.9; whilst the international finance circuit, by which the catch-up industrialisation of the Third World and the Soviet bloc had been financed until 1979, virtually collapsed. Foreign direct investment by transnational corporations (TNCs), on the other hand, has climbed to a growth rate of 20 per cent annually.<sup>4</sup> But in addition, as Stopford and Strange write (1991: 14), in the mid-1980s international production for the first time exceeded the volume of international trade, and this creates 'a qualitatively different set of linkages among advanced countries' (emph. added). So amidst all the hype about the entrepreneur and free markets etc., the international division of labour is moving towards a division of labour between subsidiaries of TNCs. Along with it, the 'flow' logic of the socialisation of labour is reasserting itself, if it is not actually becoming the guiding principle of international economic relations. In the 1990s (1990-'96), growth in manufactures production and growth of trade in manufactures are diverging to a degree not seen before (respectively, 1.1 per cent a year, and 6.3 per cent, cf. our note 12). This has to be interpreted in light of the fact that commodity flows within TNCs now comprise more than 30 per cent of international trade. Trade in parts and components, too (estimated to account for 30 per cent of cross-border trade in the late 1990), was growing faster than trade in finished goods. This indicates that transnational production chains are the trend. The OECD countries in this period have become net exporters of parts and components in e.g., transport and machinery, whereas peripheral producers tend to serve as assembly platforms (Lawton and Michaels, 2000: 65). Sub-contracting, or 'outward processing traffic' (OPT) involving exports of semi-finished products for finishing and re-import of finished product, also is an important aspect of the trans-national flows which is counted as trade but is in fact an intra-corporation flow. Thus OPT accounted for 26 per cent of both Hungarian and Czech exports to the EU in 1997; in textile and clothing, the percentages are even higher (Pellegrin, 2000: 284).

One key form of transnational socialisation of labour is the application of 'enterprise resource planning' (ERP). ERP is meant to provide the corporation with an internal system governing all functions. An ERP system is 'an integrated suite of software modules that automates internal "back office" operations for each function within an organisation, such as manufacturing, distribution, financials, purchasing, sales and human resources.'<sup>5</sup> By making optimal use of information technology, ERP 'allows information to replace inventory' (Lawton and Michaels, 2000: 63). This of course is a key example of how the flow logic of the socialisation of labour imposes itself on operations. Because

every 'flow' involves the need to impose the discipline of capital and deal with potential resistance in the commodification of labour, exploitation of labour, and overall social reproduction areas, and outcomes of any struggles this will involve, cannot be left to chance, comprehensive, global regulation becomes mandatory. The evolution of ERP itself followed this trajectory. Thus the five biggest companies providing ERP (SAP, Oracle, PeopleSoft, J D Edwards and Baan), enjoyed an initial period of great impact in 1995-'97, when the socialisation of labour within companies was streamlined by introducing IT. However, in the late 1990s, the attention of the ERP providers shifted from intra-company flow efficiency to link-ups by creating virtual supply chains with others—suppliers, partners, resellers and customers (cf. our note 13). This then marks the move from intra-company socialisation of labour as such, to transnational socialisation of entire product flows.

World-wide product standardisation is an important aspect of global integration of labour processes. Automated forms of supply provision and ERP are conditional on it. Standards are set and observed by three Geneva-based organisations, the Organisation for Standardisation (Iso), the International Electrotechnical Commission (IEC), and the International Telecommunications Union (ITU), which account for 96 percent of all published standards. Although the Iso and IEC are non-governmental institutions while the ITU is a UN specialised agency, the three increasingly work together as trade barriers are removed and the need for world-wide standardisation becomes mandatory. The norms and standards enunciated by these bodies express the reality of the global flow economy. They have the effect of creating a pyramid of hybrid forms of public/private authority on a world scale, in which the differences between state authority and private activity merge into hybrid forms and a cadre straddling the state and quasi-state and corporate worlds, emerges (Graz, 2002).<sup>6</sup> But then, as Craig Murphy has shown in a seminal study, product standardisation is only one aspect of the regulatory implications of industrialisation, and the growth of international organisation has been premised on this all through its history (Murphy, 1994).

