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**Limerick Papers in Politics and Public Administration:**


The numerous debates, analysis and various writings, both at the practical level of politics and within academic institutions across several continents, about the ‘globalisation’ of liberal capitalism have prompted numerous arguments concerning its validity as a solution that stimulates development, enhances harmonisation between states and promotes a irreversible partnership between governmental and market actors (Waters, 1995). This paper attempts to de-mystify some of the myths and claims about the essence of the global political economy, by analysing the ideological transformation of capitalism since the demise of the dollar system and the decline of the Soviet Union, and the growth of superstructural institutions that have complemented this shift. Thus, this analysis will use a neo-Gramscian framework and borrows from the work of scholars such as Mark Rupert, Robert Cox, Stuart Hall and Kelley Lee (Rupert, 1995, 2000; Cox, 1987, 1996; Hall, 1988, 2000; Lee, 1995) to demonstrate how neo-liberal economic globalisation has been legitimated through a series of inter-connected agencies, that have either or a combination of material, cultural, institutional or political attitudes, which each seek to contribute and consolidate the overall ideological structure. In addition, I will illustrate how states, and political parties – in particular those Parties, formed historically as an ideological counter-weight to liberal capitalism, have responded in their acceptance of the norms of globalisation.

Before embarking upon an analysis of the overriding parts that make up the hegemonic neoliberal project, it is of interest to firstly examine how scholars from within both the neo-Gramscian school and from other critical discourses within IPE have understood its development. (Abbott and Worth, 2002). Historically, the current global political set-up can be historically interpreted in various forms. However, three different historical perspectives seem to stand out more explicitly. Firstly the emergence of the global spread of neoliberalism can be seen merely as the exhaustion of the post-war contract. Here, the embracement the free market has severed the stability of the Fordist form of social partnership, and as a result has left itself increasingly vulnerable, with cracks provided space for forms of restructuring. (Gill and Mittelman, 1995; Gills, 2000). Alternatively it can be viewed more comprehensively as a form of neoliberalism that has managed to shed the regulated forms of post-war Keynesian towards a more globalised form of liberalism. A historic bloc is thus being constructed via institutions (GATT, World Bank) that were founded in the aftermath of Bretton Woods, but have taken greater emphasis since the end of the cold war and have been strengthened by new institutions such as the World Trade Organisation (WTO). Thus by adapting institutions, that emerged from Bretton Woods under nouveau free trade institutions, the hegemonic world order is being transformed towards a more economically liberal set of social norms, that can be seen to promote ‘globalisation’. This transformation, as Mark Rupert stresses is occurring without the collaboration of organized labour institutions, that was prominent in the Keynesian era:

Although it has turned on its erstwhile junior partners in organized industrial labour, and turned from the “productive capital concept” toward the laissez-faire fundamentalism characteristic of finance capital, the historic bloc pushing contemporary transnational liberalism nonetheless retains a fundamental continuity with the political project of the post-war hegemonic bloc. (Rupert, 2000: p. 49)
From this, one could further argue that the foundations, laid at Bretton Woods were, if not consciously geared in some way towards a more open form of liberalism, more akin to the vision of Smith, than that of Keynes. For while the purpose of the Bretton-Woods institutions was to combine the principles of liberal trade within a framework of planning and regulation, the applications of institutions such as the IMF and GATT set a liberal agenda that was always likely to present a confliction, or in Habermas’ words a ‘legitimation crisis’ (Habermas, 1976), in which the expansion of the market and institutional encouragement of private capital would conflict with the corporate-mixed economic form of regulation. Thus, the interpretation of the post-Bretton Woods order can be seen as the continuation or a ‘maturing’ of a post-war liberalisation project that has historically transformed away from a cautious approach towards a more orthodox application of liberal economics. As Rupert continues:

Whilst the growth-originated “corporate liberalism” of the post-war decade and the hard-edged neoliberalism of more recent times may disagree on the terms of international openness, both share an underlying commitment to a more open world economy based on private ownership of the means of production and generalized commodity exchange. (Rupert, 2000: p. 49)

Thirdly and finally, the ‘hyper liberal’ form of production that has emerged since the 1970s can be seen as being a distinct break from the post-war order. This notion points to the idea that a new historic bloc has been constructed, which has institutionally and societally consented to a new form of market deregulation and the acceptance that private capital is a more reliable form of wealth production than state intervention. Within this outlook, financial transnationalism and ‘globalisation’ are viewed as both inevitable and irreversible. At the practical level of politics, social democratic parties have thus felt the compulsion to embrace the free market conditions, which they formerly rejected and now reinvent themselves within the inescapable realities of global liberalism. (Giddens, 1998). Following this scenario, the formulation of the WTO can be interpreted as a sign that a new hegemonic order has been fashioned; one with distinguishably different aims, objectives and norms from that of the post-war age. In other words, rather than a process of reconstruction, a hegemonic transformation has occurred within the last twenty or so years.

Some forms of historical explanation for this shift is discussed (although unfortunately not in much depth and without clarity) by Cox. He draws back to the innovations provided by Polanyi, and points to his outline of the rise and fall of the liberal state in the 19th Century to understand the current historical context (Cox, 1996). Polanyi depicted the concept of a double movement. In the first stage of a double movement, the state retreats from economic regulation, while in the second stage the state reacts to this from ‘below’, resulting in a return of the state as an active player in the economy and the development of welfarism. The return of the free market logic can thus be seen in terms of a crisis of this second phrase. (Cox, 1996; Polanyi, 1944) For Cox, Polanyi’s model has now gone full circle and the global economy is currently back at the first phrase of this movement, but with processes such as globalisation this is now
being carried at the global, rather than the national level. (Cox, 1996). Whilst these assertions may contradict slightly from the form of historicism illustrated in Power, Production and World Orders, it seems to point to the theoretical assertion that a separate historic bloc has emerged, which in character embraces the market to the same extent as Victorian experimenters in the aftermath of the industrial revolution.

Whether depicted as a reconstruction of post-war liberalism, or as a distinct historical transformation from Keynesianism, the structural norms, practices and agencies of the current age differ greatly in character from the corporate and regulatory set-up that emerged after Bretton-Woods. In order to assess this character in hegemonic terms it is necessary to take a closer look at these differing super-structural aspects that hold its totality together.

