



Gramsci and Globalisation: From Nation-State to Transnational Hegemony

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ABSTRACT This essay explores the matter of hegemony in the global system from the standpoint of global capitalist theory, in contrast to extant approaches that analyse this phenomenon from the standpoint of the nation-state and the inter-state system. It advances a conception of global hegemony in transnational social terms, linking the process of globalisation to the construction of hegemonies and counter-hegemonies in the twenty-first century. An emergent global capitalist historical bloc, lead by a transnational capitalist class, rather than a particular nation-state, bloc of states, or region, is pursuing a hegemonic project. The US state is seen as the point of condensation for pressures from dominant groups to resolve problems of global capitalism. US-led militarisation is a contradictory political-military response to the crisis of global capitalism, characterised by economic stagnation, legitimacy problems and the rise of counter-hegemonic forces.

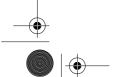
KEY WORDS: Gramsci, globalisation, hegemony, transnational, crisis, US empire

Globalisation and hegemony are concepts that occupy an increasingly important place in social science research and are central to out understanding of twenty-firstcentury world society. My objective in the present essay is to examine the matter of hegemony in the global system from the standpoint of global capitalism theory, in contrast to extant approaches that analyse this phenomenon from the standpoint of the nation-state and the inter-state system. Hegemony may be firmly situated in our social science lexicon, yet it means different things to different speakers. There are at least four interwoven conceptions in the literature on the international order and the world capitalist system:

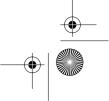
(1) Hegemony as international domination. Hegemony in the Realist tradition in International Relations (IR), world politics, and some International Political Economy, understood as dominance backed up by active domination, or 'hegemonism'. Thus the former Soviet Union exercised hegemony over Eastern

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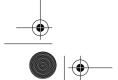


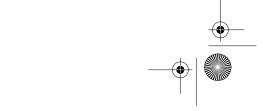
Europe and the United States exercised hegemony over the capitalist world during the Cold War.

- (2) Hegemony as state hegemony. Hegemony in the loose sense as evoked in much world-systems and IR literature, in reference to a dominant nation-state within the core that serves to anchor the world capitalist system or to impose the rules and enforcement that allows the inter-state system to function over time. Thus, there has been a succession of hegemonic powers in the history of world capitalism, e.g., from Dutch, to British and then to US hegemony, and a particular power is a 'hegemon'.
- (3) Hegemony as consensual domination or ideological hegemony. Hegemony in the more generic sense meant by Antonio Gramsci as the way in which a ruling group establishes and maintains its rule. Hegemony is rule by consent, or the cultural and intellectual leadership achieved by a particular class, class fraction, stratum or social group, as part of a larger project of class rule or domination. Thus, in modern capitalist societies the bourgeoisie has managed to achieve its hegemony during periods of stable rule, although that hegemony has broken down during periods of crisis, such as in the twentieth-century period of world wars and authoritarian rule in a number of countries.
- (4) Hegemony as the exercise of leadership within historical blocs within a particular world order. A view of hegemony that combines the loose sense of some preeminent state power in the world system with the more specific sense of the construction of consent or ideological leadership around a particular historic project. Thus the United States was able to achieve an international hegemony in the post-Second World War period as a result, not so much of its economic dominance in the global political economy and military might to back it up, than due to the development of a Fordist-Keynesian social structure of accumulation that became internationalised under the leadership of the US capitalist class.

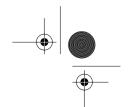
The above is, of course, a simplification and these four approaches are not mutually exclusive. But for argument's sake the first approach is epitomised by such realist paradigms as the theory of hegemonic stability, as developed by Kenneth Waltz (1979) and Robert Keohane (1984), among others. We could characterise Wallerstein's well-known essay, 'The Three Instances of Hegemony in the History of the Capitalist World-Economy' (1984), as archetypical of the second approach, while Arrighi's 1994 study, The Long Twentieth Century, may be its most elegant expression in the world-systems tradition. Gramsci's own writings (1971) epitomise the third approach. The Frankfurt school writings, and perhaps more recently, some of the theoretical work of Habermas and of Bordeau, may draw on or develop out of this approach. The fourth is closely associated with the work of Cox (see, inter alia, 1987) and neo-Gramscian perspectives in IR, and may be best illustrated by Rupert's study, *Producing Hegemony* (1995).

