Third World Quarterly, Vol 21, No 6, pp 989–1000, 2000

Globalization and transnational class relations: some problems of conceptualization

ABDUL RAHMAN EMBONG

ABSTRACT *This article argues that class analysis in the post-cold war era is still valid and that transnational class relations is an important topic for investigation when studying globalization. However, such a study is replete with many theoretical and methodological problems which have yet to be resolved. Using the pioneering works of Cox and Sklair as its starting point, this article addresses the problematics of conceptualizing transnational class relations in the context of capturing a globalization process by focusing on three interrelated issues: (1) globalization and the reconfiguration of class relations; (2) emerging global class structure and the dominant class; and (3) subordinate groups* vis-à-vis *the dominant class. Cautioning that one should not overwork the concept in our theoretical endeavour, and not to assume the formation of transnational classes just because there are domestic classes that serve in global forces of production, this article raises several questions in the conceptualization of transnational class relations and offers some new propositions.*

An edited volume by McNall *et al*, published in 1991, two years after the collapse of the Berlin Wall, bears a provocative title, *Bringing Class Back In: Contemporary and Historical Perspectives*. Two observations by its editors are pertinent to our discussion of globalization and transnational class relations. First, class is one of the most widely used and thoroughly contested concepts in the social sciences, with little agreement among scholars on its exact meaning or its explanatory power; and second, the study of class has been conspicuously absent in recent post-structuralist, post-Marxist and state-centred approaches emerging in historical and sociological scholarship (McNall *et al*, 1991). However, does this mean that class analysis has lost its analytical and heuristic power and usefulness? Or is it only going out of fashion, as something not currently intellectually trendy in the post-cold war era?

It will be argued that class analysis, while not trendy, is not losing its analytical power. Unlike changing cultural tastes and fashions, intellectual endeavours such as class analysis are something more lasting and profound, sharpened through the process of paradigm 'wars' and internal criticism necessary in advancing the frontiers of knowledge. Class analysis not only takes into account new approaches to sociological scholarship, but also sustains itself as a

Abdul Rahman Embong is at the Institute of Malaysian and International Studies (IKMAS), Universiti Kebangsaan Malaysia, 43600 UKM Bangi, Selangor DE, Malaysia. Email: rahmanhe@pkrisc.cc.ukm.my.

ISSN 0143-6597 print; 1360-2241 online/00/060989-12 © 2000 *Third World Quarterly*
DOI: 10.1080/01436590020011990

powerful, refined working tool in helping scholars understand the complexities of social and historical processes (McNall *et al*, 1991: vii). Although there have been some defects or inadequacies in the uses of class analysis, it remains relevant for understanding society provided that a fresh approach to the dynamics of class formation is adopted (Cox, 1987). However, it should be stated from the outset that class analysis is not only complex and difficult, but its scope is also not exhaustive when analysing various levels of social structure. Class analysis does not replace other levels of analysis, including ethnicity, religion and gender. It should be seen as complementary to other analytical frameworks in examining various levels of social structure.

One problem in class analysis is that its focus has understandably been confined to classes within national societies, neglecting the transnational dimensions of class relations. These studies are often premised on the assumption that class formations are conditioned by the history, politics and culture of their respective societies. Such confines are in many ways justified because of the important roles classes, especially the emergent middle classes, play within national societies, and the significance of class perspectives from the national viewpoint. This does not mean that such studies do not acknowledge the presence of representatives of the international bourgeoisie, international professionals and even international workers in their respective societies. The recognition of the international dimensions of class was already made over a century ago by the pioneers of class analysis. Marx and Engels, for example, did talk of the international dimensions of class. They highlighted the tendency of capital to nestle everywhere; representatives of the bourgeoisie went abroad to make investments, search for profit and form internal allies; and the proletariat also had their international counterpart, thus the slogan '*Workers* of the world unite!' Several other writers also recognized the international dimensions of class.

