TRANSNATIONAL PRACTICES AND THE ANALYSIS OF THE GLOBAL SYSTEM [1]

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Remarkably for a sub-discipline in the social sciences, theory and research on globalisation appears to have reached a mature phase, in terms of volume of publications if not their quality, in a relatively short period of time. Most attempts to survey the field, while differing radically on their interpretations of many facets of the literature, agree that globalisation represents a serious challenge to the state-centrist assumptions of most previous social science[2]. The apparently "natural" quality of societies bounded by their nation-states, the difficulty of generating and working with data that cross national boundaries and the lack of specificity in most theories of the global, all conspire to undermine the critique of state-centrism. Thus, before the idea of globalisation has become firmly established, the sceptics are announcing the limits and, in some extreme cases, the myth of globalisation. Globalisation, in the words of some populists, is nothing but globaloney! One of the central ideas of the transnational communities research programme is to conceptualise this problem.

I have a good deal of sympathy with the sceptics and my own work paradoxically, has been an attempt to drastically limit the theoretical scope of the concept of globalisation and its concrete application in the sphere of empirical research. Globalisation is, nevertheless, in my view, an extremely important phenomenon and one that has to be confronted in theory and research if we are to have any grasp of the contemporary world. My aim today is to outline global system theory, my own contribution to the debate, and to illustrate its central themes through a brief introduction to my current research project on "Globalisation and the *Fortune* Global 500",

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[1] This paper borrows liberally from my book *Sociology of the Global System* (London and Baltimore: Prentice all and John Hopkins University Press, 1995) second edition, revised and updated; from my paper " The Transnational Capitalist Class and Global Capitalism: The case of the tobacco industry", *Political Power and Social Theory* (forthcoming 1998) where copious references will be found.
[2] See, for example, Anthony McGrew, "A Global Society?" In P. Hall, D. Held and T. McGrew (eds.) *Modernity and its Futures* (Cambridge: Polity Press/Open University, 1992); Malcolm Waters, *Globalization* (London: Routledge, 1995); Leslie Sklair, "Globalization: New Approaches to Social Change". In Taylor (ed.) *Contemporary Sociology* (London: Macmillan, forthcoming).

Global system theory

Globalisation is a relatively new idea in the social sciences, though some commentators argue that, while the term is new, what the term denotes is an ancient, or at least not novel set of phenomena. The central feature of the idea of globalisation current in the social sciences is that many contemporary problems cannot be adequately studied at the level of nation-states, that is, in terms of national societies or inter-national relations, but need to be theorised in tenns of global (transnational) processes, beyond the level of the nation-state. Globalisation researchers have focused on two new phenomena that have become significant in the last few decades:

(i) qualitative and quantitative changes in economic structures through processes such as the globalisation of capital and production, and

(ii) transformations in the technological base and subsequent global scope of the mass media.

For these reasons, it is increasingly important to analyse the world economy and society globally as well as nationally. The standard resolution of the difficulties this conclusion raises for concrete empirical research is an often rather vague injunction to "think globally, act locally", which appears to be as popular with the major transnational corporations (as we shall see) as it is with sociologists, anthropologists, geographers, environmentalists and the rest. I suspect that most theory and research on transnational communities proceeds in a similar fashion. Global system theory has its own version of "think globally, act locally", where it is an expression of how the global capitalist system operates to maximise profits.

Global system theory is based on the concept of transnational practices, practices that cross state boundaries but do not necessarily originate with state agencies or actors. This conceptual choice offers, as it were, a working hypothesis for one of the most keenly contested disagreements between globalisation theorists and their opponents, namely the extent to which the nation-state is in decline. The concept of transnational practices is an attempt to make more concrete the issues raised by such questions in the debate over globalisation.

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

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

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

The transnational capitalist class

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

(i) TNC executives and their local affiliates;

(ii) Globalising state bureaucrats;

(iii) Globalising politicians and professionals;

(iv) Consumerist elites (merchants, media).

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

My argument is that together, these groups constitute a global power elite, ruling class or inner circle in the sense that these terms have been used to characterise the class structures of specific countries. The transnational capitalist class is opposed not only by those who reject capitalism as a way of life and/or an economic system but also by those capitalists who reject globalisation. Some localised, domestically-oriented businesses can share the interests of the global corporations and prosper, but many cannot and perish. Influential business strategists and management theorists commonly argue that to survive, local businesses must globalise. Though most national and local state managers fight for the interests of their constituents, as they define these interests, government bureaucrats, politicians and professionals who entirely reject globalisation and espouse extreme nationalist ideologies are comparatively rare, despite the recent rash of civil wars in economically marginal parts of the world. And while there are anti-consumerist elements in most societies, there are few cases of a serious anti-consumerist party winning political power anywhere in the world.