All four conceptions of hegemony may be of value insofar as they have contributed to understanding the evolving historical structures of the world capitalist







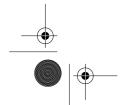




system. But here I want to call for expunging nation-state centrism from the discussion of hegemony. This would allow us to see transnational social forces not necessarily tied to any one nation-state behind contests over hegemony and other global political dynamics. We need to move away altogether from a statist conception of hegemony - from statism - and revert to a more 'pure' Gramscian view of hegemony as a form of social domination exercised not by states but by social groups and classes operating through states and other institutions. My aim is to apply a global capitalism approach to the current global order by explicitly linking the process of globalisation to the construction of hegemonies and counterhegemonies in the twenty-first century. While I draw on the neo-Gramscian and related schools of critical global political economy, I want to move beyond what I see as excessive state-centric emphasis in much of this literature, or what I have critiqued as a 'nation-state framework of analysis' (Robinson 1998, 2002). A national/international approach focuses on the pre-existing system of nation-states as an immutable structural feature of the larger world or inter-state system, whereas by contrast transnational or global approaches focus on how the system of nation-states and national economies, etc., are becoming transcended by transnational social forces and institutions grounded in the global system rather than the interstate system. I want to challenge the assumption – so ingrained that it is often only implicit and taken-for-granted – that by fiat we are speaking of the hegemony of a particular nation-state or coalition of states when we discuss hegemony in the global system.

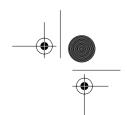
Indeed, of the four conceptions of hegemony mentioned above, (1), (2), and (4) all place a particular (nation-) state, coalition or bloc of states, or region, at the center of the analysis of hegemony in global society. World-system and much Marxist and realist approaches to hegemony focus on successive *state hegemons*. Looking backward, the baton was passed from the Italian city states to Holland, Great Britain and then the United States. The predominant view now seems to be the rise of an East Asian hegemony (Arrighi & Silver 1999; Frank 1998). For their part, neo-Gramscian perspectives focus on a succession of *hegemonic projects*, from the liberal international economy (1789-1873) under British leadership, to an era of rival imperialisms (1873-1945), and then to the post-Second World War era of *pax Americana*, under US leadership (Cox 1987: 109) – each with a hegemonic *state* or *state* contender. The neo-Gramscians acknowledge profound changes to world order but many, although not all, retain the framework of the nation-state and the interstate system in their concrete analyses of hegemony, *despite* the concomitant focus on transnational processes and forces.

The neo-Gramscian approach takes us beyond the limitations of realism in IR by utilising Gramscian insights and concepts to conceive of an integrated civil society and the state in international relations – this was Cox's groundbreaking contribution (for a sympathetic overview of the neo-Gramscian literature, and criticism of it, see Morton 2003). But I do not agree with Henk Overbeek that this approach has achieved a break with state-centrism in analysing world order (2000: 68-69). Such leading neo-Gramscians as Augelli and Murphy (1988), Gill (1990, 2003), and Gill





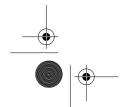


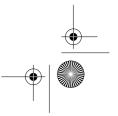


and Law (1988) have argued that US supremacy (whether based more on direct domination or on consent) has been transformed and renewed in recent years in the face of transnational processes. For Gill, the 'crisis of hegemony' of the 1970s represented by the breakdown of the old Fordist-Keynesian model of nation-state capitalism 'facilitated the material and ideological refurbishing of U.S. hegemony' (2003: 89) in the 1980s and on. Gill and Law posit a transnational hegemony in nation-state centric terms. 'Using a Gramscian approach, some writers have argued that a "transnational" hegemony may be emerging in which a transnational capitalist class predominates, leading a hegemonic bloc of mainly transnational capital and 'incorporated' labour', they note. 'We would suggest that at the geographical centre of such a potential "transnational" hegemony would be a group of capitalist countries led by the United States' and based on the 'organic' blocs that develop among nations (Gill & Law 1988: 355). The problematic remains state-centric; hegemony is seen as being organised or exercised by states in an international arena and as involving the leadership or supremacy of nation-states.

IR, of course, does what it is supposed to do: study relations among nations. I am trying, in contrast, to get away from the whole notion of hegemony in international relations and towards a distinct conception of hegemony in global society. I want to draw us away from the imagery of social forces moving 'up' to the national state and then 'out' to the international arena. This imagery is quintessential to Cox's construct, in which the (national) state is the point of backward linkage to society and forward linkage to the international order. Classes and social forces are integrated vertically into these (national) states that then develop inter-national relations horizontally. 'A world hegemony is thus in its beginnings an outward expansion of the internal (national) hegemony established by a ... social class', according to Cox (1983: 171), while Morton, interpreting Cox, adds that 'once hegemony has been consolidated domestically, it may expand beyond a particular social order to move outward on a world scale and insert itself through the world order' (2003: 160). In contrast, I want to focus on the horizontal integration of classes and social forces that then operate through webs of national and transnational institutions. In this imagery, transnational capitalists and allied dominant strata integrate horizontally and in the process move 'up' cross-nationally, penetrating and utilising numerous national and transnational state apparatuses to forge their rule, as I discuss below.