Today, transnational class relations cannot be ignored. Just as capital, production, labour and culture have become globalized, classes too are increasingly becoming transnational. Globalization is a new phase in the development of finance capital in particular. In the contemporary era there is a strong movement towards the integration of financial markets, with financiers, fund managers and finance consultants, alongside powerful industrialists, playing a critical role. At the same time, the media and advertising industry, owned and controlled by powerful business tycoons, have also become global, shaping opinions across the globe, influencing attitudes and lifestyles of various classes. This new situation throws down a formidable challenge to social scientists everywhere not merely to study class relations nationally or regionally but, more importantly, to study them transnationally. As noted by Giddens (1997: 64), with the processes of globalization becoming among the most important social changes today, sociological analysis that confines itself to single societies is becoming increasingly archaic.

While studying globalization and transnational class relations presents many theoretical and methodological problems, the core argument in this article is that production relations and the global system are dynamic concepts for starting the analysis of transnational class relations. To develop the argument, I will attempt

to address the problematics of conceptualizing transnational class relations in the context of capturing globalization by focusing on three interrelated issues: (1) globalization and the reconfiguration of class relations; (2) emerging global class structure and the dominant class; and (3) subordinate groups *vis à vis* the dominant class. In the course of the discussion, as well as in the conclusion, I will attempt to show in what way the various actors involved in the globalization process are at the same time forces for 'capturing globalization'. The pioneering works on transnational class relations by two eminent social scientists—Robert W Cox (1987, 1996, 1997) and Leslie Sklair (1991, 1997)—form the starting point of my analysis. Cautioning that one should be careful not to overwork the concepts in our theoretical arsenal, this article raises several questions about the conceptualization of transnational class relations and offers some new propositions. Let us now address these issues in turn.

Globalization and the reconfiguration of class relations

Although globalization itself is a contested concept, this article does not take issue with it since it is the subject of earlier articles. However, for the purposes of this article, globalization is defined as the compression of time and space aspects of social relations. It involves the acceleration of time and the reduction of spatial constraints, both of which have distinct consequences for all layers of society (Mittelman, 1996a: 3; 1997: 14; Roberston 1992; Waters 1995).

The most powerful globalizing force that has reconfigured class relations is the transnational corporation, the emergence and expansion of which has unleashed the processes of deterritorialization of capital. Although capital had already become international, especially since the 19th century, it was stamped with the characteristics of a 'national home', and nation-states could to a certain extent exercise some control over it. One could talk of British capital or US capital then. Since the 1970s, with the advent of a new phase of capitalism, characterized by the concentration of finance capital and the might of TNCs, it is difficult to assign a 'nationality' to such capital, except the country in which the TNCs are domiciled. Seeing themselves as separate non-national entities, successful transnational companies do not consider themselves as belonging to any country (Drucker, 1997).

TNCs are involved in various activities on a worldwide scale, such as foreign direct investments, production, trade and financial transactions. According to some calculations, the amount of capital and assets of mega-TNCs has increased sharply over the past two decades. Many of the TNCs have annual incomes far bigger than the gross national products (GNPs) of many developing countries. For example, the total sales in 1992 of General Motors (amounting to almost US$140 billion), or of Exxon (amounting to almost $120 billion) were much bigger than the GNPs of the oil-rich states of Saudi Arabia or Indonesia, or even Norway in the same year.[1] At the same time, the development of information technology, namely computers and multimedia, facilitates the movements of finance capital, especially virtual money, at will with just with a click of the 'mouse' (Singh, 1999; Drucker, 1997). According to estimates, more than $1.5 trillion are transacted daily in the world's currency markets, and of this, only 5%

is used in real production, while the rest is available to fund managers for speculative purposes. The TNCs, integrated with the global system in a variety of ways, are run by managers and executives at different levels and from various countries. With the penetration of TNCs into various parts of the world, they have become more conspicuous and significant, exerting influence upon members of the domestic classes in the various countries in which they operate. These developments clearly demonstrate that globalization has reconfigured class relations transnationally.

Emerging global class structure and the dominant class

Given that globalization has reconfigured class relations, a major challenge in analysing transnational class relations is to map the classes that have emerged or are emerging transnationally. The global social structure is one of structured inequalities, consisting of dominant and subordinate groups, causing both conflicts and compromises between them. But what is the nature of this emerging global class structure? Who constitutes the dominant groups and the subordinate groups, and have they developed class consciousness?