### Political Consequences and Prospects

Now the cadre, much more than the sedentary owners of capital (both property dynasts and the average owner of stock), are a highly mobile and dynamic element in the global political economy. They apply the norms emanating from best practice benchmarks throughout the global political economy, and have to have a presence in the places where these norms are actually being applied. This holds for both the coordination firms that emerged in global market socialisation, and the cadre active in the emerging global networks of production expressing the flow logic of the socialisation of labour. But their very presence (and again, both the consultants and other 'new notables' and the cadre associated with standardisation) as a result tend to be much more directly confronted with the natural and social consequences of the increasingly exhaustive impact of neo-liberal capitalist discipline on the planet (Brennan, 2000). Are they therefore destined to engage in dealing with the dangers to human survival contained in current economic practice?

There is no need to project any utopias on this stratum. But it may be that their truly global spread, and the functional requirement that standards serve sustainable, compatible practices, will place them in a crucial position. The cadre as a class are enmeshed, not only with the transnational capitalist class networks such as the World Economic Forum

(the source of much of the ‘network society’ hype, and closely associated with the management consultancy business, cf. [www.weforum.com](http://www.weforum.com)), but also with the NGO sector. At different points across this spectrum, elements of the cadre are drawn into, one, the new round in regulation that is picking up steam; but on the other, are drifting away from capitalist discipline altogether and becoming more receptive to arguments put forward in the context of popular resistance. Indeed, being present at the hot spots where ‘best practice’ is being applied, increasingly guarantees a front seat in observing how the consequences of best practices create ‘trouble spots’. Except that here, we do not usually find the coordination services cadre and transnational managerial element with their MBA credentials, but a compensatory, ‘soft consultancy’ counterpart which is yet drawn from the same social background and is characterised by the same social profile. This concerns, in all their variety, the NGOs, which increasingly function as mediators in stabilising the consequences of the exhaustion of the social and natural substratum on which capital accumulation rests (Hirsch, 2002: 205-6). But the MBA cadre, too, are able to see the real world coming apart under the impact of some of the recipes they are supposed to be applying. True, the technocratic nature of managerial knowledge entails that ‘the reliance on consultancy firms leads to ... the effective de-politicisation of globalized social policy’ (Deacon, 1997: 143). But already in the Thatcher period, Patricia Tisdall in her study on management consultants recorded that about 60 per cent of (British) consultants felt that ‘the profession could do more towards the economic well-being of the country as a whole’ (Tisdall, 1982: 129). As the splendour and promise of boundless wealth associated with capitalism are waning, the threads of hard and soft consultancy woven across global society to somehow keep it together as a functioning whole, may become channels for the formulation of alternatives. In the end, the commitment to a private property-owning mode of production of the cadres is ideological rather than material, and a capitalism in crisis erodes this commitment more easily than in the case of somebody having a material stake in it. The subordination of society and nature to the economy, may then be reversed through the same structures of socialisation that were created to impose and universalise capitalist market discipline. Deacon’s study of 1997 found important indicators for this among what he calls the ‘globalized new professional middle class, who regardless of their country of origin, tend to speak a common language and share common assumptions’ even though there is a tendency to evade accountability (Deacon, 1997: 180). Yet within the organisations, there are variations, cross-currents, and departures from the neo-liberal mainstream. The World Bank Environment Department is home to ‘heretics’, the ILO and to some extent, the EU, the OECD directorate that deals with human resources and labour, UNICEF and the UNDP as far as the straight UN organizations are concerned, and the Council of Europe, all in one way or another deflect the outright application of neo-liberal policies, and the cadre active in them in that sense must be considered as potential allies of forces seeking to resist such policies. Deacon argues that the idea that nothing can be gained from engaging with the Bretton Woods institutions and other international organisations, is mistaken.

