

Before the collapse of the Communist block, the contingent, erratic and wayward nature of the global state of affairs was not so much non-existent, as it was barred from sight by the all-energy-and-thought-consuming day-to-day reproduction of the balance between the world powers. By dividing the world, power politics conjured up the image of totality. Our shared world was made whole by assigning to each nook and cranny of the globe its significance in the “global order of things”—to wit, in the two power-camps’ conflict and the meticulously guarded, though forever precarious, equilibrium. The world was a totality in as far as there was nothing in it which could escape such significance, and so nothing could be indifferent from the point of view of the balance between the two powers which appropriated a considerable part of the world and cast the rest in the shadow of that appropriation. Everything in the world had a meaning, and that meaning emanated from a split, yet single centre—from the two enormous power blocks locked up, riveted and glued to each other in an all-out combat. With the Great Schism out of the way, the world does not look a totality anymore; it looks rather like a field of scattered and disparate forces, congealing in places difficult to predict and gathering momentum which no one really knows how to arrest.

To put it in a nutshell: *no one seems now to be in control*. Worse still—it is not clear what “being in control” could, under the circumstances, be like. As before, all ordering initiatives and actions are local and issue-oriented; but there is no longer a locality arrogant enough to pronounce for mankind as a whole, or to be listened to and obeyed by mankind when making the pronouncements. Neither is there a single issue which could grasp and telescope the totality of global affairs while commanding global consent.

## THE TRANSNATIONAL STATE

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“Within the next hundred years . . . nationhood as we know it will be obsolete; all states will recognize a single, global authority. A phrase briefly fashionable in the mid-20th century—‘citizen of the world’—will have assumed real meaning by the end of the 21st century.” Thus declared President Bill Clinton’s Deputy Secretary of State, Strobe Talbott, in 1992. He continued, “All countries are basically social arrangements, accommodations to changing circumstances. No matter how permanent and even sacred they may seem at any one time, in fact they are all artificial and temporary.” In fact, it became fashionable for writers on globalization in the late twentieth century to produce quotes from top-level global capitalists on their views regarding the “end of the nation-state” and the stateless corporation. Remarks to this effect, such as the following one by Karl A. Gerstacker, CEO of Dow Chemical, abounded: “I have long dreamed of buying an island owned by no nation and of establishing the World Headquarters of the Dow Company on the truly neutral ground of such an island, beholden to no nation or society.” In an equally oft-cited remark, Gilbert Williamson, president of the NCR Corporation, affirmed, “We

at NCR think of ourselves as a globally competitive company that happens to be headquartered in the United States.” Now, if . . . the hegemonic fractions of capital on a world scale have become transnationalized, increasingly detached from particular territories and from the old political and social projects of nation-states, does this not imply that they are stateless? But are TNCs [transnational corporations] really *stateless*, or are they *nationless*? Are *state* and *nation* the same thing? I attempt to answer these questions . . . , but first I want to approach the matter from a different angle, posing another set of questions with regard to the TCC [transnational capitalist class] and its agency. . . .

The TCC is dominant economically in the sense that it controls the “commanding heights” of the global economy. But is it also dominant politically? The economically dominant class in a society is not necessarily the political ruling class: that it is (or is not) must be demonstrated. A closely related question is, to what extent does it act collectively as a class in the exercise of power? In what sense and to what degree can the TCC be shown to be a global ruling class? There is a long debate in the literature of the social sciences, a debate that it is not possible to take up here, on “collective actors” and on whether classes can be collective actors. My view is that classes *are* collective actors. . . . The TCC, in part by virtue of its position as an “organized minority” and the resources and networks at its disposal for coordination, works through identifiable institutions and is fairly coherent as a collective actor. . . .

I shift the focus of inquiry from the economic dominance of transnational capital to possible forms of its political rule. I further develop my earlier proposition that a TCC has emerged as a class fraction of the world bourgeoisie and that this TCC is in the process of achieving its rule or becoming a global ruling class. I introduce the concept of a transnational state (TNS) and link this concept to that of the TCC. I argue that the rise of a TNS apparatus is an integral dimension of global capitalism. The emergence and consolidation of the global economy and the rise of a politically active TCC cannot be understood apart from the TNS. The TCC has articulated economic interests with political aims in pursuing the globalist project of an integrated global economy and society, what I referred to . . . as the transnational elite agenda, aimed at creating the conditions most propitious for global capitalism to function. And it has advanced that agenda through the institutions of a TNS apparatus.

I have emphasized . . . the importance of looking at both structure and agency, or the objective and subjective sides of social life. I believe it is absolutely necessary to examine these two dimensions in their interrelation if we are to understand the social world. By the *objective*, recall, I mean forces that are beyond the level of individual wills and consciousness. Our very existence requires that everyone participate in the economy independent of their will or their understanding of economic institutions. These economic forces, which shape our lives whether or not we are aware of them, constitute an objective dimension of our existence. By the *subjective* I mean our consciousness of the reality in which we are immersed and our actions in the world based on our conscious understanding and “free” will. Earlier I observed that class formation is both an objective and

a subjective process, involving structural and agency levels of analysis. . . . I emphasized the objective dimensions of global capitalism and the TCC, focusing on the objective determinants of the process in the productive structure, and found that the transnationalization of the production process was key. . . . I want to focus some attention on the more subjective dimensions involved in capitalist globalization and the formation of a TCC. Examining the rise of a TNS apparatus allows us to uncover collective agency in the process of capitalist globalization, to identify crucial political and institutional dimensions of the process.