In his writings on 'State and Civil Society', Gramsci critiques as 'statolatry' the conception of the state developed by ideologues of capitalist society as derived from the separation of politics and economics and 'conceived of as something in itself, as a rational absolute' (1971: 117, Q10II§61; 268-269, Q8§130). Instead, the state is 'the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance, but manages to win the active consent of those over whom it rules' (Gramsci 1971: 244, Q15§10). Here the state becomes the 'integral' or 'extended' state, in Gramsci's formula, encompassing political plus civil society, a conception aimed at overcoming the illusory dualism of the political and the economic. Somewhere along the way between the early twentieth century of Gramsci's time and the post-Second World War period – I









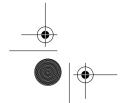
won't attempt here to retrace the genealogy - Gramsci's concept of the hegemony of ruling groups and the historical blocs of social forces they construct became transformed into the notion of the hegemony of a state in the inter-state system. Was this justified? Is it still? I will return to these queries momentarily. The remainder of this article, limited as it is by space constraints, is a synthesis of my earlier work on global capitalism conjoined with the critique of the statist conception of hegemony and some propositions on transnational hegemony, to be explored at more length in future research.

Global Capitalism and Transnational Class Formation

My approach to globalisation can be broadly identified with the 'global capitalism' thesis (see, inter alia, McMichael 2000; Went 2002; Sklair 2001, 2002; Robinson 1996, 2003, 2004) that sees globalisation as representing a new stage in the history of world capitalism involving the integration of national and regional economies into a new global production and financial system and such related processes as transnational class formation. Recent claims by Sklair (2001), Robinson and Harris (2000), and Robinson (2001, 2004) on the rise of a transnational capitalist class, or TCC, as a group increasingly detached from specific nation-states, build on more general theories of global class formation (see, inter alia, van der Pijl 1984; 1998; Cox 1987; Gill 1990, 2003; Embong 2001; Sunkel 1993). Here, I want to suggest that the transnationalisation of classes allows us to imagine a transnationalisation of hegemony.

Under globalisation, a new class fractionation, or axis, has been occurring between national and transnational fractions of classes. In the main, states have been captured by transnationally oriented dominant groups who use them to integrate their countries into emergent global capitalist structures. The globalisation of production and the extensive and intensive enlargement of capitalism in recent decades constitute the material basis for the process of transnational class formation. What most accounts of global class formation share is a nation-state centered concept of class that postulates national capitalist classes that converge externally with other national classes at the level of the international system through the internationalisation of capital and concomitantly of civil society. World ruling class formation in the age of globalisation is seen as the international collusion of these national bourgeoisies and their resultant international coalitions. Many aspects of international relations and world development over the past five centuries can be explained by the dynamics of national capitalist competition and consequent interstate rivalries. The problem begins when we fail to acknowledge the historic specificity of these phenomena and instead extrapolate a transhistoric conclusion regarding the dynamics of world class formation from a certain historic period in the development of capitalism.

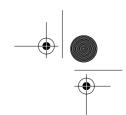
As national productive structures become transnationally integrated through the globalisation process, world classes whose organic development took place through the nation-state are experiencing supra-national integration with 'national' classes







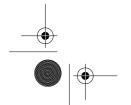


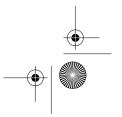


of other countries. Globalisation creates new forms of transnational class relations across borders and new forms of class cleavages globally and within countries, regions, cities and local communities, in ways quite distinct from the old national class structures and international class conflicts and alliances. It is not possible to explore here the growing body of empirical research on TCC formation (but see, *inter alia*, Robinson & Harris 2000; Sklair 2001; Carroll & Fennema 2002; Carroll & Carson 2003; Robinson 2004). Suffice it to note here that what distinguishes the TCC from national or local capitalists is that it is involved in globalised production, marketing and finance and manages globalised circuits of accumulation that give it an objective class existence and identity spatially and politically in the global system above any local territories and polities.