The empirical evidence suggests... that a war of positions [plural in the original]... IS being fought within and between international organizations; that through the support given to labour movements and their representatives in ministries of labour... a connection to local social forces can be developed; and that international [NGOs] and

their complex connections to local civil society are part of this war of positions (Deacon, 1997: 218).

The enunciation of rules other than straight market liberalisation by a logic of its own produces the interest to uphold them, just as they bind even those who proposed the rules, into their implications. So whilst many would rightly consider the WTO to represent a bulwark of neo-liberal capitalist discipline (e.g., Barker and Mander, 1999); we can yet observe that the codification drive of international organisations to adjust to the new world of capital, in the end leads to constraining the freedom of the forces apparently in the forefront of defining the terms of 'governance'. Thus the WTO dispute panels which can no longer be vetoed and the conclusions of which can not be ignored, and the establishment of a permanent court, have greatly enhanced the visibility and legal standing of the WTO compared to the GATT. The 60 per cent rise in number of cases under the WTO (if compared to the trend line for the last 14 years of GATT) already have been explained by the fact that many more obligations have to be observed under the new organisation. Certainly almost half of all the cases were brought by the US, and complaints often are against poor countries failing to observe the WTO rules which they have to accept *en bloc*, as a single undertaking (in the same way as new accession countries to the EU have to accept all existing EU regulation, the *acquis communautaire*, at once). But in the US, the perception is that even though there are no more complaints against the US than under GATT, the WTO can potentially overrule domestic legislation because it deals not only with products but also with process, that is, the entire structure of socialisation involved. As the WTO has replaced the old consensus rule with its veto implications by various majority voting arrangements, the US more easily perceives the organisation as a threat to sovereignty, although it supported the WTO structure itself (Goldstein, 2000: 266).

World politics here plays a role of its own. The cold war against state socialism gave the US an enormous legitimacy among the ruling classes and majority public opinion of the heartland but also a clear set of goals in the global political economy. Now that US commercial policy is no longer part of its overall world role, which has become unfocused, and in the face of increasing competition, 'the inability to renege on agreements will become increasingly constraining on leaders at home. The triumph of the "technical" over the "political" aspects of the regime, however, makes it increasingly difficult for American leaders to find support for free trade' (Goldstein, 2000: 267). The decision by the Bush administration to throw out the US commitment to the Kyoto protocol is a case in point.

The reorientation of the cadre away from straight privatisation (driven by the reassertion of the global flow economy), and the renewed interest in general rules, however 'soft' also obtains an important impulse from the protest movements against neo-liberalism, 'market fundamentalism', across the globe. Impatience with the arrogance of the West, and the United States in particular, feeds on the mind-numbing degradations of daily life under conditions of social and ecological exhaustion. Under these circumstances, the instability of the capitalist class structure given the latent reform orientation of the managerial cadre, may positively interact with the process of multilateral governance developed to coordinate the heartland states' policies but ramifying beyond to the global level. Although many signs of morbidity in capitalism and

in international society can be noted, my feeling is that these moments of transformation are too important to ignore.

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<sup>1</sup> Leo Panitch's critique that Cox's work is characterised 'by a certain empiricism, rather than looking for more orthodox and neater patterns of determinations' cf. M. Schechter in Cox, 2002: 16, is relevant here.

<sup>2</sup> 'Mechanical historical materialism does not allow for the possibility of error, but assumes that every political act is determined, immediately, by the structure' (Gramsci, 1971: 408).

<sup>3</sup> In the United States, the number of administrative employees in industry, as a percentage of production employees, rose from 7.7 in 1899 to 17.7 in 1937; in Germany from 4.8 in 1895 to 14.0 in 1933; and in Britain from 8.6 in 1907 to 15.0 in 1935. In the biggest companies, salaried administrators and salaried technicians were represented in almost equal proportions, as figures for Germany 1907 to 1933 testify (Bendix, 1963: 214, table 6; 222, table 7).

<sup>4</sup> WTO figures in Financial Times, May 18, 1998

<sup>5</sup> Financial Times, December 15, 1999

<sup>6</sup> Financial Times, October 14, 1994