

**Champagne Liberals and the New 'Dangerous Classes':
Reconfigurations of Class, Identity and Cultural Production in the
Contemporary Global System**

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This is an era of millenarianism. The millennium is here, the Twenty-first century is here. It has been advertised as the new globalized world, that for many we have finally achieved. This is a world that will be characterized by openness. I sit here watching the talk show, Jenny Jones, this time (10-4-00) dealing with racism. An African American intellectual talks about openness, against other African Americans in the studio who express strong criticism toward immigrants. A man replies angrily, "you can say that flying around in your airplanes and living on top of your hotels." Jones breaks off the discussion. The enlightened are truly higher in this world, they are the elite in a way that concretizes the metaphor of globalization. Up there, above the masses, delighting in a new found mobility, consuming the world. This is striking in the reactions to EU, to say nothing of larger international organizations. The populism of the people and the elitism of the elites are ever more marked in this era-to-be.

Globalization and the global system

There is no doubt that the current period of world history is one of globalization. Capital accumulation has decentralized geographically at an accelerating rate since the 1970's. There is no need to repeat the well-known statistics of this phenomenon. Capital has not, however, flowed equally to all corners of the globe. East Asia has been the major recipient along with a number of regions, albeit to a significantly lesser degree. These include, India, Brazil, Chile and Mexico. Thus a view once common in international circles, in the 60's and 70's that equated development with increasing underdevelopment in the Third World, has been largely abandoned, although the world's poorest regions are still in "the South". The world has indeed changed and I recall an interesting debate that we were engaged in at the time in this pre-globalization era. We had written a number of articles that attempted to understand the world system today in terms a long historical process of civilizational expansions and contractions regulated by similar dynamics for the past 3000 years. We suggested that the scenario was one in which the rise of centers of accumulation was not a static phenomenon but was followed by a de-centering via a decentralization of the accumulation process itself. This, we said, could occur within a global system and take on the form of shifting hegemony within a larger central region. It was followed by a more general decline of the central region as a whole and a large scale geographical shift. This kind of argument occurred in the past and can be described for the rise and fall of previous centers of wealth accumulation and even of civilizations. The rise of Europe itself was a process that can best be understood as in counterpoint with the decline of the Middle East at the end of the Middle Ages. Thus European capitalism did not simply evolve from feudalism. It was a product of the shift of accumulation from one world region to another. Europe was, in this argument, largely a dependent area in the previous Arab empires, a relation that was gradually reversed in the centuries following the Renaissance. The foremost mechanism in this process was and is the decentralization of capital within the larger system, a phenomenon that we refer to today as *globalization*. So the entire history of Europe understood in global terms can be seen in terms of a series of pulsations, expansions and contractions, from the

growth of the Mediterranean and Flanders as the Middle East entered into its terminal economic crisis to the shifts from the Italian city states to Portugal and Spain, followed by Holland and then England. Each of these cycles was characterized by periods of centralized accumulation and expansive trade followed by decentralization (capital export or globalization) and a longer-term shift in hegemony. In this Century, England became the world's banker after being the world's workshop and the United States took over the leading productive role. Periods of shift are also periods of increasing competition and conflict, even warfare. After WWII the United States was truly the workshop of the world but this changed rapidly throughout the 50's. The Marshall Plan and a generalized and massive export of capital from the U.S. led to the rise of post-war Europe as well as Japan. By the 70's the entire West had become a major exporter of capital to much of the rest of the world and this might be seen as a major shift of accumulation from West to East. The formation of the Pacific Rim economy from the 70's until the late 90's represents a substantial redistribution of economic power in the world system. This phase corresponds to the rise of the globalization idea and its institutionalization in the West. In fact it was a rather selective operation in geographical terms even if it changed the terms of competition in the world as a whole.

We have been hinting here at a cyclical perspective on the current phenomenon of globalization, calling it a phase rather than an era, an issue to which we shall return shortly. Before doing so it might be worth recalling that one of the most explosive developments in the world economy that has often been signaled as a novelty is the enormous expansion of financial markets. Their massive development is, of course, an important phenomenon to understand. Since the beginning of the 1980's, financial assets have been increasing 250% faster than the "aggregate GDP of all the rich industrial economies" (Sassen 1996: 40,). The current global financial markets are estimated to be worth about 75 trillion dollars and it has risen to 83 trillion in 1999, i.e. three and a half times the OECD's aggregate GDP (op.cit. 41, Sassen 2000:3). The contrast with world cross-border trade, \$6 trillion and foreign direct investment, \$5.1 trillion is truly astonishing. While it is debatable to what extent this is the product of the successful struggle of capital against the nation state, it is not debatable that technological changes have made the movement of capital an instantaneous process in which sensitivity to conditions of accumulation have increased logarithmically. If this increase is related to the general model of the growth of fictitious capital in periods of declining profitability of industrial production, it might be suggested that the current growth of finance capital (generated in the West) combines such tendencies with a new information technology that raises the rate of speculative turnover exponentially thus accounting for the appearance of "global glut".

Globalization need not be an evolutionary stage of world history. There may indeed be tendencies to the establishment of world wide institutional arrangements, the IMF, World Bank, the UN. But such tendencies have occurred in the past and there is nothing to indicate that once established they become permanent fixtures a continuous process of development.

The recent history of globalization in the world system

We have suggested that globalization is a phase within the pulsation of the global system. We need only to return to the turn of this century to get an idea of the salience of this phenomenon as historical rather than world evolutionary. Globalization is not new at all, according to those who have actually researched the question. While there is much debate, there is also an emergent consensus that the world is no more globalized today than it was at the turn of the century. Harvey who has done much to analyze the material bases of globalization puts the information revolution in a continuum that includes a whole series of other technological time-space compressions. Hirst and Thompson (1996) go much further

in trying to de-spectacularize the phenomenon. They urge us to recall the massive technological developments of the latter half of the 19th century, underwater telegraphic cables connecting making same day trading in stocks between Chicago, London and Sydney (Hirst and Thompson 1996:3). This was accompanied by the increasing rapidity of large scale lending activities and other forms of capital movement.