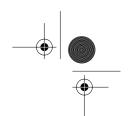
Neo-Gramscian perspectives, following Cox (1987), have focused on the reciprocal relationship between production and power; on how distinct modes of social relations of production may give rise to certain social forces, how these forces may become the bases of power within and across states, and how these configurations may shape world order. I want here to push the formulation a bit further, moving beyond a conception that rests on (nation-) state power and state hegemony, and drawing on Gramsci's concept of historical blocs as hegemonic projects. In modern conditions, argues Gramsci, a class maintains its dominance not simply through a special organisation of force, but because it is able to go beyond its narrow, corporative interests, exert a moral and intellectual leadership, and make compromises, within certain limits, with a variety of allies who are unified in a social bloc of forces which Gramsci calls the historical bloc (Gramsci 1971: 168, Q13§23; 366, Q10II§12; 418, Q15§61). The bloc represents the basis of consent for a certain social order, in which the hegemony of a dominant class is created and re-created in a web of institutions, social relations, and ideas. If we return to Gramsci's original notion of hegemony as a form of social domination and apply it to twenty-firstcentury global society, the key question becomes, who is the ruling class? Is the ruling group a class or class fraction from a particular nation-state? Are there still distinct national ruling classes?

I want to argue that, stated simply, we *cannot speak of the hegemony of a state.* Hegemony is exercised by social groups, by classes or class fractions, by a particular social configuration of these fractions and groups. When we speak of 'British' hegemony or 'US' hegemony we do not really mean 'British' or 'US' as in the country. This is merely shorthand for saying the hegemony of British capitalist groups and allied strata, such as British state managers and middle-class sectors, in the context of world capitalism. But problems arise when we forget that this is just shorthand. If classes and groups are nationally organised then this shorthand is justified. In an earlier moment in the history of world capitalism classes were organised around national markets and national circuits of accumulation, even as these national markets and capital circuits were in turn linked to a more encompassing world market and processes of accumulation on a world scale. The process of economic globalisation is creating the conditions for a shift in the locus of class and social group formation from the nation-state to the global system. The problem of







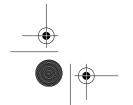




state-centric and nation-state-centric analysis is that it does not allow us to conceive of an emergent or potential global hegemony in terms of transnational classes and groups not centred in any one state or in specific geographies. Can we perceive a hegemony in twenty-first-century global society not exercised by a nation-state – which in any event is shorthand for saying it will not be exercised by dominant groups from any particular nation-state or region – but by an emergent global capitalist historical bloc led by a TCC? Such a transnational hegemony should be seen as a project that is incomplete, contested, and – we shall see – in crisis, constructed on the shaky basis of a disjuncture between the development of transnational class and social forces, and the very incipient and partial development of what I have termed transnational state (TNS) structures (Robinson 2001, 2004).

The TCC has been attempting to position itself as a new ruling class group worldwide and to bring some coherence and stability to its rule through an emergent TNS apparatus. What would a potentially hegemonic bloc - henceforth referred to as a globalist bloc - under the leadership of the TCC look like? It would clearly consist of various economic and political forces whose politics and policies are conditioned by the new global structure of accumulation. At the center of the globalist bloc would be the TCC, comprised of the owners and managers of the transnational corporations and private financial institutions and other capitalists around the world who manage transnational capital. The bloc would also include the cadre, bureaucratic managers and technicians who administer the agencies of the TNS, such as the IMF, the World Bank and the WTO, other transnational forums, and the states of the North and the South. Also brought into the bloc would be an array of politicians and charismatic public figures, along with select organic intellectuals, who provide ideological legitimacy and technical solutions. Below this transnational elite would be a small layer, shrinking in some locales (such as the United States) and expanding in others (such as in India and China), of old and new middle classes, highly paid workers, and cosmopolitan professionals who exercise very little real power but who – pacified with mass consumption – form a fragile buffer between the transnational elite and the world's poor majority.

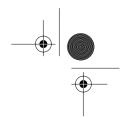
It is in this way that we can speak of a historical bloc in the Gramscian sense as a social ensemble involving dominant strata and a social base beyond the ruling group, and in which one group exercises leadership (the TCC) and imposes its project through the consent of those drawn into the bloc. Those from the poor majority not drawn into the hegemonic project, either through material mechanisms or ideologically, are contained or repressed. '[It is necessary] to change the political direction of certain forces which have to be absorbed if a new, homogenous politico-economic historical bloc, without internal contradictions, is to be successfully formed', writes Gramsci. 'And since two "similar" forces can only be welded into a new organism either through a series of compromise or by force of arms, either by binding them to each other as allies or by forcibly subordinating one to the other, the question is whether one has the necessary force, and whether it is "productive" to use it' (1971: 168, Q13§23). All social orders in class society, and all historical blocs, involve in their genesis and reproduction an ongoing combination of consent