GLOBALISATION

Observed through the lens of an intertwining of economic and socio-cultural practices between differing states, globalisation has emerged since the cold war as the unique buzzword that describes the widespread process that has resulted from the ‘triumph of capitalism’. Such is its supposed might, that scholars and governments alike have come to accept its dynamics as a new irreversible phase of capitalism, one to which both states and economic entities need to adapt. (Krugman, 1999; Giddens, 1998). In addition, global institutions have been constructed to aid the realisation of these processes. The conclusion of the Uruguay round, the eighth round of trade negotiations since the formation of GATT, saw the largest commitment to and acceptance of the global free trade agenda, that propelled GATT to new heights of global economic importance. Whilst the goals of the Uruguay round were set extremely high by ambitious neoliberal pragmatists at its inauguration, its final results met well over half of these goals, resulting in perhaps the most extensive set of multilateral negotiations undertaken by any body in history. (Jackson, 1994)

At its finale the Uruguay round liberalised the processes of trade in a number of interrelated areas, including a drastic mandate for trade negotiations within services, a multilateral agreement on international property, a higher scrutinisation of international trading standards, huge advances in the concentration of ‘market access’ and following from that a general requirement that all countries construct schedules for tariff reduction and global integration. (Jackson, 1994; May, 2000). In addition it became noticeable that financial services were to figure for the first time, within the agenda of multilateral trade negotiations, with calls made since, for a multilateral agreement for further liberalisation of trade within banking circles. (Akyuz, 1994) The flagship, however of the Uruguay round was the creation of the World Trade Organisation, which was devised structurally to oversee the practices of global trade. Institutionally constructed within differing councils, the WTO signified not just a new phrase of capitalism in terms of trade liberalism, but, by its induction from GATT negotiations, it demonstrated that states realised the need that the changing economic climate required institutional recognition. Thus, the WTO places itself as the ‘regulator’ of the globalisation process.

Before discussing ways in which the WTO works as an agency to implement the consolidation of the global hegemonic order, it is necessary to assess what impact it has
had upon both the nature of the state and globalisation. For as mentioned above, it would seem to follow that the construction of the WTO and its rhetorical commitment towards trade liberation and tariff reduction demonstrates a willingness, on behalf of the state to accept the ‘new realities’ of globalisation and to concede some of its sovereign rights in order to recognise these dynamics (Drucker, 1989; Hutton, 1995). Likewise, the state is being transformed as a social entity by the emerging authority of the global market. In Gramscian terms the WTO serves as a tool that enhances and consolidates the overriding hegemonic order. It thus promotes the concept of globalisation towards a higher form of saturated consciousness, which both at the economic and the socio-cultural level appears as the norm. It is within this form that globalisation appears as a ‘story’ within global political economy (Palan, 2001). The story being that globalisation is an external natural force that determines and modifies the behaviour of both States and Multi-national corporations. On the contrary, globalisation can only be seen as a socio-economic formation, which reinforced by global institutions appears natural, but in reality is a product of the construction of consensual common sense (to use Gramsci’s definition), that has emerged between key actors within the global arena. The mythology of globalisation produces the illusion that individual states are unable to challenge its legitimacy and that global institutional, market regionalism and co-operation are the only available options to achieve forms of stability and harmony between states and the workings of the market (Gilpin, 1987; Keohane, 1984; Krasner, 1983). It is within this illusion that states develop their differing forms of policy. In terms of competition, and reiterated by competition State theory (Cerny, 1990; Strange, 1994; Palan and Abbott, 1995), states have thus shifted their interests towards the neoliberal global market and to multilateral arenas, where under the banner of G7 and GATT, the hegemonic norms and rules are realised. The hegemonic character consolidated at the global institutional level is then reflected at the level of domestic policy with social policies, as well as monetary and fiscal policy increasingly taking an appearance that reflects the macro conditions of international competitiveness (Palan and Abbott, 1995).

The complexities of globalisation are therefore not founded within an external economic force to which states are compelled to adapt, but are paradoxically founded upon the construction of a set of common hegemonic norms, which states play a substantial part in creating. Once founded states aid and strengthen the norms by supporting the construction of further agents that act as consolidators within the hegemonic process. These agents, some of which (such as trans-media blocs) are located within the cultural realm of civil society, respond by gaining a foothold and with it different forms of hegemonic autonomy within the world order. It is from this development that the ‘illusion’ of globalisation is created, and states adopt the TINA (there is no alternative) strategy.

The WTO presents itself as a central agent within this process. Although a forum in which states negotiate, the WTO takes on a full-time role as a primary non-State organisation that serves to strengthen the hegemonic projects of globalisation and neoliberalism. Whilst the WTO is an organised, visibly evident, institutional super-structural agent, it is only one of many that exist within the hegemonic set-up. Others exist either as economic entities, or as socio-cultural entities, both of which promote and reinforce the overall ideology. It is thus essential to outline some of these key non-state agencies to gain a better understanding of the current global order.
The ideological role of the WTO
Since its inception in 1995, the WTO has attracted full membership from 140 nations-states, with 34 (including Russia and China\(^1\)) more taking role of ‘observer’ states, which are expected to gain full membership within five years. In addition representatives from other key organisations, such as the International Monetary Fund (IMF) and World Bank also oversee the institutional processes (WTO, 2000). The WTO not only serves to provide a forum to maintain and aid the continuity of the global free market, but provides an intellectual platform for free market scholars to construct ideas that aim to demonstrate that free trade is not only the ‘correct way forward’, but that properly applied, it can be effectively used for poverty alleviation. (Nordstrom, 2000). Within the mind-set of the WTO only two forms of trading mechanisms exist, the free trade model, which both promotes freedom of movement and technological innovation, and the Protectionist model, that allows governmental intervention which holds up the process of material development. No real gain is taken from the second model, as despite the state subsidisation ‘jobs and factories are lost’ as companies turn ‘bloated and inefficient, supplying customers with outdated, unattractive products’ (WTO, 2000). Thus for the actors within the WTO, free trade is the only viable universal working option that can provide long-term answers towards both development and wealth creation. Dismissed are the mixed-economic models that found popularity after the war, as they held back the comprehensive liberalisation process. Whilst differing degrees of mixed-economies attempted to provide some form of shield that protected workers from the potentially derogatory effects of trade liberalisation, the hegemonic project that the WTO seeks to promote aims to demonstrate that to achieve the real societally liberating benefits of trade, minimum restrictions and state interference are paramount. Whilst state intervention may serve to provide short-term relief, by protecting employment and by creating welfare services, in the long term, their actions stifled the ‘liberating effects’ that greater marketisation can provide. Following on from this, the ‘neoliberal’ logic suggests that greater economic liberalisation, allows citizens greater freedom in the workplace, as they are not necessarily confined to ‘one job for life’. Greater ‘freedom’ is thus interpreted in terms of greater self-autonomy that allows the individual more choice of movement, and society as a whole more fluidity from the class boundaries created by the state.