To answer these questions, it is useful to undertake a mapping of the transnational class relations so that we know the contours of the classes. However, constructing a class map is problematic not only for national classes, but even more so when analysing transnational class relations. Who are the members of the class that remains at the core of the global system? Is it the capitalist class or some other classes? In answering these questions, the difficulties revolve not only around determining the appropriate terminology and the components of such a class, but also its characteristics, boundaries, consciousness, etc. Such difficulties can be seen in the attempts made by several scholars, namely Cox (1987, 1996), who uses the term 'transnational managerial class', and Sklair (1991, 1997), who refers to the 'transnational capitalist class'.

The first problem to highlight here revolves around the question of the constituent components of this class. The Coxian use of the term 'transnational managerial class' implies a group of managers operating transnationally, who exercise control over corporations. In this usage, ownership does not appear critical. In Cox's formulation the dominant social groups comprise (1) TNC managerial cadres, ie those who control the big corporations operating on a world scale; (2) those who control big nation-based enterprises and industrial groups; and (3) locally based petty capitalists. Of the three that make up the dominant groups, the first, ie those controlling big corporations operating on a world scale, is the most important.

In Sklair's formulation, the term 'capitalist' is used as opposed to 'managerial'; thus he coins the term the 'transnational capitalist class'. However, to Sklair, the transnational capitalist class is not made up of capitalists in the traditional Marxist sense, defined in terms of the ownership of the means of production. As he puts it, 'direct ownership or control of the means of production is no longer the exclusive criterion for serving the interests of capital, particularly not the global interests of capital' (Sklair, 1991: 62). He lists four social groups making up the transnational capitalist class: (1) TNC executives, ie

the leading executives of the world's biggest TNCs, supported by their local affiliates operating in various parts of the world; (2) globalizing bureaucrats performing governance functions for the global capitalist system at the local, national, inter-state and eventually global levels, where individual states are not directly involved; (3) capitalist-inspired politicians and professionals who perform a variety of personal and technical services for the maintenance of the global system; and (4) consumerist elites (merchants and media) who play important roles promoting global capitalism.

My reservation concerning Cox's and Sklair's approaches is their tendency to overwork their analytical tools, in particular their core concepts. Whatever the terminology, the main difficulty with the core concepts used by both scholars is that the constituent components of the dominant groups are too broad and amorphous. For example, the Coxian transnational managerial class includes not only the managerial cadres of TNCs and their families, but also public officials in the national and international agencies involved with economic management, as well as experts and specialists involved with the maintenance of the world economy in which the multinationals thrive and are supported by them. Among these experts and specialists are management consultants, business educators, organizational psychologists, electronic operators who assemble the information base for business decisions, and lawyers who put together international business deals (Cox, 1987: 359–360). What should be pointed out is that the ability of these various fractions to wield power and influence over the TNCs and the multifaceted arena in which they operate differs. Thus, lumping them into the same class as though they are homogenous masks the heterogeneity of the groups and their differential standing in the hierarchy of power.

The concept becomes more unwieldy when Cox also includes in the transnational managerial class two other categories—national capitalists and petty capitalists. National capitalists by definition only operate on a national scale within nation-states, although the members may have an international dimension and their activities may increasingly become global in scope, being spurred by the processes of the internationalization of production, as argued by Cox. But they do not make much impact upon world order since they do not possess global clout. So, too, with petty capitalists, who are small capitalists operating on a more local scale. They are highly vulnerable to demand contraction in the domestic market and to high interest rates, leading to lower profits and even bankruptcies. They have little impact upon the global economy. Hence, it would appear odd to include both national and petty capitalists in the same category with TNCs cadres as members of the transnational managerial class.

A similar critique can be advanced with regard to Sklair's formulation. His concept of the 'transnational capitalist class' is also overworked because too many fractions are included in the same category. His inclusion of the leading executives of the world's biggest TNCs (including what he calls the 'consumerist elite' who control television networks and other media), supported by their local affiliates operating in various parts of the world in this class, is justified. Sklair is right in his assertion that the TNC cadres have a strong economic base, consisting of their corporate salaries and their often-privileged access to shares and other financial benefits in the companies they work for either directly or as

nominated board members. They thus wield immense power to the extent that they control parts of the global economy and their actions and decisions can have fundamental effects on the local communities in which their TNCs are located.