The transnational capitalist class is transnational (or global) in the following respects.

1. The economic interests of its members are increasingly globally linked rather than exclusively local and national in origin. As rentiers, their property and shares and as executives, their corporations, are becoming more globalized; as ideologues, their intellectual products serve the interests of globalizing rather than localising capital. This follows directly from the shareholder-driven growth imperative that lies behind the globalisation of the world economy and the increasing difficulty of enhancing shareholder value in purely domestic firms. While for many practical purposes the world is still organised in terms of discrete national economies the TCC increasingly conceptualises its interests in terms of markets, which may or may not coincide with a specific nation-state, and the global market, which clearly does not. I define “domestic firms” as those serving an exclusively sovereign state market, employing only local co-nationals, whose products consist entirely of domestic services, components and materials. If you think that this is a ridiculously narrow definition for the realities of

contemporary economies then you are more than half-way to accepting my concept of globalisation.

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

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

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

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

What the inner circle of the TCC does is to give a unity to the diverse economic interests, political organisations and cultural and ideological formations of those who make up the class as a whole. As in any social class, fundamental long-term unity of interests and purpose does not preclude shorter-term and local conflicts of interests and purpose, both within each of the four fractions and between them. The culture-ideology of consumerism is the fundamental value system that keeps the system intact, but it permits a relatively wide variety of choices, for example, what I term “emergent global nationalisms” as a way of satisfying the needs of the different actors and their constituencies within the global system. The four fractions of the TCC in any geographical and social area, region, country, city, society, community, perform complementary functions to integrate the whole. The achievement of these goals is facilitated by the activities of local and national agents and organisations connected in a complex network of global interlocks.

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

Globalisation and the *Fortune Global* 500

Global system theory rests on the proposition that without a co-ordinated global economy constituted by the major global corporations, it would be impossible for a transnational capitalist class to exist. My main source of basic information about these global corporations is the list of the biggest corporations by revenues published annually by *Fortune* magazine since the 1950s, known as the *Fortune* Global 500 in the 1990s. In 1995, for the first time, the editors of *Fortune* decided to combine the previously separated industrial and services corporations into one consolidated "global scorecard". *Fortune* lists the corporations in three main ways, by revenues, by industry, and by country of legal domicile. Many corporations today are difficult to classify neatly, for example, RJR Nabisco is a major cigarette manufacturer but is classified under food while Philip Morris is a major food manufacturer but is classified under tobacco; Unilever and Royal Dutch Shell are domiciled in both The Netherlands and Britain.

The list published in 1996 (based on company data for 1995) presents one picture of the global economy and the corporations that dominated it at mid-decade. There were 24 countries and territories represented. Of the 500 corporations on the list, 153 were domiciled in the USA and 141 in Japan, comprising about 60 per cent of the total. The rest were domiciled in Europe (171), Canada (6), Australia (4), Brazil (4), China (2), South Korea (12), and one each from Hong Kong, India, Mexico, Netherlands Antilles, Turkey, Taiwan and Venezuela.

The underlying logic of my analysis is that one of the key facets of globalisation is the progressive elimination of national differences in the economic realm. One important consequence of this is that the common split between the countries of Europe, North America and Japan (the Triad), while still useful for some purposes, is of decreasing salience in explaining how the global economy works in each part of the world. The most important corollary of this claim is that the national origins of the major corporations are becoming less important as predictors of their practices and rhetoric than their relationship to the processes of globalisation. One strong influence on the practices of a TNC is the sector of the global economy in which it operates.

In 1996 *Fortune* listed 44 industries plus one miscellaneous group. The distribution of corporations within industries ranged from 64 corporations in the category "commercial banks", the largest group, to five industries (energy, food services, hotels, insurance: property and casualty (mutual), and shipping) with only two corporations in each. For convenience, but also in the belief that it represents one among several important truths about the global economy at the end of the twentieth century, I have re-arranged the Global 500 into five main business sectors. These are, in descending order of aggregate revenues, consumer goods and services, financial services, heavy industries, infrastructure and electronics.

I approach the question of whether and to what extent the major corporations and by implication the capitalist system is globalizing in two ways. First, I explore the use and meaning of the term globalisation in the corporate vocabulary of the Global 500. In order to do this, I set out four criteria commonly used in connection with globalisation, namely, foreign direct investment (FDI), benchmarking, global corporate citizenship and global vision. The first two of these can be considered criteria of economic globalisation, and the latter two criteria of social globalisation.