The working formula within the WTO is geared towards reducing both poverty and unemployment through the application of trade liberalisation. In ideological terms, scholars, co-operative think-tanks, pressure groups working on behalf of businesses, and policy-advises, that work in tandem with participatory states, all cite examples where trade liberalisation within countries has resulted in a stronger economy alongside lower unemployment and poverty alleviation. In addition they seek to demonstrate that cases in which ‘successful’ liberalisation projects are undermined by examples where the negative effects outweigh the positive ones. These negative effects, they claim, are often a temporary or transitionalary phenomenon, which provide a more feasible outcome over time. Furthermore more stark negativities (such as the effects that have resulted from the

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\(^1\) China gained full membership to the WTO in September, 2001.
programmes of ‘shock policies’ in Yelsin’s Russia) have resulted not from marketisation itself, but from the failure of the state to ‘open up’ its economy sooner and/or correctly:

It is difficult to generalize about how deep and how durable transition losses will be. One needs to know about the specific circumstances of the affected sectors. It does seem likely however, that costs will be greater the more protected the sector originally was and the greater the shock. (Winter, 2000)

In this respect the main purpose of the WTO is to act as an ‘educatory tool’ focussing on ‘educating’ state participants and members of the public in general that classical economic liberalism is the ‘correct’ way forward, and any revision through either state intervention or protection merely leads to a step back in developmental and wealth creation. Furthermore the literature and rhetoric surrounding the organisation points to an ideological agenda that hails the wisdom of the classical liberal theories of the 17th and 18th century and critiques any influential theory that has emerged since that aims to dilute the benefits which Smith and Ricardo sought to deliver (WTO, 2000).

In hegemonic terms the main significance of the formation of the WTO is that it appears as a global agent that has been organically created by neoliberal principles. Whilst other global institutions, that have emerged since the Second World War have adopted some flexibility in terms of their ideological practicality, the WTO’s mandate has metaphorically heralded a hegemonic shift towards neoliberalism. In turn, its central position to oversee the economic practises of states and its promotion of the global political economy has led to these other, more established institutions to fully endorse its project. It also aims to consolidate the legitimisation of neoliberalism by setting global standards and norms to which states are strongly advised to adhere. This is not to stress that the WTO acts as an independent super-national body, geared towards reducing the powers of the state in order that it applies with its own mandate, as its existence and policy-making structure was a result of state autonomy itself, but that it exists as an entity that both aids the consolidation of the neoliberal order, and saturates its hegemonic agenda.

The hegemonic shift in the economic ideology of International Organisations
In tandem with the creation of the WTO and the renewed emphasis upon the GATT regime, other ‘democratic’ organisations, within the family of the United Nations have also moved towards a consensual acceptance of neoliberal principles. For, whilst the 1970s provided participatory nations, (especially those from the more developing world) a chance to challenge the legitimacy of the post-war consensus that was developed at the end of the Second World War, by the late 1980s, developing nations began to accept the liberalising mandate that had swept through the west during the decade (Lee, 1995). Here the differing UN agencies have taken similar developments since the 1970s, but consequently all have resulted in accepting the hegemonic project which economic agencies, MNC’s, global financial institutions and states alike have all combined to fashion. In this way these differing global ‘cause’ agencies are, by accepting and

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2 By the family here I include the ‘development’ agencies, such as UNICEF, UNESCO and the WHO, and well as the economic funding suppliers such as the IMF and the World Bank.
working within the hegemonic confines, also contributing towards its overall strength and consolidation. They can thus be seen as further jigsaw pieces within the economic liberalising project.

More focus on the recent development of agendas within agencies of the UN can furthermore strengthen the claim that they have added to the overall jigsaw of neoliberalism and re-emphasises Gramsci’s own theoretical models of hegemonic consolidation. The contestations of the existing norms and the democratising programmes that were endorsed by the less developed nations inside the UN in the 1970s, intended to place a new mandate upon both the running of the global economy and development, and became diluted by the major industrial nations’ hold upon the workings of the global political economy (Gill, 1989; Worth, 2002). This became even more important with the increase in transnational business transaction that saw a growth in private western investment in economies of those nations intent upon reform, and the end of the Cold War; that promoted a seemingly universal conception of global liberal democracy (Fukuyama, 1992). The results have seen both governments and development agencies increase their democratic power within the UN, in terms of enforcing the one-nation one-vote precedent, but accepting the liberal economic framework of the global economy, and, more importantly, restricting its aims and objectives well within that framework. This move has been aided by the concept and the multi-complexual interpretations of the relevance of globalisation. For new incentives promoted by the World Bank have suggested that globalisation can be used as a mechanism, not just for global poverty reduction and development, but also to promote forms of civil and democratic society (World Bank, 2000). The World Bank’s structural adjustment programmes have highlighted this strategy for ‘progressive globalisation’.