However, can other fractions—what Sklair calls ‘globalising bureaucrats, capitalist-inspired politicians and professionals’—be considered as constituent components of this core group or class? As he himself explains, globalizing bureaucrats are officials performing governance functions for the global capitalist system at the local, national, inter-state and eventually global levels, where individual states are not directly involved. They either deal with or actually work in local urban and regional growth coalitions fuelled by foreign investments, in national bureaucracies responsible for external economic relations or in international organizations such as the World Bank, International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), World Trade Organization (WTO), regional development banks and some agencies of the United Nations. Capitalist-inspired politicians and professionals are a diverse group who perform a variety of personal and technical services in the global system. Sklair argues that while capitalist-inspired politicians respond to the interests of the corporations that provide employment and make profits locally, globalizing professionals have emerged as an important group in recent decades, because of the expansion of business services industries, including think-tanks associated with neoliberal free trade and free enterprise agendas. Nevertheless, it should be pointed out that this latter group is too diverse and does not enjoy the strong economic base and power relations of TNC executives. Thus, assigning members of this group to the same class as the leading executives of the world’s biggest TNCs is to ignore the most important criterion he himself uses ie a strong economic base and the ability to wield power globally.

This does not mean, however, that the concepts are not helpful. On the contrary, they are novel concepts with strong analytical value. It would, nevertheless, be more useful and elegant to differentiate analytically the two concepts—the transnational capitalist class and the transnational managerial class—so that they are used to refer to distinct elements and that each concept becomes more focused. The first should refer basically to the TNC bosses and senior executives who are the main players in the global arena, making decisions and taking actions on behalf of their corporations: their actions can have an effect on the economies of the countries or regions in which they operate. Their economic base is not only their corporate salaries and various perks they receive from the TNCs, but also their shares in the various corporations they own or control, or in which they work or serve as board members. In terms of personalities, they may range from people like Bill Gates, chief executive officer (CEO) and founder of Microsoft Corporation; Akio Morita, founder and head of Sony; Jun-Ichiro Miyazu, president of Nippon Telegraph and Telephone Corporation (NTT); George Soros of Quantum Fund; Stan Shin, chairman and CEO of the Acer Group; and many others who feature in the *Fortune 500*. In fact, the world’s 225 richest people—identified by *Forbes* magazine as ‘the ultra-rich’—who have an estimated combined wealth of over $1 trillion, equal to the annual incomes of 2.5 billion people, the poorest 47% of the world’s population (UNDP, 1998: 30), can be said to constitute the core of the transnational capitalist class.

The transnational managerial class, on the other hand, should be used to designate the lower fractions within the dominant groups. This is more appropriate because, in terms of their functions and power, they exist more in a 'supportive', 'advisory' or 'technical' capacity with regard to the global system—in short, they are 'managers' rather than 'controllers'. In countries where the TNCs have their locally based firms, those who constitute the top management may consist of local nationals. For example, of the 16 member firms of the Malaysian American electronics industry in the mid-1990s, nine were under Malaysian managers, including at the managing director level (Mohd Nazri, 1995: 148). However, unlike members of the transnational capitalist class, they do not decide on major policies or make system-wide decisions. Their economic base is weaker than that of the transnational capitalist class because it consists mainly of salaries and perks from their respective organizations. Although they may obtain earnings from shares, they are not substantial owners of the corporations in which they invest. This class is much larger in number than the transnational capitalist class, and may consist of the capitalist-inspired politicians, bureaucrats, consultants, lawyers and other professionals who operate transnationally to service the TNCs in various ways. They are very influential, but cannot be put in the same league as members of the transnational capitalist class, as Cox and even Sklair's formulation makes them out to be.

In sum, at the upper levels of the global social hierarchy are two major components of the dominant groups, the transnational capitalist class and the transnational managerial class, both of which operate to support the global capitalist system. The transnational managerial class is very important for the transnational capitalist class; it often serves the latter. However, the positions of these two classes are not fixed or static. Classes are dynamic entities that change their positions over time. For example, members of the transnational managerial class under certain conditions can ascend into the transnational capitalist class, while members of the latter too can fall into the transnational managerial class.