Second, these statements about the globalisation of companies and the business sectors they occupy are measured against the public record, the evidence collected by researchers, investigative journalists and, occasionally, disgruntled former employees, on the actual behaviour of the corporations. There are literally hundreds of campaigns in force at any one time dedicated to exposing the misdeeds of TNCs and to forcing them to mend their ways.

Details of these are regularly printed in publications such as *Multinational Monitor* from the US, and *Ethical Consumer* from the UK, and the "Corporate WatcW' web site is also an excellent source of current anti-big business mobilisation. It is, of course, important to add that independent researchers have to be cautious about accepting the claims of either the corporations or their opponents in many contentious areas (for example, exploitation of labour, environmental impact, political influence and corruption).

One need not be a devout Popperian to be conscious of the need to specify the conditions under which the central propositions of global system theory could be falsified. This is simple to do in this case. The theory would be falsified if the corporations failed to recognise globalisation (in terms of the criteria identified above) as a process affecting them, if they argued that corporate strategy was more influenced by the demands of the local economy than the global economy (and if their actual corporate practices bore this out), if they failed to see the distinction between the international and the global corporation and if they reported that they were not becoming more global in any way. No doubt one could attach numerical values to all these variables and come up with a globalisation score but the conviction that we are dealing with processes of transformation in still dimly-lit arenas suggests that the qualitative method pursued here is more appropriate.

Globalisation is clearly a term that has a central part in the corporate vocabulary of many of the Global 500 and, certainly, of almost all of the corporations included in my study. The main reasons volunteered, which appeared as a coda throughout the corporate literature, were versions of the theme: if you want to grow the company you have to do it globally (or internationally). In most if not all cases the terms "internationally" and "globally" were being used interchangeably.

Intuitively, there would appear to be at least two central determinants of globalisation for small companies wishing to become big companies. First, the size of the domestic market, that is the market in the territory where the company had its origins, appears obviously important. This is because, to put it crudely, companies from relatively small countries (for example, Sweden and Switzerland) will have to cross national borders to win the business that will help them grow, whereas companies from big countries (for example, the USA and China) can grow very big satisfying domestic demand. Second, the business sector in which a company belongs also appears obviously important. Heavy industry (notably oil and mining companies), for example, have always had to scour the world for the natural resources they require, while retailers and infrastructure providers (electricity, water and telecommunications, for example) tend to be more tied to their home bases. While these assumptions are still true to some extent, the experience of corporate globalisation in recent decades and, particularly in the 1990s, suggest that they are no longer entirely sound.[3]

Global system theory argues that the world economy is dominated by globalizing corporations, the economic institutional basis of the TCC, and that these corporations are characterised by high degrees of FDI, benchmarking, global corporate citizenship and global vision. Are they?

To find out if these criteria really do characterise the major corporations, I have interviewed senior executives in a sample of about ten per cent of the Global 500 and tried to ascertain how typical these corporations are with reference to Annual Reports, other company publications, the business press and academic research on other Global 500 firms. While this research is very much still "in progress" and the sample over-represents US and British companies, early findings give some credence to the perspective put forward by global system theory as outlined above.

FDI

Academic researchers, international agencies like the World Bank and the OECD and TNCs themselves all acknowledge a general connection between FDI and globalisation. There are, of course, many types of FDI, ranging from green field investments in new locations to mergers and acquisitions, from formal joint ventures to less formal but increasingly important strategic alliances. All these types of FDI have been accelerated by privatisation and deregulation programmes in almost every country of the world over the past decade or so. It is not surprising that all the Global 500 corporations interviewed for this study, without exception, recognised the general connection between FDI and globalisation. Although the reasons given for FDI differed from sector to sector and in fine detail, the underlying motive was uniform across all businesses. Globalisation is necessary to increase shareholder value (in some cases it always has been, in others it now is) and foreign direct investment is the strategy through which it is most successfully accomplished for most companies. It is important to distinguish between exporting, which can be described as an internationalisation strategy for growth, and FDI, as a globalisation strategy. FDI, producing, sourcing, marketing and selling abroad, as compared with exporting, has significant implications for the social as well as the economic structures of globalisation, as I shall argue below. Securing the

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[3] The case of electricity and gas companies in California provide solid evidence for this proposition, as 1 demonstrate in my paper "Globalisation and the Corporations: The case of the California *Fortune* Global 500" *International Journal of Urban andRegionalResearch* (June 1998). A similar case can be made for Global 500 telecommunications corporations (notably AT&T, BT, MCI and Nynex). This paper also discusses the four criteria of the globalizing corporation in more detail.

conditions for successful foreign investment is mainly the responsibility of the first fraction of the transnational capitalist class, TNC executives and their local affiliates.