Supported by key UN agencies, such as the International Telecommunications Union (ITU), the United Nations Development Programme (UNDP) and the World Health Organization (WHO), these programmes have focussed upon the need for private investment within their differing developmental strategies (Lee, 1995). In terms of action, it is envisaged that profit-driven multinational firms can work alongside public agencies within the state to combine to both regulate internal markets, and at the same time to maximise competition. Therefore commodities and technology which are seen as essential for developmental purposes (such as medicines and technological machinery etc) can be attainable in lesser-developed countries. UN agencies have moved to embrace globalisation and neoliberalism, forging a working consensus with economic institutions. For example, the WHO proposed a radical mandate for action in the 1970s, by demanding a global strategy ensuring that health treatment could be accessible to all. Perceived initially as a challenge to the core beliefs and interests that were maintained by western nations, the WHO’s ‘health for all’ programme was conceived and demanded by the less developed countries to promote a genuine alternative towards poverty alleviation (Worth, 2002). The emergence of global neoliberalism and the changing nature of the international political economy however, have propelled the WHO towards a position that favours the support of private actors and marketisation, in the overall application of the ‘health for all’ strategy. Globalisation, is thus viewed by the WHO as a ‘better force for global health’, re-iterating the same positive light that is evident from within the WTO.
We see here, within this overall movement, a reconstruction of Gramsci’s own formulation of the building of a historic bloc. For if the key economic institutions within the global arena have been devised to reflect the core ideologies, beliefs and norms that have emerged from the dominant social classes within western society, then its support from lesser developed nations with different agendas (notable towards development), has to be maintained through certain concessions. Equally if, within the UN as a whole, economic action is to be framed around those very principles prescribed by the western-dominated ideologies within these institutions, then these must be made attractive to the lesser-developed countries, in order that they comply with the aids and objectives of the differing developmental agencies. The crisis in post-war hegemony, in the 1970s thus provided challenges for the less developed and the state socialist nations to use the UN development agencies to construct alternatives. The drive towards neoliberalism however formulated a new economic project within the west, which gained the consent from the lesser developed countries and subsequently from development agencies, when the neoliberalism project was devised in such a way as to be beneficial to the processes of development and universal economic growth. Hence the recent drives by the World Bank and the WTO alike to make developmental projects a top priority, demonstrate that it is plausible to suggest that free trade is essential for improved development and for global stability (World Bank, 2001; 2000). A fashioning of the cementation of hegemony and the construction of a new characterised historic bloc can thus be observed. For in Gramscian terms, a successful hegemonic order requires the acceptance and consent of the subaltern social classes so that its overall legitimacy is ensured (Gramsci, 1971). Through the shift in policies within development agencies inside the UN, which states have democratically voted towards and accepted, the overall global political economy is being continuingly legitimised and normalised, which has added to harmonisation within the UN, and an overall strengthening of the neoliberal order.

The Impact of MNC’s
The continued rise and subsequent economic involvement of MNCs upon the affairs of both global and domestic markets have sparked considerable debate amongst scholars within IPE. It is not my intention here however to contribute towards an evaluation of how much power the MNCs have upon political economies, or how much this power has encroached upon national sovereignty. Whilst this debate has drawn attention since their prominence as a force was recognised by Kindleberger in the 1970s (Kindleberger, 1970), from both positivists and critical theorists alike (Said and Simmons, 1975; Strange, 1996), their relevance here is merely to place them as hegemonic agents within the world order. For within the discourse of the neoliberal project, the MNC play a critical role, both it terms of its practice and ideology. Multinational investment has a two-fold positive effect to the orthodox neo-liberal. Firstly, MNC generated investment provides a ‘democratic’ action, by lessening the extent the role the state has in determining the economy, thus contributing to democratic processes within a state, and considerably reducing any possibilities of totalitarianism and dictatorship. Secondly, it provides less developed countries greater potential for wealth creation, which in turn provides an improved standard of living for its citizens, aids societal concerns such as health and education (and as mentioned above these sentiments are reflection by participatory international organisations) and provides a real impetus for development.
Indeed it has been argued that multinational investment have done a great deal more than states and international aid organisations alike to address the problems of underdevelopment and as multinational firms have sought to move their manufacturing plants to ‘cheaper nations’ then there are additional arguments that MNCs have also provided the only ‘fair’ and ‘viable’ option for wealth redistribution.

One of the first apostles that aspired to the positive effects of MNCs was Axel Madsen. Writing in 1980, when there was more optimism that the ‘free world’ would provide developmental relief through capitalism, Madsen interpreted the rise of multinational corporations as with one that would have the effect to silence those inward-looking pragmatists, thus reducing national isolationism and increasing global innovation for science and technology. He also stresses that Multinational Corporations do play a ‘moral’ role as they place an equal objective for growth and profit. This, he argues quashes the argument that Multinational Corporations merely exist as selfish actors, as this balance (between growth and profit) is a central feature of multinational development, with growth often placed as a priority, suggesting that the societal benefits provided by firms often outweigh the capital gains that individual firms made themselves (Madsen, 1980).

In practice the combined effects of the rise of multinational activity and deregulatory measures pursued by host governments have greatly reduced corporate working partnerships with labour unions, which (at least in Western Europe and the US) became the hallmark of the post-war order. Increased market-driven competition has left unions within nation-states redundant, with governments favouring to break off coalitions with unions in order to encourage MNC investment. Such has been the significance of capital from multinational investment, that governmental policy and governmental consciousness has moved to a position that views social welfare and corporate regulation as being detrimental to the overall labour market activity. Labour interests are increasingly seen not in terms of representation of union demands, but as extending the competition of the labour market, that can only be effectively motivated by encouraging more intensive development from MNCs. The MNC has therefore acted to reinforce a renewal of the Smithian logic that the division of labour is essential for prosperous economic growth and this division of labour is ‘limited by the extent of the market’, with less limitations on the market providing greater stimulus for a larger division (Smith, 1998). Such principles fuel more concentration to extend the global market in order to increase both investment and to stimulate labour opportunities. This marked shift in economic ideology has resulted in a lessening of intervention into the national economy by the state, allowing MNCs to firmly strengthen their position in the world economy and subsequently as an actor within the hegemonic order.

As a form of contributing agent, the MNC also acts as a form of balancer that serves to further ‘normalise’ both the global economy and greatly aids its expansion. It doing so it provides not only an economic harmony to the uneven workings of the global political economy in general, but also supplies socio-cultural traits, which furthers the debates and conceptions of the nature of ‘globalisation’. Economically, they have aided the transition of international market towards a fully integrated global system that has more control, substance and structure than former international economic arenas. Stephen Hymer sums this up:
The multinational corporation, because of its great power to plan economic activity, represents an important step forward over previous methods of organizing international exchange. It demonstrates the social nature of production on a global scale. As it eliminates the anarchy of international markets and brings about a more extensive and productive international division of labour, it releases great sources of latent energy. (Hymer, 1979).

