WHITHER THE TRANSNATIONAL CAPITALIST CLASS?

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Since the 1970s, the putative formation of a transnational capitalist class (TCC), typically viewed as part and parcel of capitalist globalization, has raised substantive and strategic questions for scholars and activists alike. To what extent has such a class actually formed and what is its transnational reach? What are its sources of cohesion and its capacity to act as a class-for-itself? How is the TCC articulated with other capitalist fractions and with state apparatuses that, in the same period, have developed increasingly international capacities and orientations? Most importantly, what strategic implications might be drawn from an analysis of transnational capitalist class formation in the current era? This essay takes up these questions and attempts to provide some answers grounded in scholarship from the past four decades. Although one can reasonably speak of a transnational capitalist class, its reach, cohesion and agentic capacity should not be overestimated. Moreover, the TCC is not a freestanding entity, but is linked to and indeed embedded in national capital circuits and state-capital nexuses. Given this, the task for movements opposing capitalist rule is to construct a historic bloc that is nationally rooted yet that also builds agentic capacity transnationally, while exploiting weaknesses in the bloc in which the TCC is a leading force. In engaging the challenges posed by the transnational capitalist class, the left should not trap itself within reified conceptions of a unified transnational capitalist bloc, nor should it withdraw into a self-defeating anarchism that minimizes the need for both cross-movement solidarity and state-centred politics.

CHANGING CLASS CONCEPTIONS AND REALITIES

Images of the capitalist class’s internationalization go back to the Communist Manifesto’s description of the bourgeoisie’s globalizing mission: ‘The need of a constantly expanding market for its products chases the bourgeoisie
over the entire surface of the globe. It must nestle everywhere, settle everywhere, establish connexions everywhere.¹ For Marx and Engels, the objective need for self-expansion obliges capitalists to globalize, but there is no implication that national affinities, identities and forms of capitalist organization fall away in the process. Indeed, capitalists have long been active in transnational circuits of capital, but not necessarily as members of a transnational capitalist class. This is so because capital is not a unified macro subject but is divided microeconomically into competing units, positioned within and across national boundaries in an international political system, rendering tendencies towards global capitalist unity always tenuous. Thus, the question of the transnational capitalist class cannot be reduced to the globalization of capitalism per se. What matters is how capitalists and their advisers are embedded in a panoply of socio-political relations.

If the relationship between accumulation and capitalist class formation is complex, so is the articulation of states and internationalizing capitalist classes, which figures directly in the question of a TCC. A century ago, in an early phase of nationally centred imperialism, capitalist globalization followed a segmented logic. International circuits of capital developed in the tracks of colonial power – leading Lenin (who hewed to Bukharin in this) to prognosticate inter-imperialist rivalry and war as an expression of the competition between great-power national capitals exceeding their territorial boundaries. Bukharin’s and Lenin’s reading may have been apposite for the first few decades of the twentieth century, but since the end of the Second World War Kautsky’s opposing notion of ultra-imperialism has conveyed the dominant tendency. In the midst of the First World War, Kautsky speculated that ‘the striving of every great capitalist State to extend its own colonial empire in opposition to all the other empires of the same kind … represents only one among various modes of expansion of capitalism’.² For Kautsky, ultra-imperialism could arise as ‘a bourgeois effort supported by “every capitalist able to look beyond the immediate moment”, to resolve problems of output and market not through mutually destructive conflicts but through an appeal to general class interests’,³ effecting a ‘shift from conflict between imperialist powers to maintenance of a world system of exploitation’.⁴ The WTO, World Bank, IMF, G7 and the like are precisely vehicles for the sort of collective imperialism that Kautsky envisaged, which has entailed an ‘internationalizing of the state’ that now runs under the banner of ‘global governance’.⁵

The postwar era from 1945 until the 1970s marked a new phase in the making of global capitalism, in which transnational corporations (TNCs) became the key vehicle for accumulating industrial capital across national
borders. The unrivaled, superordinate position that the United States of America held in the world system, with Europe and Japan in ruins, Fordist mass production already well developed in corporate America and Bretton Woods institutions setting the dollar as global currency, ensured that this new phase of globalization would play out under the aegis of American hegemony, whose open-door policy and neo-colonialism helped engender an informal empire. From the late 1940s to early 1970s the volume of foreign direct investment worldwide burgeoned, and as of the late 1960s the lion’s share of that investment was controlled by capitalists based in the USA. At the high tide of American power, US-based TNCs were so dominant that it was not uncommon to predict that by 2000 three quarters or more of the capitalist world’s economic output would be controlled by US-based corporations and their foreign subsidiaries, as former US Assistant Secretary of Commerce J.N. Behrman did in 1968. In the era of unmitigated US hegemony, the dominant image of international corporate power was not that of a transnational capitalist class, but of an American behemoth. Yet by the 1970s the rapid expansion of TNCs based in Western Europe and Japan disclosed a tendency away from unilateral American capitalist dominance and toward the cross-penetration of capital among the advanced capitalist countries, evoking a rather different image of capitalist internationalization.

THE EMERGENCE OF THE TCC, THEORY AND PRACTICE
In an influential 1974 paper, Canadian economist Stephen Hymer was apparently the first to note the implications of these developments for the capitalist class:

Due to the internationalization of capital, competition between national capitalists is becoming less and less a source of rivalry between nations. Using the instrument of direct investment, large corporations are able to penetrate foreign markets and detach their interests from their home markets. Given these tendencies an international capitalist class is emerging whose interests lie in the world economy as a whole and a system of international private property which allows free movement of capital between countries.