In defining the constituents of transnational class relations, the main criterion is the scope and impact of their activities, ie whether they are involved in what is called 'transnational practices' (Sklair, 1991). Classes that engage themselves in transnational practices can be said to have gone beyond their national boundaries and merit consideration as part of the transnational classes. On the other hand, classes that confine their activities mainly within the bounds of nation-states should be considered as national classes, not transnational ones. They may form part of the dominant groups domestically, but become subordinate groups when cast transnationally. On this basis, one should be guarded about including the national capitalists and the petty capitalists (Cox, 1987) as part of the transnational managerial class. While globalizing bureaucrats, politicians and professionals who participate in transnational practices (Sklair, 1991) may constitute the transnational managerial class, the national capitalists and petty capitalists are a different category. Their practices, in the main, are within national boundaries and, although the former may have trading relations with some foreign partners, in the course of their evolution and expansion they have to intensify and extend such relations before they can become part of the transnational managerial class or the transnational capitalist class.

The second problem is the question of class consciousness. A thorny issue even in national class studies, it becomes all the more complicated in transnational class analysis. Can one really talk of a similar consciousness binding members of the dominant groups together? Or does the consciousness vary, with some fractions within the dominant groups wanting to maintain the capitalist system as it is, while others may want to bring about reforms in global capitalism, giving it a more humane face as in Japan or in the Scandinavian countries? If one begins with a unitary conceptualization of the dominant groups, the conclusion will be that they exude a common class consciousness, thus downplaying their inherent differences. However, if one regards the dominant groups as heterogeneous, capable of conceptualization as two distinct groups or classes (the transnational capitalist class and the transnational managerial class), as suggested above, the inherent differences come to the fore.

Although both Cox and Sklair offer nuanced analyses concerning the differences within the dominant groups, they feel that they exist as a coherent class and possess a common class consciousness. Cox acknowledges that, while TNC executives and their associates have interests that conflict with those of other class members, they nevertheless share a common concern to maintain the system that enables the class to remain dominant. Cox draws attention to various institutions such as the OECD, the IMF and the World Bank that serve as foci for generating policy consensus for the maintenance and defence of the world order. It is true that members of the dominant groups may be able to generate some consensus through these institutions, but issue-specific consensus and class consciousness may not mean the same thing.

The question of class consciousness becomes more contentious in Sklair's analysis. According to Sklair, the TNC executives and their associates are considered as one cohesive central class that makes system-wide decisions. The cohesiveness of this class is assumed to exist because many of its members occupy a variety of interlocking positions in a multiplicity of companies, and in wide-ranging networks outside the corporate sector. They are said to have outward-oriented, global rather than inward-oriented national perspectives on a variety of issues; this class's members tend to be people from many countries, who increasingly identify themselves as 'citizens of the world', as well as by their places of birth; and they enjoy similar lifestyles, and education, especially in business schools. They see their own interests and/or those of their nation as best served by an identification with the interests of the global capitalist system, in particular the interests of the countries of the capitalist core and the transnational corporations domiciled in them (Sklair, 1991: 8). Sklair posits that members of the transnational capitalist class, embracing a culture–ideology of global capitalist consumerism, do not identify with any foreign country in particular, or even necessarily with the First World, or the white world, or the Western world, but identify with the global capitalist system. They reconceptualize their several national interests in terms of the global system, and take on the political project of reconceptualizing the national interests of their co-nationals in terms of the global capitalist system (Sklair, 1991: 117–18).

The problem with this conceptualization is that it assumes that, in the era of globalization, nation-states as well as regional and other interests have been

reduced to minor significance and that national classes are throwing in their lot with the transnational capitalist class. While many of the points raised by Sklair are true, to downplay or ignore the other interests is not tenable. Nationalism and regionalism are still forces to be reckoned with. It is true that the dominant groups share similar lifestyles, have a common interest in defending the global capitalist system, and that their activities may have become transnational in scope. But have they also become transnational in their consciousness and put aside national or regional differences? In what way do they reconceptualize their several national interests in terms of the global system, and take on the political project of reconceptualizing the national interests of their co-nationals in terms of the global capitalist system as argued by Sklair?