Culturally, the relevance of Multinational Corporations has provided a large majority of the hype that is found within the language of globalisation. The global spread of products within the service, fashion and entertainment industries have led to widespread acknowledgements that such products have been homogenised at a global level (Tomlinson, 1991). Whilst it is not the place here to discuss the different empirical and theoretical studies of the many cultural factors that MNCs have brought to far reaching places across the globe, any study of the nature of hegemony and a cementation of a neoliberal historic bloc required some mention of how structural agents strengthen the ideological function of a global order. Thus it should be reinforced that the ranges of commercial products that have found a global market have forged cultural harmonies. Whilst much has been made within cultural studies of the growing ‘McDonaldisation’, spurred on by the successful growth of multi-national products, global firms have also increased their growing global recognition by advertising such products through different national television networks and communication outlets (which I discuss in depth below). MNCs have also managed to secure various sponsorship deals with certain entertainments and sporting events that have become increasingly global in content, whilst similar deals have been made with an assortment of ‘sporting’ and ‘entertainment’ figures, with companies parading these figures in regions where they are best known, in order that greater profit and fashionable appeal can be obtained.

Thus, in terms of hegemony, MNC’s have served to bind together the neoliberal ideology, by applying the logic of transnational free trade and exploiting it for their own gain. They have strengthened their own position as an actor upon the world stage even further when states and institutions have responded in favour for their development, setting down laws and reforms that have encouraged their expansion. MNC’s should not be viewed upon as a new phenomenon that has risen from the end of the Second World War, with an agenda to limit the power of the state, as the industrial revolution, the British-inspired era of laissez-faire liberalism and the era of Imperialism all legitimated overseas business expansion in different ways (Kozul-Wright, 1994). Rather MNC’s have successfully taken account of the crisis of the post-war Keynesian settlement to increase their position and function within the global economy and to invite governments to forge an ideological and practical coalition with them. As business entities, the MNC’s main aims are to maximise its own profits and growth, while it is the state and other representative governmental bodies that have made the economic environment more favourable to expansion. This growth has thus greater aiding to the ‘globalising’ factors, which have become identifiable with technological and communicative advancements that have added to the ‘myth’ that the process of globalisation is an irreversible ‘natural’ phenomenon. However, as a hegemonic agent
the triumph of the growth of the MNC has combined to create a core ideological structure, in which no feasible alternative is considered as viable by its ruling strata.

THE RISE OF TRANSNATIONAL MEDIA AND THE NETWORK SOCIETY

Any form of hegemonic structure requires a media and communication formulation that 1) acts as a communicative agent that functions under and promotes the overall ideological framework and 2) contributes to the practices of that overall framework by strengthening its own commercial and economic position. This formulation can be applied to any form of hegemonic global order, whilst the behaviour and action of the media often being dependent upon the nature of the order itself. For example in historical periods, where state protectionism has been a prominent factor, the media has generally applied a more inwardly, nationalist outlook, whilst prior to the development of the printed media, more direct forms of communication, often coupled with educative actions were employed that both served to strengthen the existing order and to form a harmonious relationship with the masses. Indeed, communication theorists have often commented that no form of social and political order would be possible without communication and the media of some kind, no matter what its form (Seymour-Ure, 1974).

Pluralists since Weber have been quick to argue that media groups act as pressures groups that work to limit the power of the state. For them, media democratisation, globalisation and the rise of the network society has opened up real opportunities for further democratising movements in more authoritarian states. However, whilst there are definite disparities between the ways in which different nations organise their media, all contribute in some way towards the legitimation of economic neoliberalism. For, whilst authoritarian nations, such as China use the power of the state itself to communicate to its citizen the need for economic liberalisation, the more democratic systems in the west still share the common ideological goal that propels them as additional agents for both the socio-cultural preservation and the transportation of neoliberal hegemony. Whilst there has to be some concession and acknowledgement that dissident voices do find their way into almost all privately-owned media outlets and that diversity does exist to reflect differing evaluative outlooks, the global media as an organising force plays a considerable part in the consolidation of the global economy. The observation of the importance of a popular press within a hegemonic relationship was identified by Gramsci himself and has been made relevant to the present-day by many of his modern-day apostles in the field of communication and cultural studies (Hall et al, 2000). Upon the importance of the media and the press, Gramsci wrote:

A study of how the ideological structure of a dominant class is actually organised: namely the material organization aimed at maintaining, defending, and developing the theoretical or ideological ‘front’. Its most prominent and dynamic part is the press in general: publishing houses (which have an implicit and explicit programme and are attached to a particular tendency), political newspapers, periodicals of
every kind, scientific, literary, philosophical, popular etc., various periodicals down to the parish bulletins... The Press is the most dynamic of this ideological structure, but not the only one. (Gramsci, 1985: p. 389).

Writing from the perspective of the first half of the twentieth century, Gramsci here sets out a sketch of the relevance of the media to societal relations, which he then places within a more critical and theoretical framework in the Prison Notebooks (Gramsci, 1971). What appears of interest here is that by locating media and communication within the structures of a historic bloc, a form of universality is reached that was lacking in some of the more critical aspects of Marx’s own works. In today’s world this universality is recognised not just by the emergence of a secure transnational media system, which has heightened its position from the many large-scale media mergers of the 1990s, but by the growth of information technology and in particular the Internet. Any universal theory that applies a certain medium to a unifying form of purpose does have some shortcomings, demonstrated by the fact that both the media and the Internet provide contrasting functions that vary within different parts of the global community. However, as indicated above, Gramsci’s own musings aid us to understand how media and communications industries provide a key contribution towards the consolidation of hegemony. Studies also show, and this is particularly relevant to the largely unregulated confines of cyberspace, that the contradictions of the hegemonic order are also exploited. For whilst the Internet adds to the socio-economic formulation of neoliberal practices, it also create a forum in which dissident views and support can be voiced, leading to possibilities of contestation and avenues for counter-hegemony.

The Global Media and Murdochisation
The upsurge in commercial media mergers in the 1980s and 1990s was reflected in tandem with the general growth of MNCs in that period. Whilst, as noted above, states still have the predominant policy-making right to decide upon its own terms for the way that their Media and Communication industry are managed, the general universal trend is towards deregulation and market liberalisation in different forms (Herman and McChesney, 1997). Financial institutions such as the IMF and WTO have also encouraged this position, with the IMF endorsing a policy that relates the commercial media industry to the needs of the global market, and the WTO encouraging the move towards a single global market for the commercial media (Herman and McChesney, 1997). Regional trading agreements also seem to reflect this, with NAFTA in particular determined to open up markets within their respective communities. The EU has generally taken the same stance, although there has been a great deal more reluctance towards further deregulation, with the issue of media concentration attracting concern in certain quarters (Hamelink, 1994).