Foreign direct investment, which was a minor phenomenon relevant to portfolio investment reached 9% of world output in 1913, a proportion was not surpassed until the early 1990's (Bairoch and Kozul-Wright 1996: 10). Openness to foreign trade was not markedly different in 1993 than in 1913. In the 1890's the British were very taken with all the new world products that were inundating their markets (Briggs, A. and Snowman 1996), cars, films, radio and x-rays and light bulbs).

"As in the late 20th Century trade was booming, driven upwards by falling transport costs and by a flood of overseas investment. There was also migration on a vast scale from the Old World to the New.

Indeed, in some respects the world economy was more integrated in the late 19th Century than it is today. The most important force in the convergence of the 19th Century economies...was mass migration mainly to America. In the 1890s, which in fact was not the busiest decade, emigration rates from Ireland, Italy, Spain and Scandinavia were all above 40 per thousand. The flow of people out of Europe, 300,000 people a year in mid-century, reached 1 million a year after 1900. On top of that, many people moved within Europe. True, there are large migrations today, but not on this scale." (*Economist* Dec. 20-Jan. 2: 73)

This was a period of instability, to be sure, of enormous capital flows, like today. It was also a period of declining British hegemony and increasing British cultural expansion. Britain had no enemies as such, except those that it was helping to create by its own export of capital. Arrighi argues on the basis of historical research that massive financial expansions have accompanied all the major hegemonic declines in the history of the European world system.

"To borrow an expression from Fernand Braudel (1984: 246)--the inspirer of the idea of systemic cycles of accumulation--these periods of intensifying competition, financial expansion and structural instability are nothing but the 'autumn' of a major capitalist development. It is the time when the leader of the preceding expansion of world trade reaps the fruits of its leadership by virtue of its commanding position over world-scale processes of capital accumulation. But it is also the time when that same leader is gradually displaced at the commanding heights of world capitalism by an emerging new leadership" (Arrighi 1997:2)

This was a period, comparable to our own in some important ways, in which there were conflicting discourses: Futurism on the one hand and a cult of *gemeinschaft* on the other, nationalism and pluralism (especially in the United States), sexual liberation and puritanism. There was also an emergent globalism expressed in various internationalist movements and which took on institutional form in the League of Nations, partly expressive of the ideology that was prevalent in the British imperial globalized elite, such as Cecil Rhodes' "Society of the Elect". Much of the celebratory globalization discourse is quite

similar to this earlier freemason inspired ideology and it has been quite rampant in anthropology. It is blatantly evolutionary in form predicting a new world, in which movement replaces place, routes replace roots, diasporas replace nation states if not all states (as if this were logically possible), and the homogenizing essentialism of the past is replaced by the hybrid heterogeneity of the future. Some of what is suggested below implies that this discourse is not simply the product of research but is, on the contrary, largely the ideology and identity of new emergent cultural elites.

The period from 1880 to World War I was followed by a period of de-globalization and regionalization in the global system, one that was not reversed until the 1950's a reversal which accelerated from the 70's until the present. There is already evidence today that the world is again beginning to regionalize strongly into three major zones, APEC, NAFTA and EU. Of course the system has historically increased in size. Of course there is technological speedup and increasing capacities for movement. But it is not at all clear that such changes have led us to the threshold of a new era in human history, even if it might well be argued that "time-space" compression in itself may ultimately transform the very conditions of operation of the global system. Instead of either celebrating or castigating globalization, we would do better to try and grasp the potential trajectories and tendencies in contemporary historical change.

The Regional Shift

Whether or not one conceives global process in terms of shifting accumulation or the formation of a new globalized economy, there is a de facto emergence of a new powerful economic region. And in spite of the current crisis, there is no doubt that there has been a redistribution of shares in the world economy in favor of the Asian Pacific.

The fact is that as nation states exist, the level of welfare is still a national phenomenon, i.e. the degree to which capital investment tends to concentrate in one place or another. It is this clustering that makes it possible for Porter (1990) to argue for a comparative advantage of nations in an era of globalization. In 1956 the United States had 42 of the top 50 corporations, a clear sign of hegemony over world production. In 1989 that number had dropped to 17. Europe as a whole has a larger number (21) of the 50 top firms today than the United States.

This would imply that the globalization of capital is a temporally delimited phenomenon or phase within a larger system rather than a general evolutionary phenomenon. It would in this case be related to the breakup of hegemonies, a process of fragmentation and decentralization of accumulation of wealth in the larger system. Now in the contemporary situation there are clear markers of this process. While production and export have increased unabated since the 60's, the developed market economies decreased their share of total world production from 72 to 64% while developing countries more than doubled. Between 1963 and 1987 the US has decreased its share of world manufacturing from 40.3% to 24%. Japan increased its portion from 5.5% to 19% in the same period. West Germany is stable around 9-10%, but the UK declines from 6-5% to 3.3%. France, Italy and Canada also decline somewhat in this period (Dicken 1992: 27), and while there are quite significant increases in Spain, Brazil and India, the Asian NIC countries have been the major benefactors of the decentralization of capital accumulation and especially of manufacturing (Dicken 1992:27).

Countries such as Hong Kong, Taiwan, Korea and China have moved up rapidly on the rank list of manufacturing export nations at the same time as the leading advanced economies lost ground in this arena, some of them by significant amounts, such as the U.K. and the United States.

And it is the center that is the target market for this new production. Between 1978 and 98 manufacturing exports to the US increased from 17.4% to 31.8%. The process here is one where exported capital produces products that are re-imported to the center. The trend here is to increasing competition, decentralization and a clear shift of capital accumulation to the East (Bergesen and Fernandez 1995:24). The model for this argument, stated above, is that rapid multinationalization of capital is a general process in periods of hegemonic decline.