Two years earlier, Hymer had pointed to ‘the great pull’ of the multinational corporate system ‘toward international class consciousness on the part of capital’, facilitated by the corporate form of business which enabled ‘the 1 percent of the population that owns the vast majority of corporate stock’ to maintain control of key investments of increasingly international scope while delegating operational power to hired managers.
Much of the sociological research on transnational capitalist class formation, which began in earnest in the 1980s, has been inspired not only by Hymer’s imagery but by an understanding of how the corporate form entails a specific structure of class power. Since corporate directors are elected by shareowners on the principle of one share one vote, the corporation serves as a device for concentrating the control of capital in the hands of major shareholders (who may themselves be other corporations), enabling them also to control the funds supplied by the many passive investors whose fragmented shareholdings confer no substantive property rights. In practice, the directorates of large corporations are comprised of ‘constellations of interests’ wielding power and influence in the strategic direction of firms. These may include major shareholders as well as creditors, top managers and advisors (such as lawyers and consultants), with the last category amounting to a stratum of organic intellectuals who do not control capital but help direct its accumulation.

The directors of the largest companies in a given country make up its corporate elite, which, while distinct from the capitalist class, can be thought of as its leading edge or ‘top tier’. Research on interlocking directorates, beginning with Jeidels’s study of banks and industry in early twentieth century Germany, had by the late 1970s discerned the basic architecture of corporate networks: within each advanced capitalist country, financial institutions occupied central positions in a national network connecting most major firms, directly or indirectly. As corporate boards linked up with each other in processes of capital accumulation, a raft of studies under the rubric of ‘power structure research’ documented the intricate social relations through which leading corporate directors fostered their own class hegemony as the ‘dominant segment’ of the bourgeoisie.

The exposure of the actual structure of economic and political power provided ideological ammunition to progressive politics. Power structure research brought together new-left radicals and Marxists of the Insurgent Sociologist and related venues, who were committed to anti-capitalist politics, with critical liberals and social democrats concerned about corporate concentration as a threat to democracy. Through systematic mappings of interlocking directorates and other non-market relations, power structure research depicted corporate networks as ‘traces’ of two forms of power – the ‘expressive’ capacity of corporate elites to cultivate and promulgate within their ranks a shared world view and political strategy, and the ‘instrumental’ capacity of capitalists and their advisors to use networks as means of controlling capital across firms, reinforcing creditor-debtor relations, etc.

Meindert Fennema was the first to apply the methods and reasoning of
power structure research beyond the level of individual countries. Mapping the international corporate network before and after the generalized international recession of 1973-74, he documented the consolidation of a Euro-North American configuration of corporate interlocks but found very few ties extending beyond that heartland of postwar capitalism. Capitalist class formation was accelerating in Europe, but this did not mean the disarticulation of national corporate networks. In fact, national networks in most countries became more cohesive. Moreover, the interlocks spanning national borders were mostly carried by single directors, suggesting more of an expressive role of elite integration than an instrumental role of capital control.17

Fennema’s study was soon followed by Kees van der Pijl’s *The Making of an Atlantic Ruling Class*, whose historical narrative tracked a complex process of class formation, reaching back to the post-US Civil War railway boom. At that time an Atlantic circuit of money capital grew up, whose epicentre shifted from London to New York during the First World War. Van der Pijl conceptualized capitalist class formation in the North Atlantic region as ‘a continuous process of redefining the coordinates of bourgeois rule in response and anticipation to the dynamic of the internationalization of capital’, and introduced a fractional perspective on the capitalist class, informed by the Gramscian turn in political economy.18 For Van der Pijl, the structural divide between production and circulation offers two distinctive standpoints from which class hegemony could be constructed – those of productive capital and of money capital. Intrinsic to production are technical issues surrounding the creation of use value, in a word, *planning*. Intrinsic to circulation is the free movement of goods and capital, especially in money form, and thus the convertibility of currencies.19 The money-capital perspective posits ‘a system of harmony and progress as long as through the price mechanism, the rate of profit remains the exclusive regulatory device’. The productive-capital perspective constructs an interest from the position of the industrialist, who is willing ‘to subordinate the orthodoxy of the market mechanism to a strategy better suited to the real socialization of the productive forces’.20

These fractional perspectives underpin political projects developed and promoted by organic intellectuals in universities, government commissions and policy-planning groups, but they are not mutually exclusive. During the post-Second World War era they became fused in the transatlantic project of corporate liberalism. Under American control of the Atlantic circuit of money capital and as Fordism became generalized as a productivist class compromise, a strategic synthesis was extrapolated to Western Europe where
it served as the standpoint from which successive concepts of Atlantic unity were developed, and to which the entire Atlantic ruling class would in due course adhere.\(^{21}\)

Van der Pijl agreed with Fennema that the crisis of the early 1970s had major implications for capitalist class formation: the hypertrophy of de-nationalized financial capital (after the dollar was severed from gold in 1971) facilitated transfer of parts of the productive apparatus of the North Atlantic heartland to new semi-peripheral zones – thereby ‘breaking the territorial coincidence of mass production and mass consumption’ and destroying ‘the very structure of Atlantic integration’.\(^{22}\) Capitalist internationalization in the 1970s thereby widened the scope of the crisis, strengthened the fractional position of money-capital and provoked the search for a new hegemonic strategy. By the end of the decade corporate liberalism had been eclipsed by a neoliberal strategy. Neoliberalism, in championing free labour, ‘sound money’ and unimpeded international circulation, presents the perspective of money-capital as a general interest around which the interests of different capital fractions can be assembled.\(^{23}\)

Later work on transnational class formation, also in a neo-Gramscian vein, helped specify the new strategy and its class underpinnings. Robert Cox’s *Production, Power and World Order* provided the first sustained analysis that identified the formation of a ‘transnational managerial class’, including active capitalists and their organic intellectuals. In contrast to the prognostication given in the *Communist Manifesto*, tendencies in late twentieth century global class formation showed ‘a movement toward the unification of capital on a world scale, while industrial workers and other subordinate groups have become fragmented and divided’. Cox’s key contribution to the analysis of transnational class formation turned upon his innovative use of the concept of historic bloc. In a hegemonic world order

production in particular countries becomes connected through the mechanisms of a world economy and linked into world systems of production. The social classes of the dominant country find allies in classes within other countries. The historic blocs underpinning particular states become connected through the mutual interests and ideological perspectives of social classes in different countries, and global classes begin to form. An incipient world society grows up around the interstate system, and states themselves become internationalized in that their mechanisms and policies become adjusted to the rhythms of the world order.\(^{24}\)
In Cox’s formulation, the transnational managerial class had three components: top managers and directors of TNCs, those controlling major national enterprises and locally-based smaller capitalists hooked into the transnational capitalist circuitry. However, as a hegemonic bloc, the class extended to a raft of organic intellectuals providing indispensable support – officials in agencies of economic management, technical experts such as business educators and corporate lawyers, etc.