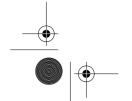


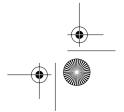
and coercion. To what extent (and degree) an historical bloc must rely on more direct domination or coercion as opposed to consent in securing its rule is open to debate and is more a problem of concrete historical and conjunctural analysis than of theoretical determination. There has been a debate as to whether an historical bloc can emerge without first securing its hegemony, that is, the prevalence of consensual over coercive domination, and as to whether supremacy prevails in the absence of such hegemony (see Morton, 2003: 163-165). One cannot rely on Gramsci for the final word in this debate, as he has insisted on 'the moment of hegemony and consent as the necessary form of the concrete historical bloc' (1995: 332, Q10I§Summary; 357, Q10I§12) and that 'the supremacy of a social group manifests itself in two ways, as "domination" and as "intellectual and moral leadership" (1971: 57, Q19§24). For our purposes it is clear that the globalist bloc achieved in the 1980s and 1990s – at best – a certain 'restricted' as opposed to 'expansive' hegemony in global society, less through the internalisation by popular classes worldwide of the neoliberal worldview than through the disorganisation of these classes in the wake of the juggernaut of capitalist globalisation. Since the late 1990s, as I will elaborate below, it has been unable to reproduce even this 'restricted' hegemony and has had to resort to increasing worldwide use of direct coercion in order to maintain its supremacy.

The Debate on US Hegemony and Hegemonic Transitions

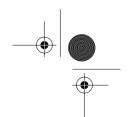
My propositions on transnational hegemony have met stiff resistance from social scientists from a variety of traditions who advance such scenarios as revived Great Power rivalry, competing geopolitical regions, and a renewed US drive for world hegemony (see, e.g., Arrighi & Silver 1999; Gowan 1999; Frank 1998; Goldfrank 2001; Freeman 2004; Gibbs 2001). The claim that Great Power rivalry is again on the increase was popular in the early 1990s and enjoyed a comeback after the 2003 US invasion of Iraq in the face of French, German and Russian opposition. A more nuanced approach saw struggle among competing core power blocs for hegemonic succession in the wake of US decline. In this 'three competing blocs' (or 'regionalisation') scenario, EU, US, and East Asian blocs were seen as non-global regional formations (see, e.g., Hirsch & Thompson 1996; Held et al., 1999: 5). Each core grouping was said to be integrating its periphery into a regional formation in competition with rival regional blocs and a number of scholars predicted the rise of an East Asia hegemon. But global investment patterns by TNCs suggest each bloc is interpenetrated by the other two and form an increasingly integrated global 'triad' based on the expanding interpenetration of capital among the world's top TNCs. As these capitalists integrate they draw in local networks and production chains into complex cross-national webs, making it difficult to box political relations among states and competition among economic groups into the old nation-state geopolitical framework.

'Asian' economic success is said by some (see, e.g., Arrighi & Silver 1999) to constitute a competitive threat to 'US' interests and a sign of geopolitical competition.







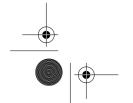




But we could only reach such a conclusion by ignoring the fact that East Asian dynamism is inseparable from the massive entrance of transnational capital and that local elites have sought not a regional circuit of accumulation in rivalry with circuits elsewhere but a more complete integration into globalised circuits. Given an open global economy and capital's global mobility, superior economic performance in a particular region clearly benefits all investor groups in that region. Even if the argument could be made that leading national states protect the interests of investors within determined national borders - that is, even if there still exists a territorial dimension to capital and a geopolitical content to world politics – the fact remains that those investors originate from many countries. A more satisfying explanation than geopolitical competition, I suggest, is that regional accumulation patterns reflect certain spatial distinctions complementary to an increasingly integrated global capitalist configuration. We do not see so much a recentring of the global economy in East Asia, as Arrighi and Silver (1999: 219) claim, as much as a decentring of the global economy; its fragmentation and the rise of several zones of intense global accumulation. These may not be territorially-bounded rivals for hegemony as much as sites of intensive accumulation within a global economy that bring together transnational capitalists and elites in diverse locations around the world, precisely what we would expect from a supranational and decentred transnational configuration.

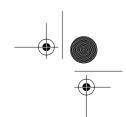
The rise of a TCC and a TNS does not imply the absence of conflict among distinct capitalist groups and state elites. Conflict is prone to occur at multiple levels: between transnationally oriented elites and those with a more local, national or regional orientation; between agents of global capitalism and popular forces; among competing groups within the globalist bloc who may foment inter-state conflicts in pursuit of their particular interests; and so on. The picture is further complicated by the instability wrought by the breakdown of social order and the collapse of national state authority in many regions. However, the key point is this: conflict and competition must take place through institutions that either already exist or that groups in conflict create. National states may be utilised by a multiplicity of capitals, none of which are necessarily 'national' capitals to the extent that national networks of capital have become overlapping and interpenetrating. As Went has observed, concurrent with my analysis, 'capital's home government need not necessarily undertake [these functions]. The domestic state where capital originates from may do so, but there are alternatives, such as, e.g., foreign state structures, capital itself either singly or in conjunction with other capitals, or state bodies in cooperation with each other' (Went 2002: 108). The TNS does not yet (and may never!) constitute a centralised global state and formal political authority remains to a considerable extent fragmented, and fragmented unevenly, among weaker and stronger national states. This peculiar institutional structure, an historic contradiction of the global capitalist system, presents transnational elites with the possibility, and the need, to influence a multitude of national states.

