The Transnational Capitalist Class

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Synonyms

Capitalist class

The transnational capitalist class (TCC) is defined as the group of dominant capitalists comprising those who own and/or control major corporations and their allies in the political, technical, and culture-ideology spheres.

Introduction

The capitalist class has traditionally been defined as those who own the means of production and act directly or indirectly as a ruling class. While the original theory of the capitalist class as elaborated by Marx and Engels in the middle of the nineteenth century saw this as an international phenomenon, scholarly research has tended to concentrate at the level of the nation-state, particularly in large and economically powerful countries. With the rise of globalization and neoliberalism as new features of the economic, political, and cultural spheres in the second half of the twentieth century, attention started to focus more and more on what were then most commonly labeled multinational corporations, and a stream of studies emerged that began to “internationalize” the capitalist class. Novel theories abounded around ruling classes and elites (Scott ed. 1990), and new concepts multiplied, for example, the international managerial bourgeoisie, international networks of banks and industry, networks of corporate power, intercorporate relations, and triple alliance of multinational, state, and local capital. Around this time, a key source of insight into a global ruling class also began to emerge from the Gramscian turn in International Relations, introducing ideas of global and regional class structures. The concept of the transnational capitalist class (TCC) within the global capitalist system can be seen as an attempt to build on this rich literature – a step toward consolidating the theoretical link between capitalist globalization and the ruling class and providing some evidence that these concepts have genuine empirical referents. This implies, conceptually, that the state (represented by the state fraction of the TCC) is only one, albeit important, level of analysis and empirically, that state actors are losing power in some key areas of economic, political, and culture-ideology decision making to non-state global actors – a transition from the international to the transnational mode of analysis.
Theory and Research

Since the 1960s capitalist globalization has changed the structure and dynamics of the capitalist class and made it necessary to start to explore the question of the extent to which the transnational capitalist class is the ruling class in the global system. The theory of the transnational capitalist class conceptualizes class in capitalist society in terms of ownership and/or control of the means of production, distribution, and exchange; resists the neo-Weberian attempt to separate class, status, and command; and highlights the central role of the capitalist class in the struggle to commodify everything. TCC theorists generally focus around three working hypotheses. First, a transnational capitalist class is emerging that is beginning to act as a global ruling class in many spheres; second, that the key feature of the globalization of the capitalist system in recent decades has been the profit-driven culture-ideology of consumerism organized by this class; and third, that the TCC is working consciously to obfuscate the effects of the central crises of global capitalism, namely, the simultaneous creation of increasing poverty and increasing wealth within and between countries and the ecological unsustainability of the global capitalist system (Sklair 2002).

Despite its relatively short history, there are already several ways of conceptualizing the transnational capitalist class. Prominent among these are the materialist approach of Robinson and Harris (2000) and the network-oriented approach of Carroll (2010). The global system approach introduced by Sklair (1995) is elaborated in a four fractions model of the TCC (Sklair 2001). These are (1) those who own and control the major transnational corporations and their local affiliates (corporate fraction), (2) globalizing politicians and bureaucrats (political fraction), (3) globalizing professionals (technical fraction), and (4) merchants and media (consumerist fraction).

In all versions of transnational capitalist class analysis, the most important members of these groups constitute a global power elite, ruling class or inner circle in the sense that these terms have been used to characterize the class structures of specific countries, with Robinson and Harris emphasizing the broader elements of Marxist political economy, Carroll emphasizing interlocking directorates and networks of power and influence, and Sklair (expanding the classical Marxist definition of class) emphasizing the leading role of the corporate elite and the central role of the culture-ideology of consumerism.

The transnational capitalist class is generally held to be transnational (or global) in the following respects:

(a) The economic interests of its members are increasingly globally linked rather than exclusively local and national in origin. This follows directly from the shareholder-driven growth imperative that lies behind the globalization 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 organized in terms of discrete national economies, the TCC increasingly conceptualizes its interests in terms of markets, which may or may not coincide with a specific nation-state or group of them, and the global market. There is overwhelming evidence to show that the global corporation of today is not the same as the multinational corporation of the past (Sklair 2001).

(b) The TCC seeks to exert economic control in the workplace, political control in domestic and international politics, and culture-ideology control in everyday 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.

(c) Members of the TCC have outward-oriented global rather than inward-oriented local
perspectives on most economic, political, and culture-ideology issues. The growing corporate 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 organizations, 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/management education since the 1960s, particularly in the USA and Europe, but increasingly all over the world.

(d) Members of the TCC tend to share similar lifestyles, 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 increasing residential segregation of the very rich secured by armed guards and electronic surveillance, from Los Angeles to Moscow, from Manila to Beijing, and from Lagos to Mumbai.

(e) Finally, members of the TCC seek to project images of themselves as citizens of the world as well as of their places of birth, generating corporate global visions. The concept of the transnational capitalist class implies that there is one central inner circle that makes system-wide decisions and that it connects in a variety of ways with members of the TCC in each locality, country, and region. While the personnel in this inner circle may change (there may even be several overlapping inner circles at any one time), the TCC is a class with identifiable leaders.

What the inner circle of the TCC does is to give a unity to the diverse economic interests, political organizations, 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 encourages a wide variety of choices to satisfy the needs of the different actors and their constituencies within the global capitalist system. The four fractions of the TCC in any geographical area – community, city, country, and region – perform complementary functions to integrate the whole. The achievement of these goals is facilitated by the activities of local and national agents and organizations which are connected in a complex network of global interlocks (Carroll 2010).

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 institutions. 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 monopolize symbols of modernity and post-modernity like free enterprise, international competitiveness, and the good life and to transform most, if not all, social spheres in its own image.

The concept of the transnational capitalist class is controversial and has been criticized on theoretical and empirical grounds, particularly by those who are skeptical of the claims of globalization researchers in general and those of Marx-inspired global system theorists in particular. Theoretically, those who reject the primacy of class as a mode of analysis of individual countries or the global system as a whole obviously will not find the idea of a transnational capitalist class useful. Many who are more open-minded about the issue,
especially those influenced by the Marxist tradition of class analysis, will be unwilling to expand the class concept beyond the direct owners of the means of production, as in the four fractions model. However, the parallel expansion of the concept of money capital to include cultural and other forms of capital, especially in the era of capitalist globalization, has broadened this debate, and research into the role of the TCC in the fields of education, religion, architecture, and global cities, for example, suggests that at the very least the expansion of the class concept throws up some interesting researchable questions. Empirical research into the substantive foundations of the concept, focusing around the issue of the extent to which the TCC is evolving from a class in itself to a class for itself, will always be challenging. While few question the economic power and reach of the corporate elite, globally and locally, the political and sociological consequences of this power and reach are difficult to establish clearly and unambiguously. While network and corporate interlock research documents connections, it is often difficult to specify exactly what the results of these connections are.

Conclusion

It is no exaggeration to say that there is now a flourishing community of scholars largely but not exclusively connected with the Network for Critical Studies of Global Capitalism (NCSGC), who are building a substantial foundation for research on the transnational capitalist class all over the world, further details of which can be found in the ever-expanding NCSGC bibliography <https://drive.google.com/open?id=1SzooNM4_4pQUkPPKvIwYSGE46ijFlTqRVGsMMgAAH0>.

Cross-References

▶ Capitalism
▶ Class
▶ Corporations
▶ Elites
▶ Globalization
▶ Neoliberalism

References


Further Reading