The view that we are heading toward an increasingly integrated world, a globalized economy, is certainly a tendency in economic terms, but it does not necessarily mean that we are entering a new kind of world. The world of transnational capital and accompanying transnational institutions, clubs, classes and elites is certainly an part of the globalization process, but this does not account for the changes in regional distribution of accumulation and power in the world. Globalization, in other words, does not mean unification or even integration in any other way than coordination of world markets. TNCs are, in important respects, the agents of decentralization of wealth rather than its geographical concentration.

The redistribution of manufacturing in the world system has led to a more or less three way division of the world, with the developed Asian countries becoming the leading region while the U.S. and Europe have declined. So while there is clearly the emergence of a global structure of capital accumulation, the very rationality of the accumulation process is predicated on geographical shifts of capital. While transnational capital represents a truly global force, the geographical decentralization of accumulation still leads to declining hegemony in some areas and increasing hegemony, however short-lived, in others. The ultimate question, suggested earlier, is to what degree a threshold of qualitative change is achieved in which entirely new structures establish themselves, in this case an institutionalization of global order via political re-organization. The emergence of global cities may be a sign of this kind of restructuring, but it is far from complete.

On the other hand there is clearly an increase in the regionalization of capital, the formation of three great blocks of investment. The major investors in China have been Hong Kong, Taiwan, Singapore and the Chinese overseas communities. According to some estimates the Chinese diaspora which constitutes only 4% of the total population is an enormous economy in its own right (equivalent to 2/3 of China's GDP and is an important investor in China (3/4 of China's 28,000 firms) (Camilleri 1997:22).

Another process that should be noted is the internal differentiation within the region itself. There are countries like Japan that have quickly moved from exporters of goods to exporters of capital and importers of goods, often of their own exported capital, a pattern which can be likened to the decline of other major economic powers. Hong Kong has become a major investor in Shanghai real estate and in Guangdong industries, displacing a significant portion of its own home investment to the mainland and it is noteworthy that Hongkong is today experiencing the effects of the outpouring of capital and declining competitiveness with respect to the mainland.

Parameters of globalization

Much of the discussion of globalization has focused on a process assumed to be unitary, of globalization itself and localization. The latter itself is often described as a product of globalization itself so that locality is merely a concept that has circulated throughout the world and been set down for various political purposes. The global is the true reality behind the local. This is Appadurai's understanding and there are numerous references to the concept of the "glocal" (Robertson) as well. Locality in our understanding is not only real, but the only reality in experiential terms. Human experience is always localized, even if it is localized to the interior of an airplane, and until the experience of being

in two places at the same time, which may well be a physical possibility, is realized socially, the trans-local must be understood in more abstract terms. Even the internet which links the subject to the wider world (as does the radion, the television, the telephone and the smoke signal, to say nothing of the letter) and perhaps even in the real time of simultaneity, does not globalize the self, but localize the world to the space between the monitor and the eyes. It all has to happen in some space of experience one that is of necessity localized. What are not localized are the logics that connect and to *some extent* (i.e. positionally) constitute the localities that relate to one another in global systems. Systemic logic cannot be conflated with social experience, nor with local strategies. But in much of the literature on globalization the notion of systemic logic is strikingly absent, perhaps considered to be old fashioned from a post-modern perspective. And yet the re-appearance of globalizations in history ought to signal that there is more involved here than the realization of a millennial New Age or anything else entirely new. If the often cited localizations of indigenous, ethnic and other cultural identities is rampant today just as the world is seemingly increasingly one, this is not in my view the effect of a single process, globalization, but a dialectical and contradictory process opposing a real localization and a real cosmopolitanization in a world that has been one for quite a long time. This is a process that can be characterized in terms of structural violence, a fragmentation of identities, ethnic, regional, sexual and others, what some have referred to as a modern tribalization (e.g. Maffésoli), but simultaneously a class polarization that makes fragmentation more virulent and cosmopolitization more of a class project in opposition to new “dangerous classes” (see below).

Horizontal Fragmentation

The decline of hegemony of the advanced industrial centers has led to a process that I have previously described in terms of fragmentation. It relates the decline of modernist identification to an increase in "rooted" forms of identity, whether regional, indigenous, immigrant-ethnic or national. If the modernist nation state is based on the identification of a subject population with a national project that defines its members in principle in terms of equality and political representativity, and which is future oriented and develop mentalistic, when this project ceases to function as an attractor, its subjects must look elsewhere. The modern nation state is founded upon a massive transformation of the world system in which a homogenizing, individualizing, and democratizing process in the center is combined with and dependent upon a hegemonic expansion in the rest of the world, the formation of a center-periphery organization. The modernist state is one in which the ethnic content of the nation is usually secondary to its function as a citizenry based development project, in which cultural assimilation is a necessary byproduct of the homogenization of regional and contemporary differences that might weaken the unity of the national project. The decline of hegemony is also the decline in the unifying force of its mechanisms of identification. Those who were partly integrated and stigmatized move to establish themselves and those who were totally assimilated must search for new forms of collective belonging. This leads to a range of cultural identifications that fragment and ethnify the former political units, from ethnic to religious to sexual all in the vacuum left by the disappearance of the future.

Indigenous populations have increased in size since the mid-seventies, not as a matter of biology but of identity choice. It is estimated that there are 350 million indigenous people and they have become increasingly organized as well as winning a series of battles over land and cultural autonomy.

Sub-national regionalism is also on the increase and forms, for example, a powerful lobby in Europe today, aiming for a combination of a strong centralized Europe and a

decentralized nation state. This has, like indigenous movements, been developing since the mid 70's.

Migration is again a massive phenomenon in a destabilized world. But immigrants no longer come to their new countries simply to become good citizens. On the contrary, the ethnification of such groups has led to a strong tendency to diasporization and to a cultural politics claiming recognition in the public sphere. In some cases this has led to a fragmenting of a former national unity. That is, rather than becoming assimilated to declining nation states, such groups maintain and develop transnational identities, cultures and social existences.