Benchmarking

Benchmarking is a system of continuous improvements derived from systematic comparisons with world best practice (WBP). It tends to be sector-based, but the most globalizing enterprises will benchmark processes and activities from anywhere in the world. Benchmarking and WBP have undoubtedly been driven by the increase in global competition as protectionist walls have come down all over the world and as rapidly-growing new companies have threatened the market dominance of older and, perhaps, less innovative companies. These are the parts of the total quality management (TQM) movement that has swept through board rooms, office complexes and shop floors wherever an enterprise is faced with competition, particularly from "foreign" companies. Benchmarking and WBP are logical consequences of globalisation because when competition can, in principle, come from anywhere in the world, it is necessary for companies who wish to hold on to their market share, let alone increase it, to measure their performances against the very best in the world. What the TQM movement did was to ensure that all aspects of company performance, from manufacturing widgets to answering telephones, from delivering the product to monitoring energy use in factories and offices, were liable to be benchmarked.

The pioneers in global benchmarking were Motorola and Xerox. Also influential in the theory and practice of benchmarking is the global management consultants McKinsey (as can be seen from the company's research journal, *The McKinsey Quarterly).* In previous research in Australia, 1 found that benchmarking and world best practice were very much connected, both in rhetoric and in fact, with those companies who claimed to be globalizing. Given that much of the inspiration for benchmarking comes from prominent corporations in the US it is not surprising that this finding is thoroughly confirmed from the Global 500 in the US, Europe and elsewhere. Whether these terms are used or not, the practices that they refer to are widespread among the major corporations in all business sectors. Benchmarking and the wider issues of competitiveness are mainly the responsibility of the globalising professionals who service the corporations.

Global corporate citizenship

Most large companies nowadays acknowledge some form of responsibility for corporate citizenship, many make specific reference to this in their Annual Reports and other corporate literature. In the 1990s some major corporations (for example, DuPont, Dow Chemical, Intel, BankAmerica, 3M, ARCO, Procter and Gamble, General Motors, Mitsubishi, Matsushita, Siemens, Norsk Hydro, P&O, Shell, BP, and Unilever) began to publish separate reports to allow interested parties to monitor their performance in safety, health and environment (often referred to as SBE) and many more devote pages in their Annual Reports to these issues. The idea of "diversity", a code word for employing more women and members of ethnic minorities on the shopfloor as well as in the executive suites, is another important component of corporate responsibility for many major corporations.

The pressure for global corporate responsibility is closely related to the struggle to establish formal global codes of conduct for transnational corporations, a struggle that has had, to date, only limited success. The evidence from the Global 500 is that industry-specific pressures (for example, technical staff shortages in electronics, environmental hazards in the oil industry, threats to brand name equity and reputation) rather than any other forces will drive changes in this sphere. The history of the Responsible Care initiative of the global chemicals industry and the resolution (for the time being) of the dispute between Mitsubishi and the Rainforest Action Network, for example, illustrate the processes at work in this context.

One indicator of globalisation is where a local/national concept of corporate responsibility is transformed into a concept of global corporate responsibility, very often expressed in terms of applying the highest standards of business practice wherever the corporation operates. This may have originated from legislation against corrupt practices in overseas business passed in the US and elsewhere, but it is now of much wider significance.

This trend is frequently labelled "caring capitalist'. In the United States this is well represented by the organisation Business for Social Responsibility (BSR) founded in 1992. By 1996, BSR had a national membership of 800 companies and affiliated members. The theme of the 1996 Annual Conference in New York City was "Adding Values, Adding Value: Corporate Responsibility and Profitability". BSR asserts: "with economic globalisation and changing local conditions, business leaders are called upon to wrestle with complex issues that effect not only their shareholders, employees and customers but also the quality of life in local communities, our environment and people and countries throughout the world" (Conference Brochure). This is an excellent statement of what is meant by global corporate responsibility and, as is demonstrated below, appears generally accepted in rhetoric if not always in practice by the Global 500. The idea that profits and corporate responsibility are not necessarily mutually exclusive seems gradually to be gaining ground. The World Business Council for Sustainable Development is an important globalising network of business leaders from major corporations that originated in the quite successful corporate attempt to take control of the Rio and post-Rio environmental debate. The Council is now widening its scope to cover the larger sphere of global corporate citizenship.