The environment of deregulation and the increase in global competitiveness has led large-scale media firms to increase their significance and size and to exploit technological development, such as satellite communication for their own commercial ends. Furthermore, their reliance upon advertising and commercialism has sidelined those firms that were either state-subsidised or run on a non-profit basis. This has led to a double-effect in which the profit-making mode of communication is legitimised and
normalised on the global stage and is held up as a model for continued development. National media outlets are thus forced to find extra revenue to continue by either forging an alliance with one of the large trans-media conglomerates, or reforming sufficiently so that they are able to compete in some way within the market.

In terms of actual media concentration, Herman and McChesney argue that no more than ten or so media conglomerates hold the vast majority of interest within the global media, which are prominently, based, or formed, within the USA (Herman and McChesney, 1997). Perhaps the most ambitious and renowned of these is News Corporation. Identified with its figurehead and leading stockholder, Rupert Murdoch, News Corporation provides the most useful case study for identifying the spread of the socio-economic and cultural ideology for neoliberal hegemony. With media holdings in six continents, Murdoch’s empire consists of television networks, satellite services, newspapers, publishing outlets and radio stations, that pays the greatest attention to the US, UK, Australia and East Asia. The style and dynamics in which News operates demonstrates insights into the workings of a media-based MNC and how it relates to different state regulations and to politics in general. For example, in the US, News has successfully ‘played the corporate game’, by setting out its stall to win over governmental and public officials within Federal government. This has resulted in several favourable rulings that have allowed the further expansion of Murdoch experiments within the US. Perhaps a greater demonstration of his influence came within the UK. After successfully gaining an enterprising foothold within the UK, and then forming an alliance with Thatcher in the 80s to gain exemption from EU laws so that he could further monopolise News’ position, one of his more notorious publications, the Sun Newspaper, unleashed a collection of furious attacks on the Labour Party during the run up to the 1992 general election (Crewe and Gosschalk, 1994), fearing that if elected such privileges would be harder to obtain and his own interests might be effected through tax increase and a higher scrutiny of regulation. Subsequently, the Conservative Party was re-elected, prompting comments from both parties that Murdoch’s influence became a critical factor in determining the result. In China, however, where Murdoch has opened up new areas in the emerging market climate, News has forged its growing significance through persistence and ‘respect’ for the Chinese rulers. After filtering in television channels for the Chinese audiences, through its other Asian networks, under the watchful guide of the Chinese authorities, News has furthered its viewing figures by extra entertainment/sport channels, winning the much-needed backing from the government. One of the most paradoxically bizarre News projects is the collaboration of the founding of an Internet site in 1997, with the People’s Daily, the Communist Party Newspaper (Herman and McChesney, 1997).

What remains relevant here is that the global media have managed to combine with other agents to form an ideological alliance that transforms their major purpose as being the socio-cultural communicators of neoliberalism. Murdoch’s News Corporation provides a telling example of that, for whilst it either consciously, or sub-consciously promotes, in differing degrees, the practises of neoliberalism from its variant communicative outlets, as a competing market entity it also reinforces neoliberalism through its various economic transactions.
The Network Society

The rise of transnational telecommunications and in particular the Internet has provided another vehicle for the continuing success of neoliberalism. Furthermore, it perhaps more than any other factor, adds to the societal project of globalisation of the sort that is hailed by libertarians. At the same time it also provides us perhaps with the most contradictory aspect of the neoliberal project and is proving to be something of an enigma for scholars in general. In terms of GPE, increased network communication has led to a marked increase in business transaction and has greatly contributed to the opening up of markets, with budding entrepreneurs from differing regions across the globe eager to get ‘connected’ to maximise their assets. It has also been the catalyst for the transformation towards the ‘new’ economy or ‘knowledge’, signalling a metaphorical death-knell to the dominant industrial-relationship of the post-war Fordist model, prompting some to suggest that the technological transformation is so great that it can only be comparable to the Industrial Revolution (Castells, 1996, 1997, 1998).

Alongside this synopsis that the Internet has greatly homogenised global society are empirical claims that it is increasingly polarising global society, with its unequal development just being evident not just at macro level, but within states themselves. This movement has created a so-called ‘digital divide’ that seeks to further materialist inequality resulting in an increase at the micro level of community disintegration and an increase in instability at the workplace (Castells, 1996). At the global level this is even greatly emphasized with the developed world (and the US in particular) advancing technology at such a pace to further alienate those playing catch-up in the developing world.

As mentioned above the Internet remains a paradox ideologically because it allows diverse dissident movements that are discontent with the status quo to advertise their views, thus giving them access to a wider audience. Authoritarian States in certain areas may attempt to counter this by stemming public access to such ‘sites’, and Liberal Democracies in the West may attempt to do likewise with subversive right-wing material, but the general trend is for politically-orientated sites to regulate themselves, within the political economy of the net, allowing state authorities to spend time concentrating on policing the more socially derogatory practices that flourish within cyber-space. Whilst counter-ideological groups can, through the Internet, provide an outlet for expressing their concerns and can organised themselves for demonstrations, protests etc, they still lack real advertising ‘clout’, as with the depth of information that is contained within the World Wide Web, the only real attention such sites receive is from those already familiar with such concerns.

Whilst deregulation has added towards a rapid expansion of private-firm activity in the global media, the mass deregulation of the telecommunication industry has also allowed leading Internet server firms overtake the top media players, in terms of sales and profits (Herman and McChesney, 1997). However, it is the societal effects and their contribution towards the hegemonic order that are of greatest importance. The Internet is continuing at an increasing rapid rate to provide a suitable and greatly deregulated outlet for business and consumers to trade, further normalising market principles. In response, states are finding it more and more difficult to provide a mechanism to halt or slow down this process that they or at least the more powerful states themselves prompted, through their original policy-making.
STATE AND PARTY RESPONSES TO GLOBALISATION

Another field of interest that requires some focus is how states, and in particularly, political parties of the centre-left have responded to these transformations. How, for example, have the social-democratic Parties of Western Europe responded and legitimised this process. In addition why has Communist Cuba become integrated into the neoliberal system and joined the WTO? Or why has China legitimised extensive market reform that has served to strengthen neoliberal capitalism? How indeed has Russia, in its post-Soviet era responded to the constraints of the global economy? This final section looks both at how major political parties, and former (and current) socialist states, ideologically constructed to contest the rhetoric of liberal capitalism, have adapted themselves towards acceptances of its overall programme.