National identity has become increasingly ethnified in this period as well in parallel with the ethnification of immigrants. This is expressed in the emergence of nationalist movements, and xenophobic ideologies that are themselves partially generated by economic crisis and downward mobility (see next section).

This process cannot be understood without placing it in the context of a weakened nation state structure as a specific form of relation between people and their representative governmental bodies. The decline of modernism is very much a product of the weakening of the state machine, its tendency in the 1970's toward bankruptcy and its general insecurity largely a result of the accelerating mobility of capital and taxable income. The transformation of the state is an issue in itself to which we must return. What is crucial here is that the focality of the state in identity formation is giving way to competing identities from indigenous, regional and migratory populations. This has also implied a decentralization of resources within the state, along broadly ethnic lines, and an increasing division of powers, between the state as representative of the nation and the sub-groups that tend to displace it. This might be understood as temporary phenomenon. Certainly with respect to immigration earlier periods of our history are filled with debates concerning assimilation versus weaker forms of integration or even the formation of more loosely federal structures (Kallen 1924). On the other hand there have rarely occurred situations in which the sub-groups themselves were so organized, and there was nothing like the strong multi-ethnic tendency that predominates today. From quite early on in the century, assimilation became the absolutely dominant policy in the United States. Wieviorka has reminded us that contemporary ethnic fragmentation is merely an aspect of a much broader cultural fragmentation including gender, age, religion and most of the other cultural categories that constitute modern society.¹

It is worth noting the difference between previous tendencies to multi-ethnicity, at the turn of the century, and the current situation. In the earlier period, while there were, as we said, debates on the reconstitution of society in multicultural terms, the same kind of debate was not present in Europe where assimilation was simply taken for granted.² Europe was still organized around the combination of a strongly **mono-ethnic/civil** state and a colonial world structure in which coming to the metropole was immediately understood as social mobility, an increase in status implying a will to assimilate to the superior. This was structured strongly enough to be more or less obvious to nationals as well as immigrants, regionals and indigenous peoples. While there were clearly differences in the constitution of nation states,

¹This generalized fragmentation is clearly expressed in the deconstruction of gender identities, both in intellectual discourse and in much middle class experimentation. Here roles are reversed and varied in the extreme and identities are reduced to acts. Judith Butler has gone so far as to suggest that there are no gender identities other than those that are imposed externally by the State or related Foucauldian power structure.

²As Noiriel as noted, "It is somewhat surprising that Halbwachs (my note: a noted French sociologist) attributed the appearance of the Chicago school to the specificity of the immigrant experience in Chicago itself (Halbwachs 1932). At the same time there were as many immigrants in France as there are today, ... What was missing, then, was the sociologist, not the object." (Noiriel 1996:13)

such as the *jus sanguinis* of Germany and the *jus solis* of France, the process of assimilation was powerful in all cases. The high proportion of Polish laborers in German industrial development led to their eventual absorption into German national identity. The legal processes and cultural processes were not, of course, equivalent, and there was clearly both physical and psychological violence involved. While the conditions of assimilation are difficult to ascertain, I would argue that the ideological situation in earlier parts of the century was strongly nationalist while this situation has become reversed in the past decades. This reversal or ideological inversion is an important aspect of the general situation. Todd Gitlin has argued for the same identity shift in the United States. Earlier in the century, immigrants came to become part of the country whereas today they come to remain part of their countries of origin. Immigration in the current situation harbors strong tendencies to diasporization. The latter must be understood in terms of a set of practices in which identification with a homeland is the basis for the organization of cultural, economic and social activities that transgress national borders.

Vertical Polarization

While cultural and social fragmentation is occurring with various degrees of confrontation and violence in the former hegemonic regions of the world system, there is another process that has been discussed widely. Class stratification in the old centers is on the increase and in often in quite astounding proportions, not least the old centers of the world system. This is not, of course, a simple process and is definitely not limited to a combination of impoverishment and the enrichment of a capitalist class. The stratification process includes significant elites connected to public institutions, international bureaucracies and professional classes all of whom depend in varying degrees on tax funds, their speculative growth and other sources of income that have been in one way or another transferred to the public sphere. I have referred to this earlier as the global porkbarrel phenomenon, which plays an important role in consolidating global class identities and novel cultural discourses. The economic parameters of this process in the old centers of the world system are well known through variations on common themes. Countries like Sweden with a low level of class differentiation and countries like the United States with much higher levels, have experienced the same transformational vectors in the past decade, vectors that are common properties of a global dynamic. While the ratio of richest to poorest in Sweden is 2.7 as opposed to 5.9 for the U.S., the same kinds of changes have occurred. These are the economic vectors discussed in the first part of the paper; the combination of global shift, speed-up and the changing composition of capital. The U.S. has experienced the clearest example of this kind of change where downward mobility since the 70's has been a common denominator of the era. Flexible labor regimes have expanded leading to a larger proportion of working poor. Incomes have stagnated or declined and mobility has become increasingly limited. In Europe unemployment has reached alarming proportions. In Sweden it was above 12% in the mid to late 90's and has now declined, primarily due to public sector spending and make-work programs. While there is current evidence of a slight reversal of these trends they in no way match the economic growth rates of 2-4% that are their basis. In other words there appears to have been a structural shrinkage of the work force that is only offset in countries where there are large-scale low wage service sectors.