What about challenges to the global capitalist bloc from forces opposed to its transnational agenda? Challenges of this sort are likely to come from two sources. The first is from subordinate groups in transnational civil society or from specific nation-





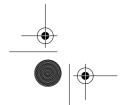


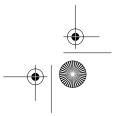


states when these states are captured by subordinate groups. The second is from dominant groups who are less integrated into (or even opposed to) global capitalism, such as, for example, the Baath Party/Iraq state elite prior to the 2003 US invasion, sectors among the Russian oligarchy, or Chinese economic and political elites. This uneven development of the transnationalisation process is an important source of conflict. The emerging global order, we should bear in mind, is *unevenly* hegemonic. Hegemonic power does not operate in a uniform manner across the globe.

How do we understand such 'evident' realities of trade wars, often acrimonious differences among core power governments, and above all, the preponderant role of the United States in world affairs, its seeming 'hegemony,' and its often unilateral military intervention abroad? According to extant paradigms US state behavior in the global arena are undertaken in defense of 'U.S. interests' (e.g., Gibbs 2001; Gowan 1999). Most scholars and analysts see TNS institutions as instruments of US hegemony (Bello 2002: 39). But when the IMF or the World Bank opens up a country through liberalisation measures it is opened not exclusively to 'US' capital but to capitalists from anywhere in the world. TNS institutions have acted less to enforce 'US' policies than to force nationally oriented policies in general into transnational alignment. The TCC and its globalist bloc to advance its interests has relied on existing national state apparatuses and also increasingly on the emergent apparatus of a TNS, and in doing so it has found the US national state, for evident historic reasons, to be the most powerful of these apparatuses. This is the particular form through which the old geopolitics of the nation-state are simultaneously being played out and winding down.

Scholars such as Brenner (2002) insist that national 'trade wars' and 'national competition' drive world political dynamics in the twenty-first century. Trade tensions may well break out between individual sectors (such as bananas or steel) that turn to specific national states for support. But the evidence suggests a process of mutual competition and integration across borders rather than 'US' hegemony. Capitalist groups that in earlier epochs produced nationally and then exported to the world market have largely replaced this strategy with 'in-country production'. In 1997, global figures for sales by TNC in-country affiliates reached \$9.7 trillion, compared to cross-border trade that totaled \$5.3 trillion (USITC 2001: 1-3). According to the US International Trade Commission, in 1997 sales by US-owned foreign affiliates abroad totaled \$2.4 trillion compared to \$928 billion in US exports. Sales by foreign affiliates inside the US reached \$1.7 trillion while their imports amounted to \$1 trillion (USITC 2001: 2-6). Under these circumstances 'trade wars' begin to lose all meaning if analysed in conventional terms of rival national capitalist groups and their respective states. This does not mean that trade conflicts are illusory. Fierce competition in the globalisation epoch takes place among dense networks of transnational corporate alliances and through struggles within every country and within transnational institutions. Given their global interests and the extent of their transnational interpenetration, TNCs must take an active political and economic interest in each country and region in which they operate. They may turn to any national state to gain competitive advantage as part of their corporate









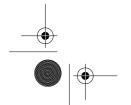
strategy. Globalisation is not a 'national' project but a class project without a national strategy, or rather, with a strategy that seeks to utilise the existing political infrastructure of the nation-state system and simultaneously to craft TNS structures.

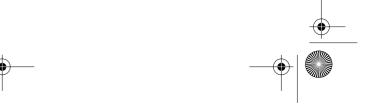
We have not seen a resurgence of the old imperialism or an intensification of interimperialist rivalry. The classical theories of imperialism emphasised core national state control over peripheral regions in order to open these regions to capital export from the particular imperialist country and to exclude capital from other countries (Hilferding 1910; Lenin 1917). The competition among these competing national capitals, according to the theory, led to inter-state competition and military rivalry among the main capitalist countries. The structural changes that have led to the transnationalisation of national capitals, finances, and markets, and the actual outcomes of recent US-led political and military campaigns, suggest new forms of global capitalist domination, whereby intervention creates conditions favourable to the penetration of transnational capital and the renewed integration of the intervened region into the global system. US intervention facilitates a shift in power from locally and regionally-oriented elites to new groups more favourable to the transnational project (Robinson 1996). The result of US military conquest is not the creation of exclusive zones for 'US' exploitation, as was the result of the Spanish conquest of Latin America, the British of South Africa and India, the Dutch of Indonesia, and so forth, in earlier moments of the world capitalist system. Rather, the beneficiaries of US military action are transnational capitalist groups and the US state has, in the main, advanced transnational capitalist interests. Shortly after taking control of Iraq in 2003, for instance, the US occupation force unveiled 'Order 39', which provided unrestricted access to Iraq for investors from anywhere in the world (Docena 2004).