The first full-fledged analysis purporting to show the emergence of a transnational capitalist class, and the first explicit use of that term, appeared in Leslie Sklair’s *Sociology of the Global System*, a work that criticized overly state-centric formulations and questioned the claims of dependency theory about the debilitating impact of TNCs in holding back development on capitalism’s periphery. Sklair’s conception of the TCC posited four fractions which functioned together in directing the transnational practices of global capitalism: (i) owners and controllers of TNCs and their local affiliates, (ii) globalizing bureaucrats and politicians, (iii) globalizing professionals and (iv) consumerist elites (merchants and media). Sklair was clear on the hegemonic project pursued by this variegated group:

This class sees its mission as organizing the conditions under which the interests of its various fractions and the interests of the system as a whole (which do not always coincide) can be furthered within the context of particular countries and communities. This implies that there is one central transnational capitalistic class that makes system-wide decisions, and that it connects with the TCC in each community, region, country, etc.25

In this formulation, which was further fleshed out through interviews with leading corporate executives in Sklair’s 2001 book, *The Transnational Capitalist Class*, the TCC amounts to an historic bloc of class, state and civil-society actors who are principal protagonists in constructing global capitalism. Executives, both of TNCs and of subsidiary corporations, provide the TCC’s ‘backbone’. This executive faction leads within the economic sphere, socialized by the corporation into ‘a global worldview’ that mandates global business strategy as a necessity. However, Sklair’s account emphasized the political and cultural agency of the other fractions, including agents of what Cox earlier termed internationalizing states. Globalizing state bureaucrats provide the politico-legal framework (including foreign investment promotion) within which TNCs are encouraged to operate while ‘capitalist-inspired politicians’ toe the line on economic policy. Similarly inspired professionals offer their legal, journalistic, academic and other skills
to TNCs and thus ‘find for themselves places in the transnational capitalist class’. Consumerist elites, promoting commodity consumption through the media or retail sales, play important roles beyond the economic, producing and disseminating a ‘culture-ideology’ that addresses capitalism’s endemic crisis of underconsumption by institutionalizing the commodification of culture.\textsuperscript{26} Although Sklair acknowledged the possibility of frictions across the four fractions, his general thesis was that ‘leading personnel in these groups constitute a global power elite, dominant class or inner circle in the sense that these terms have been used to characterize the dominant class structures of specific countries’; placing the transnational capitalist class in opposition to anti-capitalists and also to localized, domestically-oriented capitalists who reject globalization.\textsuperscript{27} However, the global shift underway in the 1980s and 1990s would in Sklair’s estimation weaken the latter, as its base in accumulation became marginalized.

Sklair was the first to construct a grand narrative with the TCC at its centre, but problems in the formulation did not go undetected. Abdul Embong critiqued both Cox’s and Sklair’s concepts as unwieldy and overworked due to too many fractions forced into the same class category. Although globalizing bureaucrats, politicians and professionals perform governance and technical functions for transnational business, they should not be confused with a TCC, whose economic base includes corporate salaries and perks and ‘shares in the various corporations they own or control, or in which they work or serve as board members’. Embong’s alternative differentiated a transnational capitalist class – owners/controllers and executives of TNCs – from a transnational managerial class – the ‘lower fractions within the dominant groups’, including managers of subsidiary firms and ‘the capitalist-inspired politicians, bureaucrats, consultants, lawyers and other professionals who operate transnationally to service the TNCS in various ways’. Embong also questioned the assumption in Cox and Sklair that members of the TCC share a common class consciousness, an outward-oriented, global rather than inward-oriented, national perspective. Although Sklair’s interviews with \textit{Fortune} 500 executives provided evidence of a common world view imbued with the culture-ideology of consumerism, this does not rule out fractional differences based in nation, region and other interests, which was evident, for instance, in the 1997-98 financial crisis. Members of the TCC and transnational managerial class may support and help reproduce the global capitalist system, but their own particular interests and actions should not be covered over in an assumption of class unity.\textsuperscript{28}
WILLIAM ROBINSON AND HIS CRITICS

Enter William Robinson, who with colleagues has presented the most forceful case for the transnational capitalist class as a fait accompli. Compared to Sklair, Robinson offers a narrower definition of the TCC as ‘the owners of transnational capital […] the group that owns the leading worldwide means of production as embodied principally in the TNCs and private financial institutions’. The TCC is transnational because it is tied to ‘globalised circuits of production, marketing, and finances unbound from particular national territories and identities’, endowing it with interests that prioritize global over local or national accumulation. Robinson asserts that the transnational capitalist class is in the process of constructing a new globalist historic bloc whose policies and politics are conditioned by the logic of global rather than national accumulation. Surrounding the owners and top managers of transnational corporations, who form the core of the bloc, are the elites and the bureaucratic staffs of the supranational state agencies such as the World Bank, and the dominant political parties, media conglomerates, technocratic elites and state managers – both North and South. Robinson’s concept of the globalist bloc roughly matches Sklair’s more expansive concept of the TCC. But Robinson advocates a stronger thesis of transnational capitalist class formation, claiming with Harris that the TCC ‘is increasingly a class-in-itself and for-itself’; that it has ‘become conscious of its transnationality and has been pursuing a class project of capitalist globalization, as reflected in a transnational state under its auspices’.

Indeed, if Sklair’s analysis gestures toward a reading of the TCC consistent with Kautskyan ultra-imperialism (but with a broadening of its locus beyond a few European great powers), Robinson embraces a full-blooded Kautskyan perspective that minimizes the dynamic of inter-state rivalry within TCC formation: ‘the old nation-state phase of capitalism has been superseded by the transnational phase of capitalism’, as the ‘commanding heights’ of state power shift to supra-national institutions. Meanwhile, beneath the global level, national states, ‘captured’ by transnational capitalist forces, internalize authority structures of global capitalism, shifting real policymaking power within national states to the global capitalist bloc, which is represented by local groups tied to the global economy. This formulation locates the prime agency for economic globalization within a transnational capitalist class that remakes the world, if not in its own image then according to its needs.