The actual situations of populations vary significantly according to the degree of welfare. And the latter are very much products of the way in which the national arenas are constituted. At one extreme there is a cultural minimal state, which is approximated in the United States, where individualism and a sacred private sphere have entailed a certain disinterested tolerance for cultural difference as long as it is not politicized. In continental

Europe, on the other hand, the nation state has a much stronger cultural character and multiculturalism here appears as a stronger threat to the former social contract, which has always been considerably weaker in the United States. The economics of this are clearly expressive of the different natures of the nation state. In Europe the percentage of the population below the poverty line that is raised above that line by government transfers is between 40% and 60% with the Scandinavian countries approaching 100%. The equivalent figure for the U.S. is 0.5%. The U.S. sports an official poverty rate of over 15% for the nation as a whole, jumping to considerably more than 20% in some states. If one calculates in terms of families and raises the income to \$25,000, which might be a more adequate definition of the threshold of subsistence adequacy, then the figure rises to 28% (Hacker 1997:229). More important, with an unemployment rate below 5%, these are for the most part the working poor. In both Europe and the U.S. the rate of ghettoization has been extreme and the formation of underclasses has been the formation of marginalized minorities as well, whose unemployment rates are often several times higher than those of the native born or more often those identified as "real nationals". Here of course there is a significant difference between polar extremes such as Sweden where in the relatively well off welfare supported ghettos, unemployment reaches 90% or more, and states like California where entire industries are dependent on the influx of undocumented immigrants.

Downward mobility and de-industrialization has been accompanied by an upward mobility in the upper echelons of society. It is reflected in reports of enormous incomes among the capitalist elite as well as increasing incomes among other political and cultural elites. The spate of scandals concerning credit cards, double salaries, long vacation like trips, and night club visits by politicians has led to a generalized crisis of confidence in the political elites. This crisis of accountability expresses an increasing rift between elites and the "people". The latter along with capitalists, who were always in such a position, have been assimilated into a global circuit of relations with similarly placed people, so that elite interests have become equivalent to a class for itself in many ways. The European Union has become a kind of super-national and weakly accountable political organ, which makes increasing numbers of decisions that affect national level political situations. The real salaries are considerably higher than those at the national level. And as there is no clearly defined social project, careers-in-themselves have become the *modus vivendi* of this massive reorganization of Europe. This is not a process that is specific for only a few localities but one that is generalized throughout the West. In France the clearest example is the transformation of the former state elite, graduates of the Ecole National d'Administration (ENA) the so-called *énarques*, highly educated administrators of a centralized economy and polity. The latter have become increasingly the vanguard of privatization from the top. The most famous example is Jean-Pierre Messier who left his government position to become the leading figure of the transformation of the water company, Vivendi, into a global media giant, now fizzling fast in the financial meltdown.

“L’objectif du néo-énarque, ce n’est plus l’exercice de responsabilités éminentes au sein de l’État ou d’une de ses dépendances, c’est la direction d’un groupe coté et mondialisé. Son langage, ce n’est plus le français sec et élégant des notes d’administratives et l’exposé de synthèse soumis au principe du “balancement circonspect”, tenant, l’équilibre entre efficacité économique et ouverture sociale, c’est la récitation en anglais du catéchisme universel de l’argent roi.” (Joffrin 2001:101)

This kind of development at the regional and international level has produced new

kinds of experiences for those involved. A person with such a career is very bound to his or her equivalents in the system. Representativity becomes less important than position itself. And the position may take on a new moral posture. The cosmopolitan is promoted to a new kind of legitimacy. It is increasingly associated with a series of agendas that may contradict those of the nation state itself. Recent expressions in Sweden have stressed a complex of multiculturalism, democratization and globalization as the new goals of world society. The very notion of having control over one's social existence has begun to take on a negative connotation. In recent interviews on the concept of peoplehood, or *folk*, in Sweden I discovered a certain inversion in values. While it is, in fact, the case that the notion of *folk* in *folkhem* or people's home was taken over from the conservatives by the social democrats in the 1930's, it became associated with notion of the people's will, with plebiscite, with concepts and symbols that expressed the notion of the "captured state" or the "captured elite", a dominant class that had been domesticated by ordinary working class people. Such words, just as nationalism, were associated with the progressive in the 50's through the 70's. Today, however, there is an inversion of values. The notion of "people" is associated with reaction, nationalism with essentialism. In my interviews, "plebiscite" was understood as dangerous, the concept of *folkhem* was highly suspect, and the combination "people's will" "smelled" of the 30's. Opposed to this was the view of the nation state as an obsolete object ready for the junk heap or at least for a serious face-lift. The New Age is the age of democracy, multiculturalism and globalization, all strait-jacketed by the necessities of survival in the world, *la voie unique*, the Third Way, the *Neue Mitte*. It is interesting to consider the inversion of perspectives in which a formerly nationalist elite who may have seen "the people" as a motley foreign mixture, today identifies itself as hybrid/multicultural and views "the people" as dangerous purists.

Cosmopolitan discourses and ideological hegemony

The formation of new globalizing elites is an instrumental part of the increasing hegemony of the ideology of celebratory globalization. Vertical polarization has characterized most of the societies of the West. It unites a number of political and cultural elites and links them to an economic project of transnational solidarity among such elites that sometimes mistake themselves for the "international community". This is the much flaunted "revolt of the elites" discussed by Lasch (1995). The former implicit relation of representativity that united elites and the category "people" began to fracture as early as the 70's in some countries, i.e. during the same period as the nation state began to weaken financially and multiculturalism began its contemporary career.

"Le constat de l'épuisement du modèle social-démocrate a transformé les militants de la révolution, puis de la réforme, en militants du libéralisme culturel." (Julliard 1997: 201)

And the notion of "*classes dangereuses*" was reborn (op.cit. 204). If the elite could be said to have been "captured" in the earlier phase of the welfare state, it has now been liberated. The product of this freeing up is the production of a new set of discourses. Chief among these is multiculturalism and hybridity. The latter is a logical product of a real experience of the World from the top. A "we are the world" encompassment of humanity is not a new perspective. It can be found in the proclamations of the Freemasons, various representatives of the British Empire (cited above) as well as in the more recent discourses of the Mt Pelerin Society, and the World Economic Forum. The logic of this discourse is one that reduces the national population to an ethnic group among many and that seeks to replace national identity

by pluralism. It is significant that pluralism was the core of colonial rule. J.S. Furnivall one of the foremost analysts of colonial society stated the case as follows:

"In tropical dependencies there was no common social will to set a bar to immigration, which has been left to the play of the economic forces. The plural society arises where economic forces are exempt from control by social will." (Furnivall 1948: 306)

A similar argument has been made for the relation between the cosmopolitan faction of the European bourgeoisie and its national subjects in the early Nineteenth Century.