While the dominant groups may be united in their defence of the global capitalist system, it is doubtful whether they have become a cohesive central class. The fact that they are not as cohesive as they have been made out to be can be seen in the controversies surrounding IMF policies and decisions in handling the 1997–98 financial crisis that began in Asia and spread to other regions. Also, there have been sharp differences, for example, between the TNCs originating from certain countries, such as France, and those from the USA, as can be seen in the case of the French oil corporation continuing to defy the US embargo on making contracts with Iran. At the same time, the Japanese corporations insist that the Japanese government protect the domestic market by erecting protectionist walls against the intrusion of US interests. These events show that members of the dominant groups are not devoid of nation-state controls and influences. If we start from the premise that the dominant groups are heterogeneous, and their interests vary and often collide, then a common class consciousness cannot be assumed. They are committed to supporting and perpetuating the global capitalist system, but we cannot underplay the fact that they often operate from their own particular perspectives and interests in their actions. This fact often forms the basis for conflicts that intermittently occur among the different fractions within the dominant groups.

Subordinate groups *vis à vis* the dominant class

Who constitutes the subordinate groups in transnational class relations? Do they constitute coherent classes and a global force for change?

Globalization affects various countries in a number of ways. With the globalization of production, sections of the domestic classes have become part and parcel of the global workforce in the service of the various TNCs. However, domestic classes consist of those involved in production in both the formal as well as the informal sectors. The key question concerns the criteria for analysing the relationship between the TNCs and the domestic classes. Should we only include those directly in the service of the TNCs, or also those on the periphery, ie indirectly involved with the TNCs? To my mind, the emphasis should be on the former, but we cannot neglect the latter since they are also affected by globalization. For example, the 27 million electronic and other workers in the 800 export-processing zones (EPZs) worldwide (UNDP, 1999)—in Malaysia, China, India, Brazil and other countries—share a common relationship since

they are in the service of the various TNCs operating in these zones. But the common relationship does not apply only to workers and other employees in the EPZs. Others involved in service industries, such as banking, insurance, hotels, travel and tourism, that operate transnationally (eg those working as managers, executives, cashiers, tour operators, etc) also constitute part of the global workforce. However, there are those on the periphery—hawkers, peasants, fishermen, the unemployed, casual labour and others—who remain outside the formal sector. They are peripheral to the TNCs, yet the latter influence their lives directly or indirectly. These forces, together with workers in the formal sector, constitute the majority of the world's population, which remains at the lower rungs of the global social hierarchy.[2]

It has been proposed that the subordinate groups consist of (1) the new middle stratum; (2) established (unionized) and non-established (non-unionized) workers; and (3) the peasantry and the marginals (Cox 1987, 1996). The new middle stratum, made up of technical, scientific and supervisory personnel in the most technologically advanced sectors of industry, has been regarded—depending on the researchers' theoretical perspectives—both as a 'new middle class' and as a 'new working class'. Researchers who label them as the 'new middle class' see them as a buffer layer between the owners of capital or those who control the accumulation process at the top and the mass of production workers below, while those who regard them as the 'new working class' see them as a force of change to resist globalization. Established workers, being unionized, enjoy a more secure position, while the fate of the non-established or non-unionized workers, is rather uncertain. Together with them are large numbers of the peasantry and the marginals, ie those displaced from their land who then flock to cities, swelling the ranks of the unemployed and semi-employed. These latter people, found especially in peripheral countries, are excluded from the global economy (Cox 1987, 1996, 1997).

Those forces working with the TNCs and their affiliates objectively constitute the subordinate groups that are part and parcel of the global forces of production. Domestically, they may act as coherent classes, with the more advanced sections having a certain degree of class consciousness, but whether they constitute subordinate *transnational* classes is another matter. Unlike members of the transnational capitalist class and the transnational managerial class who operate transnationally and interact with one another, and who are more mobile and transferable, the subordinate groups are mostly workers operating within the bounds of the same country. This is not to deny the fact that millions of workers have participated in transnational migration in response to the re-ordering of global production (Tabak, 1996). There are massive transnational migrant flows into Europe, North America, Southeast Asia and elsewhere. In Malaysia, for example, before the July 1997 economic crisis, the number of legal and illegal immigrants (including their families) was estimated to be around two million, or about 10% of the total population. Nevertheless, both domestic and foreign workers, though standing on the same side of production relations *vis à vis* the TNCs, are not integrated with one another. Many do not share the same language and lifestyles, and they often do not identify with each other. More often than not, the pull of ethnicity, gender, religion and geography—differences accentu-

ated by globalization—is stronger than the tug of class. All these limit their interaction and the possibility of them being collectively organized to confront management and the emergence of coherent subordinate transnational classes.