Robinson’s work is notable not only for its clarity but for the spirited responses it has inspired. Analysts like Walden Bello sharply disagreed with Robinson’s ultra-imperialist prognosis. Pointing to the turn in 2002-03 to national imperialism by the George W. Bush administration – with the
attendant disciplining of peripheral states – Bello argued that globalization has actually been going into reverse. Radhika Desai also questioned the cumulative character of globalization but allowed for the possibility of global governance superseding a declining US hegemony. Beyond the question whether the globalization driving TCC formation is an entirely cumulative process, there is the issue of how the TCC is articulated to the still nationally defined spaces into which world capitalism is structured. For Robinson, the TCC is ascendant in an era of global deterritorialization: ‘spatial relations have been territorially-defined relations. But this territorialization is in no way immanent to social relations and may well be fading in significance as globalization advances’. More recently, he has claimed that ‘global production and service chains or networks are global in character, in that accumulation is embedded in global markets, involves global enterprise organization and sets of global capital–labor relations’.

Missing from this kind of analysis is a more nuanced view of spatial divisions within global capitalism, as in distinctions among the global, the transnational, the national, the local. As I have suggested elsewhere, ‘labeling all this as global does not actually make it “global”, in the sense of having transcended locality. It is not clear what is gained in such labeling, but what seems lost is a sense of specificity and place’.

Similarly, Kees van der Pijl observed that in Robinson’s claims about the TCC and the transnational state ‘a formal unity between concepts leads us astray’: terms like globalization, the transnational state and TCC ‘remain abstract whereas they claim to denote concrete realities’. Jason Moore also noted the abstract placelessness at the heart of Robinson’s characterization of the late twentieth century as a new, global era of stateless, mobile, transnational capital and pointed to new forms of territorialization and regionalization that suggest capital’s ‘global’ moment ‘depends upon very particular places’. What appear, abstractly, as formative aspects of a single TCC may actually be macro-regional processes – as in the rise of South and East Asia or the economic integration of Europe.

Robinson’s responses to his critics demonstrate the pitfalls of taking too maximalist a stance on TCC formation. Replying to concerns about his thesis’s evidential base, he claimed that, ‘by definition’, the transnationalization of capitalism means the transnationalization of its classes – a position at odds with our starting point in this essay and with the continuing lack of transnational collective organization and action by workers. In this, Robinson elided the important distinction between class-in-itself and for-itself, which he and Harris drew elsewhere. The increasingly transnational circuitry of capital may create conditions for a TCC-in-itself, presiding over accumulation
processes that transect borders (and also for a transnational proletariat-in-itself), but this says very little about the TCC’s political capacity to define and act in its own interests. The latter implies TCC organizations of interest formation at a global level, and TCC influence over state projects and policies.

Indeed, the issue of the state is central to appraising TCC collective agency. Robinson responded to charges of underplaying the continuing importance of national states by emphasizing, in addition to his notion of TCC state ‘capture’, the ‘function’ that national states now perform for transnational capital.\textsuperscript{41} At its heart, and despite the instrumentalist image of ‘capture’, the case Robinson makes for the role of national states as agencies of the TCC is a largely functional one (and suffers, as one critic noted from its immunity to possible empirical falsification).\textsuperscript{42} A good example of how this reasoning operates can be seen in Robinson’s critique of what he sees as the ‘reification of the state’ in David Harvey’s and also Ellen Wood’s analyses of contemporary imperialism:

As the most powerful component of the TNS [transnational state], the US state apparatus defends the interests of transnational investors and of the system as a whole. Military expansion is in the interests of the TNCs. The only military apparatus in the world capable of exercising global coercive authority is the US military. The beneficiaries of US military action around the world are not ‘US’ but transnational capitalist groups.\textsuperscript{43}

In this formulation, the US state is assimilated into the TNS and the specific, ‘national’ interests of the American capitalist class disappear as all transnational capitalists share in the bounty of what only appears, in each particular instance, to be US imperial aggression. Among the problematic assumptions in this functional analysis is that transnational capital is itself unified. A more nuanced view which draws directly on Panitch and Gindin’s essay in the \textit{Socialist Register} a decade ago is offered by Stokes, who sees Robinson as putting the cart before the horse.\textsuperscript{44} In Stokes’s formulation, ‘the US state acts to secure the generic global conditions for transnational capital accumulation less at the behest of a TCC, but rather because, in so doing, the US state is, by default, acting in the generic interests of its national capital because of its high level of internationalization’.\textsuperscript{45}

A recent study of the US state-capital nexus indicates most clearly the problems with Robinson’s formulation of the TCC and TNS. Van Apeldoorn and De Graaf explore how the US corporate elite has been embedded within the 30 top positions in successive post-Cold War administrations (1992-
They see the US Open Door policy as a specific project of American imperialism, in which the US state has acted less on behalf of global capital as a whole than on behalf of US transnational capital in particular. Here we should note that what we call transnational capital still is also nationally based economically – for many US TNCs the home market is still by far the largest single national market – as well as nationally embedded politically. The latter must inter alia be seen in terms of the close (personal) ties that exist between US transnational capital and the US state that in itself makes it implausible to view the latter as merely an agent of all global capitalists.

The specific, territorialized project of Open Door imperialism is not to construct a global order for the TCC; rather, ‘Open Door imperialism is about serving the general and long-term interests of US transnational capital, that is, opening and keeping open the door not just for today’s US corporations but also for the future’. When these authors examine the corporate affiliations of key cabinet-ranking and senior advisors in the Clinton, Bush and Obama administrations they find not only a remarkable number of connections into the American corporate community, but a strong presence of US-based transnational capital. The overwhelming predominance of this fraction, at once national and transnational, at the heart of the US capital-state nexus ‘helps to explain the fact that US grand strategy-making reflects the interests of US transnational capital’.