"The cosmopolitan bourgeoisie in the eighteenth century came to adopt a perspective on society as if it were a foreign one a target for 'colonial' exploitation. Freemasonry provided a cover for developing the new identity on which the exploitation of members of one's own community is premised. By entering the masonic lodges, merchants and those otherwise involved in the long-distance money economy such as lawyers and accountants, realised the primordial alienation from the community which is the precondition for market relations, exploitation of wage labour, and abstract citizenship." (Ravenstock-Huessy (1961:364) in Van der Pijl 99)

Cosmopolitanism in this sense implies the capacity to distance oneself from one's place of origin and to occupy a higher place above a world in which indigenous, national, and migrant populations all inhabit an enriched cultural territory. This cultural difference is consumed in the form of cultural products, from cuisine to art, and is, of course, the stuff for innumerable festivals. Difference is consumed in the lives of the elites and becomes a kind of furnishing of their existences. The embodiment of the world's diversity becomes a new kind self-representation.

The same logic of this social distancing generates an embodiment of democracy as an inherent attribute of the new elites. Thus both Haider in Austria and "Red" Ken Livingstone in London are accused of being somehow basically undemocratic in spite of the fact that they have a large constituency. Recently the same reaction occurred in Scandinavia with respect to both the increasing popularity of Right Wing political leader Carl E. Hagen in Norway and the vote against the EMU in Denmark. One Norwegian social democratic politician exclaimed that it was time to find a new population for the government since Norwegians were no longer democratic. Politicians and members of the cultural elite, journalists etc. have become increasingly explicitly concerned with the undemocratic nature of the people. Populism has come to mean racism, Nazism and socialism/communism in this discourse. The prime minister of Sweden stated that he would not allow a plebiscite on the EMU in his country for several years after an educational campaign (more than 60% of the population is at present against the unitary currency). Alas, only the elites really understand what is best for everyone. Only they, by definition, are true democrats. Sweden has today got itself a Minister of Democracy, an entirely new position, which has gone almost entirely without comment. The person occupying this position has said in an interview that she obtained the job via her mother, a former minister in the government (how democratic). Politicians, who vote their own wages, have had the fastest growing incomes in the country in the past few years, a country in which the Gini index, the measure of economic stratification, has increased by a record 25% mostly since start of the Nineties (only the U.K. has had a greater increase). Recently the social democratic prime minister was accused in the

press of using the government jet in order to travel to party conventions. His reply was that he was the prime minister no matter what else he was involved in and that he had to be available for quick trips, unlike other candidates. Thus prime minister no matter what activity he is engaged in, implying that state and party are curiously fused, and then why not private life as well. This year 2002 is an election year so it can all be interpreted as political slander, but it is interesting that the rules established by the government in 1998 clearly state that high state officials are engaged in affairs of state even if they are party affairs. The prime minister was recently accused of using the jet for a vacation in Italy.. All of this may seem like useless banter from the press, but the fact remains that it expresses a loss of legitimacy for the emergent political class.

To the extent that these representations resonate with a significant proportion of the populations of the West, they become naturalized and self-evident. This has been the case for many of those for whom they make immediate sense. Academics, artists, media “intellectuals” and others who identify as travelers, have been instrumental in the production of discourses of transnationalism and hybridity, border-crossing and a number of anti-essentialist representations of reality. These have been employed extensively, sometimes in political projects, such as those of self-proclaimed multicultural states. In Australia, perhaps the most immigrant dense country in the world, the government, some years ago, launched a multicultural policy program and a government pamphlet entitled *Creative Nation* which was meant to recreate unity out of increasing diversity. On one occasion a representative literary scholar went to talk to a group of Aboriginal artists and intellectuals, presumably to entice them into the new multicultural project. He went on for some time about how mixed the Aborigines were as a population and that any other view of themselves was tantamount to *essentialism*, that favorite word of cultural studies. When he was through, an older man rose and looked the hybridist straight in the eyes,

"I'm an essentialist mate, and if you don't like it you can bugger off!"

There is clearly a conflict between hybridizing elites and those who identify as indigenous. Canada, another state that has declared itself multicultural, has faced similar opposition from Indians who refuse to be classified as just another ethnic minority. They are the First Peoples, and this, of course, is more than cultural distinctiveness. It is about rights to land and political autonomy.

One of the most important sites for the production of the new hybrid cosmopolitanism is in university departments where postcolonial cultural studies has gained a foothold. Bruce Robbins is among those who has done most to provide a balanced picture of the issues involved. His analyses of post-colonial cultural studies is clearly very sensitive to these problems. He is one of the few scholars who has sought to provide a larger and more complex perspective on the emergence of such elites, and they *are clearly* elites in his discussions. In several excellent chapters of a recent publication (Robbins 1999) he takes up the critique of such elites as offered by Dirlik and others, and while accepting a good deal of what they say he goes for a middle position. He points out that their position is not so well established, representing as it does a vociferous critique of Western values and dominance. His perspective while clearly sensitive to a changing orientation does not attempt to place this change itself within a global context such as suggested here. If we apply this to his analysis things fall into place. The discourse on the West has truly changed. It is even an inversion with respect to self-representations. The self-assured imperial representation of a rationalist center surrounded by concentric circles moving outward increasingly toward the limits of primitivity, is today being replaced by an inverted perspective in which the center is

