

Unite and Rule*

Historically, the economic field has been constructed within the framework of the national state, with which it is intrinsically linked. Indeed, the state contributes in many respects to unifying the economic space (which contributes in return to the emergence of the state). As Karl Polanyi shows in *The Great Transformation*, the emergence of national markets in Europe was not the mechanical product of the gradual extension of economic exchanges, but the product of a deliberately mercantilist state policy aimed at increasing domestic and foreign trade (especially by fostering the commercialization of land, money, and labor).† But, far from leading to a process of homogenization, as one might believe, unification and integration are accompanied by a concentration of power, which can go all the way to monopolization and, at the same time, by the dispossession of part of the population thus integrated. This is to say that integration into the state and the territory it controls is in fact the precondition for domination (as can be readily seen in all situations of colonization). As I was able to observe in Algeria, unification of the economic field tends, in

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† Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001 [1947]).

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particular through monetary unification and the generalization of monetary exchanges that ensue, to pitch all social agents into an economic game for which they are not equally prepared and equipped, culturally and economically.* It tends, by the same token, to subject them to the norm objectively imposed by competition from more efficient productive forces and modes of production, as can clearly be seen with small producers from the countryside, who are increasingly wrenched from a state of autarky. In short, *unification benefits the dominant*, whose difference is turned into capital by the mere fact of their being brought into relation. (To take a recent example, in the 1930s Franklin D. Roosevelt had to establish common social rules in matters of employment such as the minimum wage, the limitation of working hours, old-age pensions, etc. to avoid the deterioration in wages and working conditions attendant upon the integration of unequally developed regions into a single national entity.)

But in other respects, the process of unification and concentration remained confined within national borders; it was limited by all the barriers, especially juridical ones, to the free movement of goods and persons (customs duties, exchange controls, etc.). And it was limited also by the fact that production and particularly the circulation of goods remained closely bound to geographical place (owing in part to transport costs). It is these limits on the extension of economic fields that tend today to weaken or disappear under the impact of various factors: on the one hand, purely technical factors, such as the development of new means of communication (air transport and

* Pierre Bourdieu, *Algeria 60: Economic Structures and Temporal Structures* (Cambridge: Cambridge University Press, 1977).

the Internet); on the other, more properly political or juridical-political factors, such as policies of liberalization and deregulation. Together they foster the formation of a *global economic field*, particularly in the financial realm (where computerized means of communication tend to eliminate the time gaps that traditionally separated the various national markets).

The Double Meaning of "Globalization"

We must return here to the word "globalization." We have seen that, in a rigorous sense, it could refer to the unification of the global economic field or to the expansion of that field to the entire world. But it is also made to mean something quite different, in a surreptitious slide from the descriptive meaning of the concept, such as I just formulated, to a normative, or, better yet, *performative* meaning. In this second sense, "globalization" refers to an *economic policy* aimed at unifying the economic field by means of a whole set of juridical-political measures designed to tear down all the obstacles to that unification—obstacles that are mostly linked to the nation-state. And this very precisely defines the neoliberal policy inseparable from the veritable economic propaganda that lends it part of its symbolic force by playing on the ambiguity of the notion.

Economic globalization is not a mechanical effect of the laws of technology or the economy but the product of a policy implemented by a set of agents and institutions, and the result of the application of rules deliberately created for specific ends, namely, trade liberalization (that is, the elimination of all national regulations restricting companies and their investments). In other words, the "global market" is a *political*

creation, just as the national market had been, the product of a more or less consciously concerted policy. And, as was the case with the policy that led to the emergence of national markets, this policy has as an effect (and perhaps also as an end, at least among the most lucid and the most cynical of the advocates of neoliberalism) the creation of the conditions for domination by brutally confronting agents and firms hitherto confined within national boundaries with competition from more efficient and more powerful forces and modes of production. Thus in the emerging economies the disappearance of protection spells ruin for national enterprises. In countries such as South Korea, Thailand, Indonesia, or Brazil, the elimination of all obstacles to foreign investment leads to the collapse of local enterprises, which are then bought up, often at ridiculously low prices, by the multinationals. For these countries, public procurement contracts remain one of the only methods that enable local companies to compete with the big Northern concerns. Whereas they are presented as necessary for the creation of a "global field of action," the directives of the World Trade Organization on competition and public procurement policies would, by establishing competition "on an equal footing" between the big multinationals and small national producers, cause the mass destruction of the latter. For we know that, as a general rule, formal equality in a situation of real inequality favors the dominant.