Here, the category ‘US-based transnational capital’ offers a depiction that is more sensitive than the schematic division of capital along a national/transnational binary. But even within it, there may be divisions between capital that accumulates transnationally (in circuits that transect borders without the commercial involvement of states) and capital that accumulates ‘internationally’ (in international circuits that involve states commercially). In an intriguing study Jerry Harris has made this distinction, identifying a military-industrial fraction of the American bourgeoisie, whose interests he takes to be quite distinct from the TCC. The former is strongly (co)dependent upon the US state, but is also involved in the arms trade and in foreign investment. TNCs like Boeing, General Electric, General Dynamics and United Technologies accumulate capital internationally rather than transnationally, leading Harris to suggest that contradictions within the military-industrial fraction could raise ‘a significant challenge to globalization’. These studies demonstrate that as our analysis becomes more concrete, the TCC appears less as a coherent, homogeneous actor that has transcended national states.
To go beyond the interventions of Sklair and Robinson, several sociologists in the first decade of the twenty-first century picked up the thread of power structure analysis as a way of illuminating the social organization of transnational capital. If there has been a recent surge in transnational capitalist class formation, it should be evident in a tendency for the directorates of the world’s largest corporations to interlock across national borders, forming a global corporate elite. Fennema and I compared his 1976 transnational network with the network circa 1996, and found only a modest increase in transnational interlocking alongside the persistence of national networks, suggesting strong path dependencies that reproduce the patterns of national corporate-elite organization.49

Figure 1. Regional corporate affiliations of G500 interlockers

Similarly, my 10-year study (concluding in 2007) of the world’s 500 leading corporations (G500) and their interlocking directorates offered support for only a qualified version of the thesis that a TCC has actually formed, as opposed to its being in the making. Over the decade there was some decline in national corporate communities, and a shift to transnational corporate affiliations with the formation of a cohesive stratum of capitalists directing
firms based in multiple countries. As of 2007, the transnational elite segment, comprising 29 per cent of all interlocking G500 directors, was internally integrated, but not as a group unto itself. It appeared more as a bridge, with growing internal cohesion, across persistent national networks. Moreover, most corporate networkers remained national in their directorships, and most networkers with directorships in multiple countries participated primarily in one national network. In Figure 1, it is clear that the vast majority of G500 interlockers connected corporations based in western Europe or North America, although the number of interlockers serving simultaneously on North-based and South-based directorates did increase from only one in 1996 to twelve a decade later.

Indeed, the global corporate elite is very specifically regionalized: the vast majority of firms that engage in transnational interlocking are headquartered in Europe and North America, underlining the enduring influence of a North Atlantic ruling class. The transnational elite configuration is a networked hierarchy constituted through the selective participation of corporations and directors, and of the cities and countries they call home. A relatively small inner circle of mainly European and North American men constitutes the network; a relatively small number of countries host most of the interlocked corporations, and within those countries a few cities predominate as command centres for global corporate power. The transnational network is most integrated in Europe and spans across the Atlantic, connecting corporations based in the cities of North-Western Europe with those of North-Eastern North America.

Corporate capital based in the global South has made inroads into this North-dominated class configuration, but the increasing numbers of South-based giant corporations were by 2007 only very tentatively linked into the elite network of corporate interlocks, as is evident in Figure 2. Despite a surge in the number of large China-based corporations (from zero to sixteen), only three G500 directors (all based in the global North) sat on Chinese corporate boards in 2007. These findings underline a certain disjunction between class formation as a sociocultural process and the economic process of capital accumulation. World financial markets are highly integrated, and giant corporations have achieved unprecedented global reach, but the governance of corporations, and the life of the haute bourgeoisie, remain in important ways embedded in national and regional (including transatlantic) structures and cultures. Owing to this cultural and organizational inertia, most transnational elite relations bridge across the countries and cities of world capitalism’s centre, replicating the long-standing structure of North-South imperialism.
Perhaps the strongest evidence from my 2010 study for TCC formation lies in the further elaboration of an elite corporate-policy network, part of a transnational bloc of capitalists and organic intellectuals that builds consensus and exercises business leadership in the global arena. As leading capitalists serve on such transnational policy boards as the Trilateral Commission, TransAtlantic Business Dialogue and World Business Council for Sustainable Development, they help shape a transnational business agenda and create an additional layer of social organization, underwriting the elite cohesion behind what has been a hegemonic project of transnational neoliberalism. But despite this ideological solidarity (and the reach into policy formation), the TCC exists neither as a freestanding entity (it is deeply embedded in national business communities) nor as a homogeneous collectivity.55

My conclusion from this empirical work – that ‘as a class–for–itself, the transnational capitalist class is in the making, but not (yet) made’ – gained further credibility via Burris and Staples’s comparison of the global corporate–elite network in 1998 and 2006.56 They found European corporate boards to be highly multinational, with directors from a variety of European countries as well as North Americans. At the level of individuals, what stood out was the profuse exchange of directors resident in the US and UK, accounting for 42 per cent of the total volume of US–Europe interlocks, and highlighting ‘the historic tie between the US and British capitalist classes as an essential bridge upon which the formation of a broader North Atlantic capitalist class crucially depends’.57 Their painstaking analysis of elite relations leads them to conclude that
the emergence of a transnational capitalist class as a truly global phenomenon is a very long way from realization and probably unlikely for the foreseeable future. On the other hand, there are regions in the global economy where the evidence is much stronger for the emergence of a supra-national capitalist class that has gone a considerable way toward transcending national divisions. Whereas skeptics of the TCC thesis might argue that most of the evidence for transnationalism is confined to Europe and largely an artifact of the formation of the European Union and associated processes of European economic integration, our research suggests that the regional locus of transnational class formation is more accurately described as the North Atlantic region rather than Europe alone.58