associated with the national, with racism, with white male dominance all clothed in the language of scientific rationality while the rest represents a true humanism, a holism, and a wisdom that has been purged by Western dominance. This inversion has been critical for the restructuring of Western elites, but is equivalent in content to the emergent post-colonial ideology that has become increasingly prevalent in the academy. I have referred to this same process elsewhere in terms of ideological inversion, one that is an expression of a real declining hegemony. And if, as Robbins correctly notes, this position is indeed fragile and faced with a potential backlash, especially from the bottom of society, this in itself might explain the degree to which it has had to produce a moralized image of the world, a new political correctness. The latter is an excellent means of controlling communication in insecure moments. His essays reveal a marvelous openness with respect to positions with which he disagrees, and he bares down in veritably Talmudic fashion on the internal inconsistencies of the authors he engages. He impresses me as one who would like to be a cosmopolitan in the total sense, incorporating much of what is usually reserved for the kinds of engagements typical of the national or the ethnic, the empathy for the “other” which seems so at odds with the empathy for or within the collectivity. In his defense of Martha Nussbaum he valiantly argues against categorizing her, as some critics have done, as a representative of a cosmopolitan globalizing elite. He cites her worries concerning the global inequality in the distribution of wealth, where life expectancy in Sweden is 78.2 and 39 in Sierra Leone (154) and the necessity of considering the transfer of wealth from richer to poorer nations. But all of this is a mere moral reflex, precisely what one hears officially from United Nations official statements and to my mind neatly avoids the complexities and even some of the simplicities of the situation. While it is clear that there is plenty of global exploitation occurring, especially of raw materials in Africa, it is also the case that some of the richest political elites are those that make it possible with support, of the course from the West and East. There have been enormous transfers of wealth from the rich to the poor, but much of this wealth has been returned in the form of flight capital and huge Swiss bank accounts. Now the moralists would simply increase the transfers and then perhaps complain about corruption afterwards when people starve and need yet more transfers. Yes, of course, the wealth of any center depends to a large extent on the formation of a periphery and this is as true of the West as of the East, of the Arab empires, the Ottomans, the Han, even the Assyrians, the Romans and Greeks. The issue is systemic and not simply moral, and Robbins seems clear about this as well, except when he discusses the issue in terms of “restitution”, which to my mind is only possible when political action has got a firm grip on the workings of the system. Robbins certainly poses the right questions in his discussions, but it is not clear that there is a cosmopolitan solution to the closed essentializing rivalry of nations. This is because the framing of cosmopolitanism in his argument requires the same kinds of identification as smaller sodalities that would combine Tobin taxes, reforming child labor practices in poor countries, worker rights, a union-green alliance etc. (Robbins 1999: 174). The answer leads back to the issue of common goals and to that extent common values and shared identity. The joker in the deck here is the configuration of interests, not least class interests. Thus in a meeting at Columbia University in 1996 between unions and academic leftists there was a clear divide on issues that hinged on union nationalism versus academic internationalism (op.cit. 173). It is this divide that I have sought to explore in my own discussion and which I return to now.

While hybridity flourishes in academic texts, there is little evidence that it works on the ground. Attempts to establish “bi-racial” identity in the United States have taken an interesting course. The bi-racial movement is primarily a middle class activity and it harbors a robust strategy of distinction making in which class mobility leads to attempts to separate

oneself from a preceding, in this case, lower status identity. The attractor in this is "whiteness". The logical contradiction in this kind of identification lies in the interstice between individual and collective identities. Every individual has a specific genealogy and is thus a very particular mixture. Collective creole identities in the past have always and continue to be closed ethnic identities just as non-mixed identities. Attempts to overcome closure have often ended in divisiveness. This is the case for the bi-racial movement in the United States, a middle-class activity aiming at the formation of a new distinction based on mixed parenthood. The movement split several years ago when Asian bi-racials protested at the dominance of African Americans. The new group took on the title, *Hapa Forum*, *hapa* being the Hawaiian word for "half". This is a normal product of the above contradiction. Any attempt to form a collectivity must also create boundaries and raise issues concerning the particular constituents of that identity. Hybrid identity only works as a discourse or as an individual identity or in those rare and temporary situations where the specificity of the hybridity can be ignored. It is thus most suitable for elites where the only common or shared feature of the identity is that it is positioned above the fragmenting multi-ethnic world below. And in such cases we still find ethnic segregation to a large extent even if there is a strong ideology of the encompassment of differences. And it should be noted that such high-end identification is also accompanied by class segregation and even endogamy.

Paradoxes of globalization

In order to gain a perspective on the process that we have depicted above we return to the example cited above of the rise of the extreme right in Europe, a phenomenon that bears a certain resemblance to similar tendencies in the United States. In Europe the emergence of the right is related to what might be called the *lift-off* of the political elites led by social democrats and other new centrists, into the cosmopolitan stratosphere, leaving the "nation" to fend for itself. The vacuum created by this shift has been filled by sovereignty/nationalist working class oriented parties. This political reconfiguration provides a skeletal framework for much of the new cultural identification that is represented in Fig.1. As Slavoj Žižek has suggested,

"The *Neue Mitte* manipulates the Rightist scare the better to hegemonize the 'democratic' field, i.e. to define the terrain and discipline its real adversary, the radical Left. Therein resides the ultimate rationale of the Third Way: that is, a social democracy purged of its minimal subversiveness, extinguishing even the faintest memory of anti-capitalism and class struggle. The result is what one would expect. The populist Right moves to occupy the terrain evacuated by the Left, as the only 'serious' political force that still employs an anti-capitalist rhetoric—if thickly coated with a nationalist/racist/religious veneer (international corporations are 'betraying' the decent working people of our nation). At the congress of the Front National a couple of years ago, Jean-Marie Le Pen brought on stage an Algerian, an African and a Jew, embraced them all and told his audience: 'They are no less French than I am—it is the representatives of big multinational capital, ignoring their duty to France, who are the true danger to our identity!' In New York, Pat Buchanan and Black activist Leonora Fulani can proclaim a common hostility to unrestricted free trade, and both (pretend to) speak on behalf of the legendary *desaparecidos* of our time, the proverbially vanished proletariat. While multicultural tolerance becomes the motto of the new and privileged 'symbolic' classes, the far Right

