Global corporate power and a new transnational capitalist class?

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THE MAKING OF A TRANSNATIONAL CAPITALIST CLASS: CORPORATE POWER IN THE 21ST CENTURY

William K. Carroll
'There’s class warfare, all right, but it’s my class, the rich class, that’s making war, and we’re winning.'

Perspectives on the TCC

- Sklair (2001): TCC as formed through transnational practices that transect borders:
  - four fractions: corporate executives, globalizing bureaucrats and politicians, globalizing professionals, and consumerist elites.
- Robinson (2004): TCC ‘is increasingly a class-in-itself and for-itself’; 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’.
Corporate networks and corporate communities

- Drawn together through interlocking directorships, large corporations and corporate directors form a corporate community – a more or less cohesive elite with common goals and shared understandings on how to reach these goals (Domhoff 2006).

- Is the same process occurring transnationally, at the leading edge of the TCC?
The geography of global corporate power
Findings

- Overall, no massive shift from national networks to a transnational network detached from national moorings.
- National corporate communities are joined together by an accretion of transnational interlocks.
- A thinning of national networks as transnational interlocking has become a more common practice.
- Thus, a *relative* shift towards transnational elite connections as a superstructure bridging national corporate communities.
Numbers of networkers, national and transnational
The global corporate network is overwhelmingly a Euro-North American configuration.

This shows the enduring influence of a North Atlantic ruling class, which has long been at the centre of global corporate power.
Types of interlockers in the global network
National interpersonal ties, 2006
...adding *intra-regional* transnationalists
...adding *inter-regional* transnationalists
In the global network, it is corporate Europe which has undergone elite consolidation, and with the relative decline of corporate Japan, the centre of gravity of the configuration has been shifting towards Europe.

The trends point to the declining predominance of US-based capitalists in the global corporate elite.
Contours of the Global Network

- A hierarchy constituted through selective participation of firms and directors, and of the cities and countries they call home.
- For the most part, the network strings together directors of corporations based in the major urban centres of north-west Europe and north-east North America, with London, Paris and New York enjoying pride of place.
The global inter-urban network of 70 connected cities
Continuity and change in the power structure
There are definite relations between accumulation and interlocking that shape the social space of the global corporate elite.

- Corporations transnationalized in their accumulation tend to participate in transnational interlocking.
- Successful capital accumulation and corporate interlocking are mutually reinforcing processes, particularly in Europe.
- Highly networked firms tend to remain near the top; firms that have managed to stay near the top tend to be well connected to other giant companies.

In this way, the corporate network is reproduced as an elite within an elite.
The persistence of family fortunes as power bases is reflected in the participation of billionaires in the global corporate elite, often organized into male-dominated kinecon groups.

- Dense clusters of inter-corporate strategic control that contrast with the diffuse interlocks that facilitate class-wide hegemony.

- For the most part, super-rich directors are nationally oriented in their corporate affiliations, but they have followed the general trend towards more transnational contacts.
Social circles of billionaire networkers, 2006
- Transnational interlocks tend to be thin, weak ties.

- These ties contribute to a structure of community more than control:
  - They facilitate business scan and the cultivation of solidarity, but not the construction of coherent transnational financial empires.
Over the most recent decade, as capital accumulation became more transnational, the locus of corporate command centres became more dispersed to include, within the network...

- smaller states of Europe,
- more of the global South, and
- a greater range of global cities.

In this sense, globalization contributed to a diffusion of corporate power.
The international network at 1996
The international network at 2006
At the level of corporations, the world’s largest firms tend to bifurcate into a growing number of *isolates* from the interlock network, on the one hand, and a growing number of *transnationally networked* firms on the other.
The issue of class hegemony
Transnational policy groups offer an additional layer of social organization, underwriting the elite cohesion behind what has been a hegemonic project of neoliberal globalization.

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<th>Global Policy Boards</th>
<th>Transnational Business Councils</th>
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<td>International Chamber of Commerce</td>
<td>European Round Table of Industrialists</td>
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<td>Bilderberg Conferences</td>
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<td>Trilateral Commission</td>
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<td>World Economic Forum</td>
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<td>International Advisory Board of the Council on Foreign Relations</td>
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<td>World Business Council for Sustainable Development</td>
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<td>UN Global Compact (Board)</td>
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The corporate-policy group network is highly centralized.