The Third Way

Within western European States, the US and even in some parts of Latin America and beyond, left-of-centre parties have been turning increasingly to the phenomenon, which is known as the ‘third way’ (Beck, 1997; Giddens, 1994, 1998; Cardoso, 2001; Hutton, 1996). Third way politics can be seen as an attempt to legitimise neoliberalism, by directing its benefits to those who became increasingly marginalized at its onset. It is thus an attempt to apply the wealth-generating formula, created by competitive big business, to the more left-of-centre virtues of social inclusion, citizenship and poverty alleviation. By attempting to form alliances with big business, third-way-style governments apply public-private incentives towards job creation and public services. In this way, they are not too dissimilar from the aims of some of the global economic institutions (see above), as they attempt to combine the profit-orientated notions of competition with state funding for active results.

The ushering in of ‘third-way’ styled politics has tended to differ from country to country, dependent upon both the political philosophy and the extent of neoliberal revolution in that country. For example in the US (recognised solely as yet with the Clinton administration), the Reagan policies of tax-cuts and competitive privatisation were welcomed by the Democrats in the early 1990s, whilst in Europe, where centre-left parties have been associated with social democracy, there has been an attempt to redefine the intentions of social democracy itself, so that it appeases the overall economic conditions of neoliberalism. Most prominent here has been the ‘Blair-Schroder’ partnership within Germany and the UK, which has been keen to stress the modernising movements within the process of social democracy (Blair and Schroder, 1999). Within both the Social Democratic Party in Germany and the Labour Party in the UK, globalisation and trade liberalisation have become important features in their respective party policies, with an enhanced belief that market economics with a social conscience can be used as a greater regulatory force in managing the direction of the global market. Indeed, domestically, both have embarked upon welfare reform projects, and have placed an emphasis upon the public-private partnership towards factors such as public services and industrial incentives to aid job creation. This, they argue provides both an ideological and practical purpose as social democratic goals such as full employment are being targeted, whilst the norms of the hegemonic order are both accepted and further
consolidated. The Blair-Schroder project has been aided by think tanks both in Germany and the UK, and third way politics as a global project has become rhetorically recognised by the two texts written by Anthony Giddens; *The Third Way* (in 1998) and the reflective follow up, *The Third Way and its Critics* (2000). Here Giddens has moved from the critical sociological positions that he shared with Beck and others (Beck, 1997; Lash and Urry, 1987) within the field of social enquiry, to embark categorically upon an explicit set of suggestive programmes that clearly define the aims of the ‘Third Way’. Within these aims he proclaims Marx and the Keynesian-mixed economy all but ‘dead’, and presents the Durkheimian interpretations of citizenship, democracy and societal inclusion and equality as viable alternatives for the future of social democracy. Gidden’s argues that this switch of focus is vital for parties of the left, as it provides realistic incentives for regulating (but not discouraging) corporate power and for commitments to such factors as ecological concerns and poverty alleviation. Gidden’s work has been well-received not just in Europe, where Prodi, amongst others has suggested that his guide-books provide useful insights for the development and future purpose of the EU, but in countries such as Mexico and Brazil, where the suggested strategies for development have been equally hailed (Cardoso, 2001). Within his native Britain, Tony Blair has taken to his recent work with great vigour; indeed some of Blair’s speeches, particularly those that address welfare reform and globalisation, often seem as if they are being read directly from extracts from the two books.

Giddens and the increasing number of Third Way theorists see the ‘third way’ as a global project, both in terms of its political economy and in its force as a democratic agent. They argue that its rhetoric is the only method of providing a regulated check on the forces of globalisation, and in turn presenting a forum in which the positive forces of globalisation can thrive (Giddens, 1998; Held and Koenig-Archibugi, 2003). Measures devised to protect ecology from the potentially dangerous threats of self-destructive technological advancements and to reform the geo-politics of the state-system have been forwarded, which, they believe, will contribute to the institutional cementation of the ideals of cosmopolitan democracy (Plender, 1999). Similarly, the formation of civil society, along the lines devised by the third way, has to be formulated as a global project, in order to globalise the aims of promoting citizen solidarity in harmony with global capitalism. Thus Third Way theorists and pragmatics endorse the continued construction of democratic global institution, with formations such as the European Union, universal judiciary rulings, global ecological management and greater economic coordination towards regulation, acting to meet these aims. In practical terms, third-way influenced parties in Europe, the US and beyond have proposed a willingness to unify towards greater global cooperation and governance, which have included a proposed new democratic ‘vision’ of Europe by Blair and Schroder, and a greater willingness to fight global inequalities by refocusing the aims of GATT and the World Bank. In addition, alternative measures (such as the formulation of the Tobin Tax or an Economic Security Council) have been proposed in order to create a form of regulatory structure for the 21st Century. This would place the problems of inequality as its main concern, and call for the establishment of global and national regulations upon corporations, which apply ‘negative capitalism’ by attempting to exploit the workings of the free market.
Whilst, third way theorists, especially Giddens have been keen to spell out their visions to their practical contemporaries in a foolproof form, the third way itself provides us with little more theoretical and logistic substance than those promoted by the WTO. Whilst the ‘Third-Wayers’ may claim to have invented a unique form of politics that transcends the standard forms of neoliberalism, in hindsight their aims and objectives do not differ very much from those advocates of Smith and Ricardo in the affirmation that global free trade is essential for the aspiration of wealth in developing countries. In summary, the third-way has merely sought to further legitimise the overall practices of neoliberalism, but has tried to promote it differently from its more centre-right opponents as a tool that could, if regulated properly, solve some of the social-democratic riddles that have dogged centre-left parties for generations.