An analysis of the power of the capitalist ruling class must take into account the state and the political process. But we can proceed to analyze, first, the economic-material determination of the TCC as embodied in transnational capital . . . and second, the exercise of its class power as expressed in TNS apparatuses, to which I now turn. The social power of groups is grounded in control over wealth (the means of production and the social product) but is always exercised through institutions. Political sociologists and political scientists have long noted that a dominant class exercises its rule through political institutions, whose higher personnel must represent the class, as far as possible unifying its actions and reinforcing its control over the process of social reproduction. With regard to globalization and the TCC, this means ensuring the reproduction of global capitalist relations of production as well as the creation and reproduction of political and cultural institutions favorable to its rule, *central among which is the state*. We have seen already that one central institution is the TNC, the key institution for organizing the process of global capital accumulation. In the global capitalist system the giant TNCs that control the global economy make the key decisions affecting the lives of most, if not all, of the people on the planet. But corporations do not act alone in organizing capitalist production. Notwithstanding the prevailing market ideology, the conditions of production are not brought forth in accordance with the laws of the market. There must be some agency whose task is to produce these conditions or to regulate capital's access to them. This institution is the capitalist state. Under globalization, I suggest, the capitalist state has increasingly acquired the form of a TNS.

Here in a nutshell is my argument: The leading strata among the emergent TCC became politicized from the 1970s into the 1990s. The notion of a managerial elite at the apex of the global ruling class that controls key levers of global policymaking captures the idea of a politically active wing of the global ruling class. As part of its political protagonism, this wing set about to create or transform a set of emerging transnational institutions. These institutions constitute an incipient TNS [transnational state] apparatus. This TNS apparatus is an emerging network that comprises transformed and externally integrated national states, *together with* the supranational economic and political forums, and has not yet acquired any centralized institutional form. The economic forums include the IMF [International Monetary Fund], the WB [World Bank], the WTO [World Trade Organization], the regional banks, and so on. The political forums include the Group of Seven (G-7) countries and the larger Group of 22 countries, among others,

as well as the U.N. system, the OECD [Organization for Economic Cooperation and Development], the EU [European Union], the Conference on Security and Cooperation in Europe (CSCE), and so on. The TCC has directly instrumentalized this TNS apparatus, exercising a form of TNS power through the multilayered configuration of the TNS. It is through these global institutions that the TCC has been attempting to forge a new global capitalist historic bloc. . . .

My thesis on the TNS involves three interrelated propositions:

1. Economic globalization has its counterpart in transnational class formation and in the emergence of a TNS, which has been brought into existence to function as the collective authority for a global ruling class.
2. The nation-state is neither retaining its primacy nor disappearing but is being transformed and absorbed into the larger structure of a TNS.
3. The emergent TNS institutionalizes the new class relation between global capital and global labor. . . .

I refer to the tendency to accord continued centrality to the nation-state in existing theoretical approaches in the social sciences as *nation-state centrism*. Nations are seen as discrete units within a larger system—the world system or the international system—that is characterized by external exchanges among these units. Despite their divergent theoretical principles, these nation-state paradigms share as the domain of their inquiry the nation-state and the interstate system. But nation-states are no longer appropriate units of analysis, in part because they are no longer “containers” (if indeed they ever were) of the diverse economic, political, social, and cultural processes that are the objects of study in the social sciences. Adopting a transnational, or global, perspective means moving beyond a focus on the social world that emphasizes country-level analysis or an international system made up of discrete nation-states as interacting units of comparative analysis. We need to make a break with nation-state-centered analysis if we are to understand the twenty-first-century world.

With the onset of globalization social scientists have recognized the increasing obsolescence of the nation-state as a practical unit of the global political economy and acknowledged the need for new perspectives. The new, transnational phase of capitalism is characterized by a period of major restructuring of the system, including restructuring the institutional forms of capitalism. The breakup of national economic, political, and social structures is reciprocal to the gradual breakup, starting in the 1970s, of a preglobalization world order based on nation-states. Nonetheless, given ingrained nation-state centrism, much scholarship has analyzed economic globalization from the political framework of the nation-state system and the agency therein of national classes and groups. Transnational institutions and political globalization are seen in most accounts as extensions or modifications of the nation-state system. These are national/international approaches that focus on the preexisting system of nation-states, seen as

experiencing internationalization rather than globalization. Indeed, two of the most prominent theoreticians on globalization, Roland Robertson and Anthony Giddens, insist that a defining feature of the process is the “universalization” of the nation-state. *Transnational* or globalization approaches focus on how the system of nation-states and national economies, and so on, are being transcended by transnational forces and institutions grounded in the global rather than the interstate system.

To get beyond nation-state-centrist ways of thinking about globalization, we need to keep in mind that a study of globalization is fundamentally *historical analysis*. Events or social conditions can be conceived in terms of previous social processes and conditions that gave rise to them. The nation-state is not transhistorical. Good social analysis requires that we study not only the laws of motion of a given set of structures but also the *transformation* of those structures.

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