The US state is the *point of condensation* for pressures from dominant groups to resolve problems of global capitalism and for pressures to secure the legitimacy of the system overall. This subjects it to great strain. Moreover, although US state managers face institutional constraints and structural imperatives to bolster global accumulation processes they also face direct instrumental pressures of groups seeking their particular interests. It was notorious, for instance, that oil and military-industrial concerns brazenly utilised the administration of George W. Bush to pursue narrow corporate gains in a way that appeared to have contravened the more long-term interests of the transnational project. But *narrow* corporate interests do *not* mean *US* corporate interests. We see *not* a re-enactment of this old imperialism but the colonisation and recolonisation of the vanquished for the new global capitalism and its agents. The underlying class relation between the TCC and the US national state needs to be understood in these terms. *The empire of capital is headquartered in Washington*.

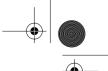
The Problematic Nature of Transnational Hegemony and Prospects of Counter-hegemonies

The globalist bloc may have appeared insurgent and triumphalist in the 1990s but it has run up against one crisis after another in its effort to secure its leadership and









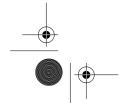


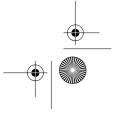
reproduce its hegemony. A necessary condition for the attainment of hegemony by a class or class fraction is the supercession of narrow economic interests by a more universal social vision or ideology, and the concrete coordination of the interests of other groups with those of the leading class or fraction in the process of securing their participation in this social vision. Here, the narrow interests of transnational finance capital (currency speculators, bankers, portfolio investors, etc.) seemed to hold out the prospects of frustrating a hegemonic project. As well, a unified social vision has been difficult to secure because distinct elites seek different and even conflicting solutions to the problems of global capitalism based in the historic experiences of their regional systems. The system of global capitalism entered into a deep crisis in the late 1990s. There were twin dimensions to this crisis.

The first was a *structural crisis of overaccumulation and of social polarisation*. By undermining the state redistribution and other mechanisms that acted in earlier epochs to offset the inherent tendency within capitalism towards polarisation, globalisation has resulted in a process of rapid global social polarisation and a crisis of social reproduction, as has been amply documented (see, *inter alia*, Freeman 2004; Korzeniewicz & Moran 1997). This has restricted the capacity of the world market to absorb world output and constricted the ability of the system to expand. This is the structural underpinning to the series of crises that began in Mexico in 1995 and then intensified with the Asian financial meltdown of 1997-98, and the world recession that began in 2001. Overaccumulation pressures make state-driven military spending and the growth of a military-industrial complex an outlet for surplus and give the current global order a frightening built-in war drive.

The second dimension is a crisis of legitimacy and authority. The legitimacy of the system has increasingly been called into question by millions, perhaps even billions, of people around the world. Global elites have clamoured for reform from the top down, reflecting a breakdown of confidence and a willingness among the more politically astute transnational elites to seek reform – a so-called 'globalisation with a human face' – in the interests of saving the system itself (Rupert 2000). No emergent ruling class can construct an historical bloc without developing diverse mechanisms of legitimation and securing a social base - a combination of the consensual integration through material reward for some, and the coercive exclusion of others that the system is unwilling or unable to co-opt. The ruling group has had to increasingly forsake hegemony and resort to direct coercion to maintain its supremacy, although achieving either consensual integration or effective coercive exclusion has been increasingly difficult, given the extent of social polarisation and of resistance worldwide, which seems to have contributed to a new 'politics of exclusion' in which the problem of social control becomes paramount and coercion plays an increasingly salient role over consent.

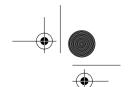
Whether a transnational capitalist hegemony can become stabilised and what institutional configuration could achieve its maintenance and reproduction remains to be seen. Faced with the increasingly dim prospects of constructing a viable transnational hegemony in the Gramscian sense of a stable system of consensual domination, transnational elites have mustered up fragmented and incoherent









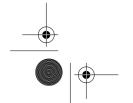


responses involving heightened military coercion, the search for a post-Washington consensus, and acrimonious internal disputes around parochial interests, strategic and tactical differences. In the post-11 September period the military dimension appears to exercise an overdetermining influence in the reconfiguration of global politics. Militarised globalisation represents a contradictory political response to the explosive crisis of global capitalism – to economic stagnation, legitimation problems and the rise of counter-hegemonic forces.