The word "globalization" is, as we can see, a *pseudo-concept*, at once *descriptive* and *prescriptive*, that has supplanted the term "modernization," long ago used by American social scientists in a euphemistic manner to impose a naively ethnocentric evolutionary model according to which the different societies of the world are classified in terms of their distance from the

most economically advanced society, that is, U.S. society, instituted as the endpoint and end goal of all human history. (This is the case, for instance, when the criterion used to measure the degree of evolution is one of the distinctive, but apparently neutral and undisputable, properties of that society, such as energy consumption per capita, as criticized by Claude Lévi-Strauss in *Race and History*).^{*} This word embodies the most accomplished form of the *imperialism of the universal*, which consists, in universalizing for a society, its own particularity by tacitly instituting it as a universal yardstick (as French society did for a long time when, as the supposed historical incarnation of human rights and of the legacy of the French Revolution, it was posited—especially by the Marxist tradition—as the model of all possible revolutions).

Through this word, then, it is the process of unification of the global economic and financial field, that is, the integration of hitherto compartmentalized national economic universes, that is now organized along the lines of an economy rooted in the historical particularities of a particular social tradition, that of American society, which is instituted both as inevitable destiny and as political project of universal liberation, as the endpoint of a *natural evolution* and as the civic and ethical ideal that promises political emancipation for the peoples of all countries, in the name of a postulated connection between democracy and the market. The most fully accomplished form of this *utopian capitalism* is no doubt the myth of the “stockholders’ democracy,” that is, a universe of wage earners who, being paid in the form of shares, would collectively become “owners of their companies,” thereby bringing about the perfect associa-

^{*} Claude Lévi-Strauss, *Race et histoire* (Paris: Gallimard, 1987 [1955]).

tion between capital and labor. And the triumphant ethnocentrism of “modernization” theories reaches sublime heights with the most inspired prophets of the new economic religion who see the United States as the new homeland of “realized socialism” (we see here in passing that a certain scientific madness triumphant today in Chicago concedes nothing to the most exalted ravings about “scientific socialism” that flourished in another age and place, with consequences that are well known).

We would need to pause here to demonstrate, firstly, that what is universally proposed and imposed as the norm of all rational economic practice is in reality the universalization of the particular characteristics of an economy embedded in a particular history and social structure, that of the United States; and that by the same token the United States is, by definition, the fully realized form of a political and economic ideal that for the most part is the product of the idealization of its own economic and social organization, characterized among other things by the weakness of the social state. But we would also have to demonstrate, secondly, that the United States occupies a dominant position in the global economic field which it owes to the fact that it cumulates a set of exceptional competitive advantages: *financial advantages*, including the exceptional position of the dollar, which enables Washington to drain off from all over the world (that is, from countries with a strong savings rate, such as Japan, but also from the ruling oligarchies of poor countries and from global networks of trafficking and money laundering) the capital it needs to finance its enormous public and trade deficits and to compensate for an exceedingly low rate of savings, and which enables it to implement the monetary policy of its choice without

worrying about its repercussions for other countries, especially the poorest of them, which are objectively chained to American economic decisions and which have contributed to American growth not only by virtue of the low costs in dollars of their labor and products (particularly raw materials) but also with the levies they have paid into the coffers of American banks; *economic advantages*, with the strength and competitiveness of the sector of capital goods and investment and, in particular, of industrial microelectronics, or the role of banking in the private financing of innovation; *political and military advantages*, its diplomatic weight allowing the United States to impose economic and commercial norms favorable to its interests; *cultural and linguistic advantages*, with the exceptional quality of the public and private system of scientific research (as measured by the number of Nobel laureates), the power of lawyers and of the big law firms, not to forget the practical universality of English, which dominates telecommunications and the whole of commercial cultural production; *symbolic advantages*, with the imposition of a lifestyle quasi-universally recognized, at least by adolescents, especially through the production and diffusion of representations of the world (as in movies) to which an image of modernity is attached. (We see in passing that the superiority of the American economy, which in reality is moving further and further away from the model of pure and perfect competition in the name of which it is being thrust onto the rest of the world, is due to effects of structure and not to the particular efficacy of a given economic policy, even as it has benefited from the intensification of work and the unprecedented lengthening of hours worked combined with very low wages for the least skilled, and also from the

emergence of new economic sectors driven by science and information technology.)

One of the most unquestionable expressions of the relations of force being established within the global economic field is the asymmetry and "double standard" that allows, for example, the dominant powers and particularly the United States to resort to the very protectionist measures and public subsidies they deny to developing countries (which are prohibited from limiting imports of a product inflicting serious damage on their industry or from regulating flows of foreign investment). And it takes a great deal of goodwill to believe that concern for social standards and economic rights in the countries of the South (as with the prevention of child labor) is shorn of protectionist designs when we see that concern coming from countries, such as the United States, engaged in the wholesale deregulation of their own labor market and in sharply curtailing trade union rights. The policy of "globalization" is no doubt in itself the best illustration of this asymmetry since it aims at extending to the entire world, but *without reciprocity*, on a one-way basis (that is, in combination with redoubled isolationism and particularism), the organization most favorable to the dominant.