If global corporate-elite networks offer valuable insights on TCC formation, several studies have depicted the process from the vantage point of capitalists’ accumulation base in the ownership of corporate shares. In a 1976 study of 2000 European and 250 US corporations, Fennema and Schijff found a sharp asymmetry in the pattern of transnational ownership, underlining the unilateral dominance of US-based capital in the 1970s. American companies had 116 majority financial participations in the eight European countries, but European firms had only two in the US, with the other 134 transnational ownership relations distributed among the European countries. Only one fifth of the European subsidiaries of US corporations had board interlocks with their parents, but within Europe half of foreign subsidiaries shared one or more directors with the parent firm, suggesting a stronger tendency to class formation across the borders of Western Europe than across the Atlantic.59

Three decades later, my exploration of financial-industrial and intercorporate ownership relations within the global network of giant companies (circa 2007) showed a pattern of capital integration on a transnational basis, as a few large financial institutions came to own small stakes (less than 5 per cent of voting shares) in various industrials (and in each other), and as financial-industrial interlocking increased among firms based in Germany, Italy and France, pointing to pan-European finance capital. However, the relations were very specifically regionalized: financial-industrial interlocks spanning national borders were restricted to Europe, and the extensive investments of the world’s largest companies in each other were largely held within the North Atlantic region.60

Moreover, most of the conjoint shareholding/directorial relations, and most financial-industrial interlocks, were confined within national
boundaries, pointing to the persistence of national business communities. This research confirmed that, with very few exceptions, transnational board interlocks are not vehicles of strategic control – they occur independently of transnational intercorporate ownership. The situation presents a ‘new form of finance capitalism’ in which share ownership is both concentrated and liquid, and ‘active control is largely avoided’. In place of interlocking directorates, the symbiosis of industrial and financial capital is expressed in informal and more ephemeral ways such as one-on-one meetings between institutional investors and CEOs. By 2007, with global capitalism on the threshold of a massive accumulation crisis, an extensive network of intercorporate ownership knit many of the world’s major corporations into a loose configuration, with investment management companies and a few key financial institutions playing key integrative roles. Within this new transnational finance capitalism, investments are rarely matched by the directorial ties that might give investors voice in the direction of companies. Rather, power resides in the exit option – the capacity of institutions to invest and divest in any of a wide range of companies.

This interpretation gains further plausibility in light of an extensive study of nearly 25,000 firms listed on any of the world’s major stock exchanges in early 2007 which identified the ‘backbone’ of the global corporate ownership network by extracting the subnetwork of the most powerful shareholders (whether persons, other firms or institutional investors) in each of 48 countries. Interpreting these as ‘the seat of power in national stock markets’, Glattfelder and Battiston identified ten shareholders positioned to exert the most allocative power in the world’s stock markets – seven based in the US, three in Europe, and all of them large financial institutions or fund managers of institutional investments. Neither people nor industrial corporations appeared as major multinational shareholders, underlining the importance of financial institutions as central organizations in the allocation and control of corporate capital.

Most recently, Murray and Peetz have examined the financialization of global corporate ownership in the 299 largest corporations worldwide, a year after the 2008 financial crisis. They report that, of over 2100 entities owning significant shares of the 299 leading firms, the top 30 (21 of them financial institutions and nine of them states) hold or control 51.4 per cent of total assets, an enormous concentration of finance capital. These global asset managers include banks, life insurers, pension funds, hedge funds, investment management companies and sovereign funds (particularly those of the UK and China), and their holdings are spread among great numbers of corporations. Murray and Peetz infer that ‘a true transnational
class’ has formed: ‘a group that, sometimes directly, sometimes indirectly, sometimes consciously and sometimes unconsciously, controls the exercise of economic power across and within national boundaries. Their power is exercised in part through individual agency but even more so through the collective structures of ownership of very large corporations’. However, we might add that compared to the modest accretion of elite connections across borders, it is collective ownership structures among the world’s largest corporations that show a remarkable degree of transnationalization in the early twenty-first century.

Tax havens also play a role in transnationalizing capitalists’ accumulation base. The many offshore financial centres studied by Van Fossen now form part of the circuit of capital for individuals and corporations intent on avoiding taxes and often laundering profits. Like the TCC, ‘the tax haven is identified with global capitalism, maximizing profit by minimizing loyalty to any specific country and reassigning property claims and income away from their sources’. Sixty per cent of global trade now occurs within TNCs, ‘with tax havens as frequent intermediaries – over invoicing, under invoicing, collecting royalties, dividends and interest to increase consolidated profits’. And although the 2008 crisis provoked a movement of investments back to home bases, the general trend is for the world’s wealthy to hold ever larger proportions of their fortunes outside their own domiciles, typically in tax havens. Indeed, ‘capitalist personal wealth has transnationalized far more than corporate elite networks have transnationalized’, pointing again to a contrast between the far-reaching global investments of the TCC and the more modest extent to which processes of transnational socio-cultural consolidation and community building have constructed a class-for-itself.

STRATEGIC IMPLICATIONS: CHALLENGING THE TCC

As a prelude to drawing out some strategic implications, let us summarize what recent studies of the TCC tell us. Clearly, the tendency toward TCC formation has occurred amid persistent national business communities. The TCC exists more as a superstructure of social, economic and political relations that bridge across but do not supplant national capitalist classes. Although the financialization of global corporate ownership has produced an unprecedented concentration of capital, there is a continuing disjunction between class formation as a sociocultural process and the economic process of capital accumulation. The reach of today’s TNCs and the increasingly integrated financial markets are global, and transnational capital relations have fostered a new form of finance capital; but the governance of corporations and the life of the haute bourgeoisie have remained significantly embedded in
national and regional structures and cultures.

Indeed, the regional factor is critical to any discussion of the TCC. The post-Second World War era begat an Atlantic ruling class, under the aegis of American hegemony, and the period since the mid-1970s has seen further elaboration of that formation. Much of the recent transnationalization of corporate-elite relations has accompanied European economic integration. However, the formation of corporate Europe does not break from the territorial logic of states, ‘it reproduces it on a larger scale, even as it provides firmer conditions for the international investment flows that ultimately integrate the world economy’. Meanwhile, capitalists from beyond the heartland are arrayed on the margins of the global corporate elite: there is scant participation from the South or, for that matter, from Japan.