- A few dozen extensively networked corporate directors serve as organic intellectuals for an incipient transnational capitalist class.
- Certain organizations, such as the Trilateral Commission and the WBCSD, play especially integrative roles in shrinking the social space of the global elite and creating a unified voice.
The policy boards reproduce unevenness in participation as they draw together North American and especially European corporate elites more closely than elites based elsewhere.

The policy groups also differ among themselves in their specific political projects:

- They form an organizational ecology that generates a rich discursive field in which various transnational political initiatives can take root.
The corporate-policy group network, 2006
Over time, the policy groups have proliferated and become more integrative nodes in the global corporate power structure, as national corporate networks have thinned, giving the TCC an increased capacity to act, through the policy groups, as a class-for-itself.
- Overall, the development of elite transnational policy planning seems to have reinforced a drift in the global corporate elite’s centre of gravity, from 1996 to 2006, towards Europe.
- There has also been increased participation by a few Southern-based capitalists – pointing toward multi-polarity.
Conclusions

- Analysis of the architecture of global corporate power offers support for a qualified version of the TCC thesis.
  - Overall, there has been some decline in national corporate communities and a shift to transnational affiliations.
  - Yet even in early 2007, most corporate networkers remained national, and most transnationalists participated primarily in one national network.
- Other evidence for TCC formation lies in the further elaboration of an elite corporate-policy group network.
  - part of a transnational historical bloc of capitalists and organic intellectuals
  - builds consensus and exercises business leadership in the global arena.
- Despite this ideological solidarity, however, the TCC exists neither as a free-standing entity (it is deeply embedded in national business communities) nor as a homogeneous collectivity.
Formation of a TCC is not a homogeneous process, but is **highly regionalized**.

- Consolidation of a European corporate community, which should not be read as a mere instance of TCC formation.
  - The project of European unification is less about relinquishing national sovereignty than about accelerating neoliberal restructuring to ratchet-up competitiveness.
  - This process is fraught with internal contradiction (witness Greece, 2010ff).
At the Asia-Pacific corner of the triad, the weakening position of corporate Japan, particularly its financial sector, reaches back to the 1985 G5 Plaza Accord.

What corporate Japan has lost has been gained by counterparts in Europe and North America.

Meanwhile, the long-term erosion of the USA as a site for the command of capital continued into the early twenty-first century.
North–South disparities are strikingly evident in the global corporate network, despite the dramatic rise of China and a few other semi-peripheral states.

- Control over economic sectors central to financialized, hyper-consumptive capitalism still resides predominantly in the North, and the global corporate elite remains almost entirely contained within the triad, replicating the long-standing structure of imperialism.

- With some notable exceptions, capitalists of the semi-periphery have not joined the global corporate elite, but neither have they coalesced into a Southern bloc.
The transnational capitalist class continues for the most part to take the geographically specific form of an Atlantic ruling class (van der Pijl 1984).

It remains centred in capitalism’s Lockean heartland of self-regulating market relations and civil society – a unique state/society complex that originated in England and expanded initially by colonial settlement to North America and elsewhere.
However, there are continuing grounds for state-mediated struggles over incorporation, and ex-corporation into/out of the heartland.

- One basis: the detachment of Southern bourgeoisies from the elite network of the North.
- Organized along more statist lines, the leading lights of semi-peripheral capitalism may be more open to new alignments that qualify neoliberalism’s vision of a deregulated, borderless world for investment and trade.
- Without ‘BRICS from below’, etc., this does not portend a break from global capitalism, or even a more humane form of capitalism.
Transnational capitalist class formation takes place not as the unfolding of a borderless world ruled by capital but in the context of an ongoing tug-of-war between Lockean liberalization and Hobbesian territorialization, with alter-globalization thrusts from below opposing both options.
Back to Buffett

- ‘There’s class warfare, all right, but it’s my class, the rich class, that’s making war, and we’re winning’.
- The acuity of Buffett’s remark lies not only in the frank acknowledgement of class struggle from an unimpeachable source, but in the recognition that capital’s victory, to date, is no more than provisional.