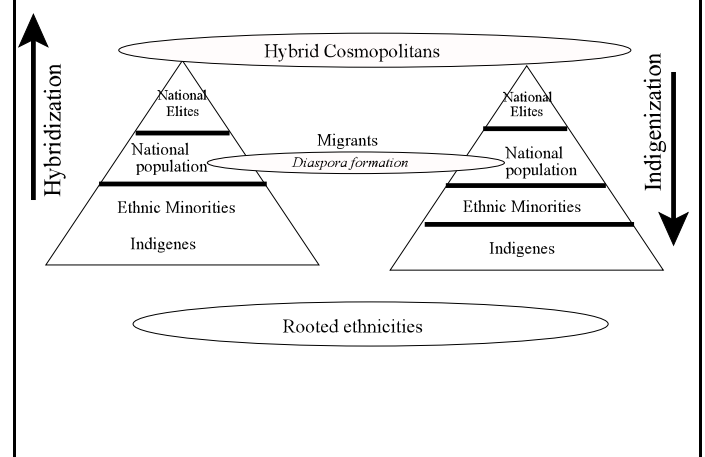
seeks to address and to mobilize whatever remains of the mainstream 'working class' in our Western societies..... In this uniform spectrum, political differences are more and more reduced to merely cultural attitudes: multicultural/sexual (etc.) 'openness' versus traditional/natural (etc.) 'family values'. (Zizek 2000: 37-38)

What is often summarized by term globalization is, in this analysis, a complex process of double polarization, of cultural fragmentation and of the formation of transnational networks; economic, social and cultural. The latter interact with the fragmentation process, often splitting it by creating micro-classes. The example of the Maori is of significance here. The Maori indigenous movement made important inroads into New Zealand politics in the 70's and 80's. This led to numerous concessions, both cultural and economic. The restoration of tribal lands led ultimately to the establishment of "tribal capitalism" (Rata 1997) in which the tribal units were able to run fisheries while maintaining/reviving their conical clan structures. A new hierarchy of control was established within the tribal units since those closest to the central lineages were those who controlled the capital. The Maori today control a third of New Zealand's fisheries, but in an internally differentiated way. More seriously, those Maori who do not have genealogical access to tribal land remain in their urban slums. They make up between 40 and 50% of the population. Thus the Maori success story has created a class division within the group that did not exist previously. Throughout the world NGO's are helping to create similar kinds of divisions. A similar class division occurred many years ago among the Sami, between the small minority of reindeer owners and those who had been cut off from this livelihood and lost their territorial rights. There is also a considerable and more general skim-off within the Fourth World that has created a traveling class of tribal representatives based largely around UN offices **as opposed** to those who stay home. Now this new class does not represent a hybrid ideology as such, but they might be seen as minor actors in the multiculturalization of the world in which the hybrid encompassers represent the ideological apex.

The globalization of fragmentation consists in driving a class wedge through the ethnic groups themselves, leading to a whole new set of internal conflicts. My own work in the Hawaiian movement contains instances of increasing divisions between central actors and grassroots people, which in some cases has led to the withdrawal of support for new "chiefs." There are international consultant firms today who specialize in what they call the "sovereignty business", specialized that is in milking the funds that are destined for indigenous groups.

At the same time indigenization has been a powerful factor of identification among the marginalized populations and underclasses of the declining hegemony. The ideologies of the New Rights in Europe, the Militia groups in the U.S. are evidence of this. Many of these groups have strongly indigenous ideologies, invoking anti-universalism, local autonomy, nationhood over citizenship, "tribal" religion and anti-modernist holism. There are African

Fig 1: The dialectic of cosmopolitanization and indigeization



American Indian tribes such as the Washitaw who are allied with the Republic of Texas. This “rooting” has enabled certain black nationalists to find common cause with the KKK in St. Petersburg Florida where the local clan leader was a former official in S.D.S. who sports a poster of Che Guevara in his office. The Washitaw Indian movement whose members are black and allied with the militia based Republic of Texas and openly fascist is a clear expression of tendencies to a certain fusion of horizons. It should not be overlooked that many of the proposals of Fourth World movements dovetail with those of the New Right. They are all localist, anti-global, anti-cosmopolitan, anti-Catholic, anti-American, anti-imperialist. Editor of left-wing journal *Telos* aware of this conflation wrote some years ago:

Three principles: self-determination, radical democracy (direct), federalism unite the new right with the left... a proposal for a more tribal structure... and all of this is in opposition to the "Universalizing New Class seeking to impose an abstract liberal agenda on everyone" (Piccone 1993:21).

In other words, indigenization is not necessarily about those populations that have been categorized as indigenous minorities within states. It is a more powerful process of “rooting” of identities in distinct territories, the construction of distinct histories and the formation of primordiality.

Just as cosmopolitanization must be understood as a socially constitutive practice, one that can reconfigure “First People’s” social worlds, indigenization is creative and not merely expressive of underlying identities. These tendencies, summarized in figure 1, are not isolated from one another. They all interact on the internet and are thoroughly embedded in the world systemic processes that we have discussed. The world processes that become salient in this model are the combined and seemingly contradictory phenomena of increasing cultural fragmentation in substantial parts of the world at the same time as there is an apparent increase in global unity in the form of communication, capital flows and global elite formations. These simultaneities are organized by a single nexus of global political economic processes and form the basis for the differential identity politics that are sometimes referred to in terms of "globalization", the globalization of the local, the localization of the global, glocalization etc. The latter terms, however, are not expressions of cultural processes in themselves but aspects of more powerful social forces of local/global articulation. Class and ethnicity, vertical and horizontal polarization are the two simultaneous and contradictory formations that emerge from the dynamics of global reconfiguration expressed in globalization.

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