A significant source of TCC unity resides in the elaboration of a transnational policy-planning network, extensively interlocked with the boards of the world’s largest corporations and reaching across the North Atlantic and indeed, the Triad. Proliferating since the 1970s, transnational policy groups have been agents of business activism, mobilizing corporate capitalists and various strata of intellectuals around visions and policies that enunciate the common interests of Northern-based transnational capital, and which persuade state managers, journalists and others to see those interests as universal in scope. However, although the last 30 years have witnessed an internationalization of states within a neoliberal policy consensus, this does not mean that national states and state-capital nexuses have been seamlessly integrated into a transnational state that serves the interests of the TCC.

Although the confluence of economic, political and cultural power in which the TCC is a leading force may be conceptualized as an historic bloc conducting a war of position within what has been termed global civil society, it is not detached from national states. Nor has it eliminated rivalries based in the objective necessity of capitalist states to influence capital flows to their own territorial advantage; it only mutes and manages them. The state–capital nexus, most evident and powerful in the US, takes in capitalist interests that may be rooted in the national economy but that extend well beyond it, through foreign investments and trade. We can acknowledge, with Robinson and other TCC theorists, that growing interdependencies across states preclude a return to sharp territorial conflicts of the sort that provoked two world wars in the last century. Yet the territorial logic of the state form means that competitive tensions persist. These, along with the continuing rootedness of corporations in national domiciles, limit the extent to which the TCC can become a class-for-itself. Indeed, as crises in the world system deepen, interstate rivalries may intensify, and the putative
unity of the TCC may itself be severely tested.

In taking up some of the strategic issues that flow from this analysis, it may be helpful at the outset to replace the antinomic reasoning that has tended to predominate in some TCC analyses—the positing of a fully transnationalized capitalist class that supplants national capitals, and of a transnational state that replaces national states—with more nuanced thinking that makes clear the immanence of TCC formation as a tendency without the implication of dominance by this emergent class. An adequate strategic response to the TCC requires a clear political-economic analysis. The danger in ‘maximalist’ readings of TCC formation is that a ‘structurally deterministic teleology’ provides little strategic guidance as to ‘what is to be done now, concretely, in the places working people live and do politics’. An abstract analysis that overestimates TCC unity creates a totalizing discourse that can disempower workers and their allies, casting them as victims of a supra-national force rather than as protagonists.

If, as we have seen, the TCC is not a freestanding entity, but is linked to and indeed embedded in national capital circuits and state-capital nexuses, the task for movements opposing capitalist rule is to construct a historic bloc that is nationally rooted, and capable of action in national political fields, yet that also builds agentic capacity transnationally. Indeed, it is prudent to resist the tendency, implicit in some TCC formulations, to see transnational activism as the default mode of challenging TCC power. Given that the transnational is embedded in the national, ‘the resources and institutional backing of state power’ are crucial to transnational activism; hence a global left must be rooted in strong movements at the national level. As Sam Gindin has put it: ‘As we develop the capacity to struggle more effectively within our own countries, the safe and flexible havens available to corporations become more limited and we help to open the space for struggles elsewhere. In this sense, national struggles are internationalized’.

TCC formation does compel the left, more than ever, to develop capacities to act transnationally, but these must gain sustenance from national and local movements. Unsurprisingly, the most effective transnational activist formations in the era of global capitalism, such as Our World Is Not for Sale, La Via Campesina and Friends of the Earth International, display this combination of national and transnational organization. Importantly, such potential exists in the global labour movement, and recent years have seen increased interest by unions in mounting ‘comprehensive cross-border campaigns’, rooted nationally but coordinated transnationally, against the world’s largest transnational firms.

It is by now a commonplace that capitalist globalization makes go-it-
alone projects of social transformation ever more dubious. But just as the
TCC is a far more regionalized formation than has sometimes been claimed,
the formation of a global left will often take a regional shape, with Latin
America’s ‘pink tide’ offering the key example to date. Initiatives like the
Bolivarian Alliance for the Americas (ALBA) and the Bank of the South
build regional capacity for an alternative paradigm of human development
and ecological sustainability. Alternative, people-centred regionalisms can
also provide focal points for counter-hegemonic struggle in the global
North, notably in Europe – where, amidst the crisis of the eurozone, ‘a
process of construction’ may be underway, associating unions, movements,
networks of intellectuals and representatives of the Party of the European
Left, to ‘refound’ Europe around an alternative social logic.

Finally, in rising to the challenge posed by the transnational capitalist class,
the left needs to think in terms not simply of constructing an opposition but
of disorganizing and disassembling the hegemonic bloc. Here again, it is helpful
to conceptualize the TCC and the larger bloc in which it is a leading force
as an assemblage in the process of formation rather than a fait accompli of
globalization. If the TCC represents only a tendency, its bloc may be subject
to possible defection and deconstruction. Importantly, as Van der Pijl argues,
the strata of intellectuals who organize and subtend the institutional practices
of contemporary capitalism may in varying degrees be less invested in its
survival than the image of a solid, fully-formed historic bloc suggests. A
virtue of Van der Pijl’s analysis of ‘the modern cadre’, as a class of ‘knowledge
workers’ who subtend socialization of labour in the broadest sense, lies in
the element of contingency that issues from cadres’ ambiguous class position.
Entrusted by capital with tasks of conception and direction in production,
and with normative unification in the wider society, cadre are enmeshed
not only within transnational capitalist class networks such as the World
Economic Forum but also within the non-governmental organization
sector. Evoking the classical contradiction between developing forces of
production (socialized labour) and the limited property relations afforded by
capitalism, Van der Pijl portrays the transnational cadre as fluid in political
perspective, and open to left initiatives:

The commitment to a private property-owning mode of production,
for the cadre is ideological rather than material, and capitalism in crisis
erodes this commitment more easily…. As the socialization of labour
and the flow economy develop, capital increasingly turns into the private
appropriation of the fruits of a vast, collaborative and ultimately global
process of socialized labour…. [Hence] the growing cadre stratum
in contemporary capitalist globalization … may become receptive to arguments and forces emerging from the grassroots resistance to capitalist development.\textsuperscript{77}

The strategic implication is that the left should not trap itself within reified conceptions of a transnational capitalist historic bloc, nor should it withdraw into a self-defeating ‘autistic anarchism’. Instead, the forces of resistance that might be placed under the rubric of a global left ‘can realistically aim to force an increasingly adrift middle class of cadre into new arenas of negotiation and democratization’.\textsuperscript{78} Indeed, such a stance may be indispensable to a radically transformative politics in this era of global capitalism.