The unification of the global economic field through the imposition of the absolute rule of free exchange, the free movement of capital, and export-led growth is marked by the same ambiguity as integration into the national economic field was in another age. While featuring all the outward signs of a boundless universalism, a kind of ecumenism justified by the universal diffusion of the "cheap" lifestyles of the "civilization" of McDonald's, jeans, and Coca Cola, or by "juridical

harmonization," often regarded as an indicator of positive "globalization," this "societal project" serves the dominant, that is, the big investors who, while standing above states, can count on the major states and in particular on the most powerful of them politically and militarily, the United States, and on the major international institutions—the World Bank, the International Monetary Fund, and the World Trade Organization—which those states control, to ensure conditions favorable to the conduct of their economic activities. *The effect of domination linked to integration within inequality* can be clearly seen in the fate of Canada (which could well be the fate of Europe if the latter moves toward a kind of customs union with the United States): due to the lowering of its traditional protective barriers, which has left it defenseless particularly in matters of culture, this country is undergoing virtual economic and cultural integration into the American empire.

Like the old national states, the dominant economic forces are in effect capable of making (international) law and the great international organizations, which are exposed to the influence of lobbyists, operate to their advantage. The lobbies work to clothe the economic interests of powerful firms or nations with juridical justifications (for example, by guaranteeing industrial investors maximum rights and prerogatives); and they devote a very substantial part of their intellectual energies to dismantling national laws, such as legislation and regulations that ensure the protection of consumers. Without fulfilling all the functions ordinarily assigned to national states (such as those pertaining to social welfare), the international institutions invisibly govern the national governments which, seeing their role increasingly reduced to managing secondary matters, form a political smoke screen that effectively masks

the true sites of decision making. They reinforce at the symbolic level the quasi-mechanical action of economic competition which compels national states to vie with each other in terms of both taxation (by lowering rates and granting special breaks) and competitive advantage (by providing free infrastructures).

The State of the Global Economic Field

The global economic field presents itself as a set of global subfields, each of which corresponds to an "industry," understood as a set of firms competing to produce and commercialize a homogeneous category of products. The almost always oligopolistic structure of each of these subfields corresponds to the structure of the distribution of capital (in its different forms) between the different firms capable of acquiring and maintaining the status of efficient competitor at the global level, the position of a firm in each country being dependent on the position occupied by that firm in all the other countries. The global field is highly polarized. Owing to their mere weight within the structure (which functions as a barrier to entry), the dominant national economies tend to concentrate the assets of companies and to appropriate the profits they produce, as well as to orient the tendencies immanent in the functioning of the field. The position of each firm in the national and international field depends not only on its own specific assets but also on the economic, political, cultural, and linguistic resources that flow from its membership in a particular nation, with this kind of "national capital" exerting a positive or negative multiplier effect on the structural competitiveness of the different firms.

Today these different fields are structurally subordinated to the global financial field. That field was abruptly released (through measures such as the French financial deregulation law of 1985–86) from all the regulations that had been imposed on it for almost two centuries and which had been strengthened after the great string of banking collapses of the 1930s. Having thus achieved almost complete autonomy and integration, the global field of finance has become one among many sites within which to generate returns on capital. The large concentrations of money effected by the big investors (pension funds, insurance companies, investment funds) have become an autonomous force, controlled solely by bankers who increasingly favor speculation, financial operations with no end other than financial, at the cost of productive investment. The international economy of speculation thereby finds itself freed from the control of the national institutions, such as central banks, which used to regulate financial operations, and long-term interest rates tend henceforth to be determined not by national bodies but by a small number of international operators who set the trends on the financial markets.

The concentration of finance capital in the pension funds and mutual funds that attract and manage collective savings enables the transstate managers of those savings to impose onto firms, in the name of shareholder interests, demands for financial profitability that gradually divert and direct their strategies. This is effected in particular by restricting their opportunities for diversification and by requiring them to engage in “downsizing” or in mergers and acquisitions in which all the risks are borne by the employees (who are sometimes fictitiously associated with profits, at least the higher-ranking among them, through remuneration in the form of shares).