What, then, are the prospects of counter-hegemonic resistance to the globalist bloc? Challenges to its hegemony have come from several quarters:

- 1. The anti-globalist Far Right. This Far Right has been able to capitalise in numerous countries on the insecurities of working and middle classes in the face of rapidly changing circumstances to mobilise a reactionary bloc. The Far Right draws in particular on the insecurities of those sectors formerly privileged within national social structures of accumulation, such as white workers, family farm sectors, middle and professional strata facing deskilling and downward mobility, and national fractions of capital threatened by globalisation. Pat Buchanan in the United States (and possibly, the G.W. Bush clique), Jörg Haider and the Freedom Party in Austria, the One Nation party in Australia, Le Pen's National Front in France, Russia's Vladimir Zhirinovsky, and so on, epitomise the rise of this reactionary bloc. It is possible that some reactionary forces become drawn into the globalist bloc and in some cases its program may even generate conditions more favorable to the transnational elite agenda.
- 2. Progressive elites and nationalist groups in Third World countries, such as Hugo Chávez in Venezuela. These elites may well draw on insecurities of vulnerable sectors but articulate a progressive vision as distinct from the far right. In this category are also elites from certain countries and regions that have not been fully drawn into the global economy, or are being integrated into it in a way that is structurally distinct from that of national contingents of the TCC in most countries and regions. Here China and Russia, and perhaps India, stand out. Political projects that emerge could well be one of cooptation or accommodation with the globalist bloc or heightened conflict with it.
- 3. Popular sectors worldwide, as expressed in the rise of a global justice movement. In the closing years of the twentieth-century popular resistance movements and forces began to coalesce around an anti-neoliberal agenda for social justice, epitomised in the Seattle protest of late 1999 and the Porto Alegre encounters of 2001-2004 (e.g., see Rupert in this volume).

A counter-hegemonic impulse could come from any of these sectors, or from a combination of these forces, in ways that cannot be anticipated. Clearly the counter-hegemonic discourse of the global justice movement was in ascendance in the late twentieth century and popular forces had begun to conjoin with progressive elites, as exhibited, for instance, in South American politics. It is impossible to predict the outcome of the crisis of global capitalism. No doubt world capitalism has











tremendous reserves upon which to draw. We may see a reassertion of productive over financial capital in the global economy and a global redistributive project just as we may see a global fascism founded on military spending and wars to contain the downtrodden and the irrepented. Perhaps the more reformist (as opposed to radical) wing of the global justice movement will ally with the more reformist (as opposed to conservative) wing of the TCC to push a reformist or global redistributive project, along the lines of what Gramsci (borrowing from Croce) called *trasformismo* (Gramsci, 1971: 58-59, Q19§24), whereby actual and potential leaders and sectors from the subordinate groups are incorporated into the dominant project in an effort to prevent the formation of counter-hegemony.

Fundamental change in a social order becomes possible when an organic crisis occurs. An organic crisis is one in which the system faces a structural (objective) crisis and *also* a crisis of legitimacy or hegemony (subjective). At times of great social crisis, such as the one we appear to face in early twenty-first century global society, sound theoretical understandings are crucial if we hope to intervene effectively in the resolution of such crises. The task is certainly daunting, given such a vast and complex theoretical object as emergent global society, and the character of the current situation as transitionary and not accomplished. As we work towards gaining a more nuanced theoretical understanding of emergent global social structures it is useful to recall that the power of collective agencies to influence history is enhanced at such times of crisis rather than during periods of stability and equilibrium.

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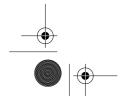
Notes

- 1. I do not agree with Cox's assertion, following Gramsci, that 'the national context remains the only place where an historical bloc can be founded' (1983: 174). I cannot take up this debate here. However, my broader concern is the danger of a canonical or theological Gramscianism, in which such concepts that Gramsci introduced as historical blocs can only be legitimately employed if the prior conditions (e.g. a world of national capitalisms), upon which Gramsci first abstracted these concepts, are projected into the present (global capitalism). I do not suggest that Cox commits this mistake, but the impulse to dig up competing Gramsci quotes in order to resolve contemporary debates that involve concepts first introduced by Gramsci is symptomatic of the problem.
- 2. Following the convention established throughout this volume, reference to the Gramsci anthologies is accompanied by a citation of the notebook number (Q) and section (§).

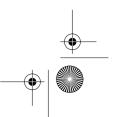
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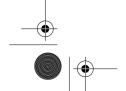


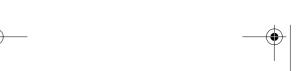






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