NOTES

2007, p. 78.
40 Robinson and Harris, ‘Towards a Global Ruling Class?’
51 Case studies of national corporate-elite networks clarify the relationship between
the national and transnational in corporate communities. For instance, research on the transnationalization of large Canada-based companies after the mid-1970s has shown that by the century’s end the national corporate-elite network had not decomposed but had been re-centred around a core of transnational banks and corporations, extensively interlocked with sub-transnational enterprises. See Carroll, Corporate Power, pp. 81-6. Subsequent study in the early years of the twenty-first century showed both the reproduction of a national corporate network and ‘a process of regional elite reproduction in the North Atlantic zone’ (Carroll and Klassen, 2010: 22), as ‘Canadian TNCs … reinforced a national network of corporate power and simultaneously interlocked with foreign-based TNCs both inside and outside of Canada, in the grooves formed by transnational investment’. See, respectively, W.K. Carroll and Jerome Klassen, ‘Hollowing out corporate Canada? Changes in the corporate network since the 1990s’, Canadian Journal of Sociology, 35 2010, p. 22; Jerome Klassen and W.K. Carroll, ‘Transnational class Formation? Globalization and the Canadian Corporate Network’, Journal of World-Systems Research, 17 2011, p. 400. See also Georgina Murray’s research on the Australian case, in ‘Australia has a Transnational Capitalist Class?’ Perspectives on Global Development and Technology, 8(2-3) 2009, pp.164-88.

52 Carroll, The Making, pp. 116-18. The bar chart categorizes G500 interlockers according to head office locations of the firms they direct. For instance, the ‘National, Europe’ category includes interlockers whose G500 directorships were all contained within single European countries, whereas the ‘TN, N Atlantic’ category includes interlockers whose G500 directorships spanned the North Atlantic (that is, at least one directorship in a North American corporation and at least one in a European corporation).

53 See Carroll, The Making, pp. 105-7. In this international network, which shows core countries as circles and semi-peripheral countries as squares, the thickness of lines connecting two countries indicates the number of interlocking directorates between the G500 firms of one country and the other. Comparing this network to its equivalent in 1996, the number of semi-peripheral states hosting corporations that participate in the global network has increased from one (Kuwait) to seven, but the semi-peripheral states inhabit the network’s margins while the main states of Europe and North America make up its core.

54 Carroll, The Making, pp. 128, 242. The absence of an East Asian component in the transnational corporate-elite network, despite considerable regional economic integration via investment and trade relations, underlines the extent to which it remains a Euro-North American configuration. Most of the research literature on East Asian business organization has been conducted from within a comparative, ‘varieties of capitalism’ perspective, which emphasizes national specificities in business systems. See for instance Andrew Walter and Xiaoke Zhang, eds., East Asian Capitalism: Diversity, Continuity and Change, Oxford: Oxford University Press, 2012, which contrasts Japan’s ‘networked capitalist system’ with more family-controlled systems in Indonesia, Taiwan, the Philippines and Malaysia, and both of these with the statist form that continues to structure capitalism in China, despite the resurgence of a Chinese
bourgeoisie.

63 Carroll, ‘Capital Relations’, p. 70.
68 One can, and should, take note of other transnational practices which contribute to TCC formation, including philanthropic engagements, fueled by the burgeoning incomes of the world’s super-wealthy, which increasingly substitute for the diminishing flow of foreign aid from North to South. Recent research shows that assets of the world’s 78,000 ultra-high net worth individuals (each with financial assets exceeding $30 million) total fifteen trillion dollars – equivalent to more than a quarter of World Gross Domestic Product ($58 trillion in 2009). In addition to tax havens, philanthropy offers a significant tax shelter to the very wealthy and enables them to direct funds toward causes they deem worthy, in lieu of democratic decision-making (Hay and Muller
The prominent media profile of Bill Gates and other top philanthropists burnish the prestige of transnational capitalists, and reinforce the hegemonic notion that the world’s problems are technical matters that can be addressed through charity. However, the idea that the transnational super-rich are ‘deterritorialized’ by virtue of their extreme global mobility is probably an exaggeration. Rather, the dominant tendency is toward ‘super-gentrification’ in elite enclaves where plutocrats can enjoy wealth that issues from many places without the disruption of ordinary city-dwellers. See Iain Hay and Samantha Muller, “‘That Tiny, Stratospheric Apex that Owns Most of the World’ – Exploring Geographies of the Super-rich’, Geographical Research, 50(1), 2012, pp. 76,82, 79.


71 See the provocative analysis in J.K. Gibson-Graham, The End of Capitalism (as we knew it), second edition, Minneapolis: University of Minnesota Press, 2006.


73 See Kate Bronfenbrenner, ed., Global Unions, Ithaca: Cornell University Press, 2007, p. 1. The International Trade Union Confederation has shown signs of trading its longstanding ‘diplomatic’ function within the machinery of international institutions (see Richard Hyman, ‘Shifting Dynamics in International Trade Unionism: Agitation, Organisation, Bureaucracy, Diplomacy’, Labour History, 46(2), 2005, pp. 135-54) for political ventures that challenge transnational capitalist dominance, such as the Decent Work, Decent Life Initiative and the Labour and Globalisation Network, both launched at the 2007 World Social Forum (Andreas Bieler, “‘Workers of the World Unite’? Globalisation and the Quest for Transnational Solidarity’, Globalizations, 9(3), 2012, pp. 365-78).

74 For extensive discussion of alternative regionalisms see the project initiated by the Transnational Institute, available at http://www.tni.org.