The increased freedom to invest and, perhaps more crucially, to divest capital so as to obtain the highest financial profitability promotes the mobility of capital and the generalized delocalization of industrial or banking enterprises. Direct investment abroad makes it possible to exploit the differences between nations or regions in terms of capital and labor costs and to move closer to the most favorable markets. Just as nascent nations transformed autonomous fiefs into provinces subordinated to the central power, “network firms” find in a market that is both internal and international the means for “internalizing” transactions, as Oliver Williamson puts it, that is, for organizing them within production units that incorporate the firms absorbed and thereby reduces them to the status of “subsidiary” of a “parent company,” while others look to outsourcing as another way of establishing relations of subordination within relative independence.*

Integration into the global economic field thus tends to weaken all regional or national powers. By discrediting the other paths of development, and particularly national models condemned from the outset as nationalistic, the formal cosmopolitanism in which that integration is draped leaves citizens powerless in the face of the transnational economic and financial powers. The so-called policies of structural adjustment aim at ensuring the incorporation through subordination of the dominated economies by reducing the role of all the so-called artificial or arbitrary mechanisms of political regulation of the economy associated with the social welfare state (the only body capable of opposing the transnational firms and

* Oliver Williamson, *Markets and Hierarchies: Analysis and Antitrust Implications* (New York: The Free Press, 1975).

the international financial institutions) in favor of the so-called free market through a series of converging measures of deregulation and privatization, such as abolishing all protection for the domestic market and relaxing controls on foreign investment, in the name of the Darwinian tenet that exposure to competition will make firms more efficient. In so doing, they tend to grant concentrated capital almost total freedom and allow free rein to the big multinationals that more or less directly inspire these policies. (Conversely, they contribute to neutralizing the attempts of the so-called emerging nations, that is to say, those nations capable of mounting effective competition, to rely on the national state in order to construct an economic infrastructure and to create a national market by protecting national production and fostering the development of a real demand linked to the access of peasants and workers to consumption by way of increased purchasing power, itself promoted by state policies such as agrarian reform or the introduction of progressive income taxation.)

The relations of force of which these policies are a thinly euphemized expression, and which tend more and more to reduce the most dispossessed nations to an economy relying almost exclusively on the extensive or intensive exploitation of natural resources, are also manifested in the asymmetrical treatment granted by the global institutions to various nations depending on the position they occupy within the structure of the distribution of capital. The most striking example of this is no doubt the fact that requests by the International Monetary Fund that the United States reduce its persistent public deficit have long fallen on deaf ears, whereas the same body has forced many an African economy, already greatly at risk, to reduce its deficit at the cost of increasing levels of un-

employment and poverty. And we know also that the same countries that preach the opening of borders and the dismantling of the welfare state to the whole world can practice more or less subtle forms of protectionism through import quotas, voluntary export restrictions, the imposition of quality or safety standards, and enforced currency revaluations, not to mention certain self-righteous calls for the universal enforcement of labor rights, or yet through state assistance via what are called "mixed oligopolies" (based on state intervention aimed at dividing up markets through VRAs, voluntary restraint agreements), or through production quotas for foreign subsidiaries.

Unlike the unification that took place in centuries past at the national state level in Europe, present-day unification at the global level is carried out without the state—counter to the wish of John Maynard Keynes to see the creation of a world central bank issuing a neutral reserve currency liable to guarantee trade on an equal footing between all countries—and at the exclusive service of the interests of the dominant, who, contrary to the jurists who presided over the origins of the European states, do not really need to wrap the policies that suit their interests in the trappings of universalism. It is the naked logic of the field and the intrinsic force of concentrated capital that impose relations of force favorable to the interests of the dominant. The latter have the means to transform these relations of force into apparently universal rules of the game through the falsely neutral interventions of the great international bodies (IMF, WTO) they dominate, or under cover of the representations of the economy and politics that they are able to inspire and disseminate. These representations have found their most thorough formulation in the draft Multi-

lateral Agreement on Investment (MAI), this quasi-utopia of a world freed of all state restraints and turned over to the arbitrary whim of investors alone allows us to gain a realistic idea of the truly "globalized" world that the conservative International of heads and executives of the industrial and financial multinationals of all nations intends to impose by relying on the political, diplomatic, and military power of an imperial state gradually reduced to its function of law enforcement in domestic and foreign theaters.* It is therefore vain to hope that this unification produced by the "harmonization" of national legal provisions will, by its own logic, lead to a genuine universalization, embodied by a universal state. But it is not unreasonable to expect that the effects of the policy of a small oligarchy looking only after its own short-term economic interest will foster the gradual emergence of political forces, themselves also global, capable of demanding the creation of transnational bodies entrusted with controlling the dominant economic forces so as to subordinate them to truly universal ends.

* Cf. François Chesnais, *La Mondialisation du capital* (Paris: Syros, 1994), and M. Freitag and E. Pineault (eds.), *Le Monde enchaîné* (Montréal: Éditions Nota Bene, 1999)