(Post) State Socialist Interpretations

Globalisation has given rise to different interpretations and to different reactions in those nations, which have had a history of resistance to western projects. Whilst the fall of the Soviet Union also brought an end to the alternative socialist market that was set up between State Socialist countries during the cold war, certain States still make claim to be socialist, despite their involvement with market economics. Out of these, only North Korea seems to retain the conviction to entirely reject the neoliberal order, having made great steps to maintain high security to stem off any attempts to open up the country to global capitalism. Having reject any thoughts of entering capitalist global clubs, like the WTO, North Korea, while managing to retain some of its trading partners, has largely suffered from the lack of support that it received at the height of state socialism. Its response has thus been to shut-off from the rest of the world, placing faith in its nationalist planned economy. The case of North Korea demonstrates the humanitarian dangers of ignoring free trade on a micro-level. Whilst its economy has not been helped by the lavish over-spending of Kim Jong Il in terms of propaganda (McCormack, 1993), its reliance on self-sufficiency in the wake of the fall of the Soviet Union has led to a devastating effect on the livelihood of the North Korean citizen, with mass famines, starvation and poverty being the ultimate price for the rejection of market reform.

Whilst, North Korea has continued to place its trust in the state socialist mode of production, both China and Cuba have entered and contributed towards the neoliberal order but both package this in different ways. Cuba, for example has already gained full membership to the WTO, consequently becoming embroiled within the hegemonic process. The move, whilst accepted by the Cuban government as ‘necessary’, has not been seen as progressive. Fidel Castro, himself has argued that whilst it would be derogatory a la North Korea to ignore and opt-out of such trading forums, the processes of free trade and globalisation themselves are causing profound inequalities, which need to be contested at a macro-level (Castro and Deutschmann, 2000). China, on the other-hand, to the delight of the neoliberal activists in the west, views market reform in an ideologically favourable light. The Communist Party welcomes liberal economics and even legitimises it as a stage within the socialist mode of development (Shrik, 1994). By keeping a form of control on the economy, while opening it up to foreign investment, China has moved towards greatly contributing to the global economy as a whole, but without placing constraints upon the legitimisation of the Communist regime as a whole.
Russia’s response to globalisation has followed a more problematic path, than those states that have retained one-party status. In particular, Yeltsin’s radical ‘economic-shock’ programme initiated in the early 1980s, led to both a series of disastrous economic crashes and resulted in a mass consortium of narrow and corrupt ownership of the economy. In addition, both the consequences of these liberalisation policies and the growth of democratic procedures, aided a resurgence of neo-Communist and nationalist sentiment within Russia. Combined with the electoral success of the Communists and Nationalists and with the growth of unemployment, Yeltsin made attempts to pacify his western-orientated position by including a greater emphasis of nationalist rhetoric within his policies, without compromising his overall objective of greater involvement within the global political economy. However despite this shift in the Yelstin administration, the chaotic nature of Russian political society during the 1990s, provided a collection of ideologically contrasting groups and movements, that each sought to construct their own hegemonic projects, based upon how they saw the sociological foundations of the Russian state and in its relationship with the world (Lester, 1995; Tsygankov, 2003). These ranged from the nationalist and neo-Communist stance that Russia was fundamentally incompatible with the west and should reject any forms of economic liberalisation and moves towards joining the WTO, to those who believed that Russia should embark more vigorously towards privatisation and seek to gain rapid entrance of the WTO.

The Putin administration has found more success in attempting to construct a consensual dominant ‘middle-ground’ within Russian political society. By initiating a series of political and economic reforms, Putin aims to find a more single-minded vision of Russia, one that both promotes the cultural and national essence of ‘Russian exceptionalism’, and contributes to the dominant features of the global political economy. Thus, Putin’s overall political objective is to adopt a posture that integrates Russia fully into the WTO and to the politics of neoliberalism, without neglecting Russia’s historical traditions of ‘statism’, ‘patriotism’ and ‘social solidarity’ (Lovell, 2001). Putin’s plans have been greatly aided from recent developments that saw his Unity Party merge with the Fatherland bloc (the third most represented political bloc in the Duma), that may provide the impetus to further marginalize any ideological opposition and subsequently harmonise Russia’s position towards global neoliberal development.

CONCLUSION

This paper has attempted to ‘make sense’ of the development of global neoliberalism by adopting a neo-Gramscian analysis to deconstruct the various ideological and practical super-structural agencies that aid its develop. In addition it fundamentally rejects the redundant notion that globalisation exists as an irreversible force, that appears external to both state and institutional actors. Here, the claim often made is that states and institutions need to face up to the realities of globalisation, so that it can be regulated towards a greater, global purpose. Rather, as I have outlined here, such movements merely preside to strengthen and consolidate the overall ideological legitimacy of the neoliberal project – thus further alienating and disassociating those actors from tackling
the problems and inequalities that it provides, and in addition furthering the myth that
globalisation appears as a supranational independent force. The main focus is this
enquiry has thus been to demonstrate how different and diverse economic, political and
institutional instruments have both constructed and moved to stabilise the working
ideological formula of neoliberalism. This in turn has transformed social and class
relations to the extent that they have articulated contrasting sociological mechanisms to
pacify the relationship with the changing means of production. As observed by Stuart
Hall:

(Articulation) enables us to think how an ideology empowers people,

enabling them to make some sense... of their historical situation,

without reducing those forms of intelligibility to their socio-economic

or class location or social position (Hall, 1996: p. 142).

The practices of neoliberalism and globalisation have thus provided a set of
cultural, socio-economic and political norms that have been articulated towards forms of
common sense. Despite this, the paradox of the overall workings of neoliberalism is that
it ‘both stimulates and weakens the forces of resistance’ (Gills, 2000). Indeed, the
 technological transformation, that has become a dynamic feature of globalisation has
activated various resistance groups and movements, and allowed a greater forum for
them to ideological contest the economic global order. A variety of ‘progressive’,
‘populist’, ‘anarchist’, ‘socialist’ and ‘nationalist’ contestations have all been aired,
discussed and digested by scholars and reporters alike (Gills, 2000; Rupert, 2000;
Worth, 2002). The events of 9-11 provide perhaps the best example of this. Here, the
consequences of de-regulation have allowed movements, which are radically opposed to
globalisation – in this case extremist fundamentalism and the belief that globalisation is
a ‘western-imperialist plot’ aimed at eradicating alternative cultures – use tools of
communication that have resulted from globalisation, in order to organise themselves for
subversive action.
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