The problem for most transnational corporations is that their pronouncements are often greeted with incredulity. Big business as such has rarely been popular and corporate executives and their spokespersons are well aware of this fact. Therefore, a key benchmark for most of the corporations in my sample (and, as far as I can judge from company publications, the Global 500 as a whole) is "what do people think of us". A notable example of this concern is the 50-country Round Table consultation conducted by Shell in the mid-1990s and how this was fed into their reputation management strategy. One finding of this exercise was that because of their economic power and geographical reach, Shell and other major corporations are regarded as global actors, whether they want to be or not. One senior Global 500 executive explicitly argued in an interview that: "the corporation will pick up some of the burdens of the nation-state, as the nationstate weaken. Corporate citizenship is in the realm of globalizing bureaucrats and politicians and who often have official responsibility for "regulating" the corporations."

Global vision

An important feature of the acceptance of global corporate responsibility for many corporations is the adoption of a Vision or Mission statement with global overtones. Domestic or even international, multi-domestic or multinational corporations have little need of a global vision. The key problem of a domestic corporation is to dominate its local market, of international, multi-domestic or multinational companies is to dominate the foreign markets they serve, whether by direct exports or through local manufacturing and/or services. A corporation is globalizing when it begins to fulfil the criteria of globalisation we are discussing. A global vision or mission statement usually includes the other three criteria but, for a truly globalizing corporation, it is more than the sum of the parts in the sense that a global vision or mission implies a resolution of the local-global relationship. Most of the Global 500 appear to be striving to achieve a global vision, but some concede that in practice they are falling short of the goal. The driving force behind these corporate global visions I interpret in terms of the culture-ideology of consumerism and the consumerist elites who produce it.

It is a widely held misconception that globalisation and localisation are mutually exclusive and contradictory processes. Those who draw attention to the vitality of local entrepreneurs and cultures as evidence against globalisation are correct to the extent that some globalisation theorists predict the demise of the local as global forces inexorably create a homogenous global culture. This argument has no place in global system theory. The global capitalist system is predicated on the accumulation of private profits on a global scale and the leading actors in the system have no interest in destroying or sustaining local cultures apart from the drive for increased profitability. Where local or national agents threaten this profitability capitalists certainly destroy them, as colonial powers have done in the past wherever local enterprise interfered with their expansionist plans. Economic globalisation has changed this to some extent by making it easier for global corporations to integrate local businesses into their own global business plans and even, in some cases, to take advantage of local talents and resources, an advantage that is often shared with local elites.

If, as I expect, this research will establish that there is indeed a group of genuinely globalizing corporations among the Global 500 (in addition to others not in the Global 500), then the basis will have been laid for the existence of a transnational capitalist class made up of those who own and control these corporations, and the other groups with whom they share fundamental interests in the continuity and prosperity of the global capitalist system. The next phase in the research will be to show how globalizing bureaucrats, politicians and professionals, and consumerist elites bring state apparatuses and agencies and institutions of civil society in a variety of localities on board for the great global capitalist project.

Resistances to the global capitalist system

The globalizing corporations and their supports that I have been analysing do not go unopposed and there is a growing literature on social movements against globalisation. Paradoxically for positivists but unsurprisingly for dialecticians, the very forces that promote globalisation, namely foreign direct investment, the globalisation of finance, the ever-increasing global reach of the mass media and the penetration of more and more human relationships by the culture-ideology of consumerism, also serve to undermine it. For every act of foreign investment there is the potential for local groups in contact with global networks to expose exploitation of labour and the degradation of the environment; daily evidence of casino capitalism brings forth daily expressions of moral outrage; the global village of the mass media is vilified for its lack of taste and educational value; and what I term the cultureideology of consumerism is frequently excoriated as depressing evidence for the lack of meaning that characterises our epoch.

A good recent illustration of these themes is the campaign against the Multilateral Agreement on Investment being negotiated at the OECD, which has been successful in the short term insofar as the Agreement, due for ratification in April 1998, has been put on ice for the time being. This has been perhaps the first major global campaign against globalisation, bringing together a network of hundreds of organisations from all over the world united in their opposition to what was widely seen as a license for TNCs to do as they please.

What is, however, distinctly odd about much of this critique and resistance is that it fails to connect globalisation with capitalism or does so in a rather half-hearted sense. There are, no doubt, many reasons for this but the most important one is, in my view, that the cultureideology of consumerism has such a grip on the everyday lives of those who aspire to it as well as those who enjoy it. Consumerism in concrete terms is the goods and services promoted by the major corporations, on whose activities the business of most of the rest of us depends. And that is why global system theory takes the transnational corporations and those who own and control them, the transnational capitalist class, as the major institutional forms of transnational practices, and the key to globalisation.