My point is that class membership is not sufficient to bring most of these forces together as subordinate transnational classes and to make them act as coherent classes. They have to be organized and their consciousness raised. A proportion of workers who are unionized and whose organizations are affiliated to world trade union movements may be quite outward-looking and global in orientation, have developed class consciousness and be in a better position to resist the negative consequences of globalization. However, how they respond to or resist the globalizing forces is contingent upon their national and local experiences. For example, during the 1997–98 economic crisis, while workers in South Korea and Thailand unfolded militant struggles against retrenchment and other cost-cutting measures by their management, Malaysian workers, through the tripartite employer–union–government machinery, negotiated for reductions in pay and other benefits to save jobs.

For large masses of workers in many countries, unionization is still at issue. Not all workers are unionized. This exclusion is especially pronounced among electronic workers, workers with lower skills levels, and more so among migrant workers—thus making them more easily disposable and replaceable as a result of the 'restructuring' of production of post-Fordism and during times of economic crisis. These precarious workers are an expanding category. The processes of exclusion of subordinate groups from transnational class organizations such as trade unions—thus affecting the growth and effectiveness of civil society—makes them all the more vulnerable to the onslaught of capital and its representatives—the transnational capitalist class and the transnational managerial class.

Concluding remarks

In the preceding discussion I have tried to show that class analysis in the post-cold war era is still valid and that transnational class relations is an important topic for investigation today, especially in regard to globalization. Pioneers in this field, namely Cox and Sklair, have provided useful analytical tools to understand changing global social realities and the characteristics and roles of the transnational classes. The strength of their theories is not only that they can capture the complex global realities and explain them, but also that they attempt to show a way out of the exclusionary processes of globalization. Nevertheless, studying transnational class relations is replete with theoretical and methodological problems, which have yet to be resolved satisfactorily. I have argued that one should be careful not to overwork our concepts, and at the same time, not to assume the formation of transnational classes just because there are domestic classes that serve the global forces of production. It is important to bear in mind that, just as globalization is a historical process, classes too are historically constituted in common practice or experience, often influenced by national and other characteristics. They are simultaneously objective and subjective phenomena, both independent of their members' consciousness and

expressed in conscious thought and practice (McNall *et al*, 1991: 3). Globalization has reconfigured class relations, and transnational classes are in the process of formation, especially among the dominant groups and the more class-conscious and organized elements of the subordinate groups, but the process is still in its early stages.

In our analysis, we have shown that transnational class formation among subordinate groups is especially difficult. This is partly because, in the era of globalization, the lines among enemies, friends and allies are blurred, unlike the situation three or four decades ago when the targets of struggle were much clearer. At the same time, the exclusionary processes of globalization, especially the continuous post-Fordist restructuring, fragment large sections of the subordinate groups, especially the unorganized, peripheral and migrant workers. Thus, resistance to globalization among subordinate groups often remains unco-ordinated, diffuse and weak.

Our analysis has also shown that globalization processes have produced contestations between different groups and classes domestically and transnationally. From the standpoint of capturing globalization, our analytical framework should take into account not only the subordinate groups, but also the various forces in the market and the state to identify the fault lines of globalization. That is why recognizing the inherent differences among the dominant groups and state actors, and factoring them in our multidimensional analysis of transnational class forces, is important.

Notes

[1] Note the following facts which demonstrate the immense power of TNCs. 'Half of the hundred largest economic units in the world today are nations; the other half are transnational corporations … The 600 largest transnationals account for more than one-fifth of the total industrial and agricultural production in the global economy. About seventy of these giant companies are responsible for half of total global sales … The revenues of the largest 200 companies rose tenfold between the mid-1970s and the 1990s. Over the past twenty years, the transnational activities have become increasingly global: only three of the world's 315 largest companies in 1950 had manufacturing subsidiaries in more than twenty countries; some fifty do so today … Eighty of the top 200 transnational corporations in the world are based in the United States, contributing just over half the total sales' (Giddens, 1997: 295–296).

[2] Global inequality is increasing, occurring in both the developed and developing countries. For example, while in 1960 20% of the world's people who live in the richest countries had 30 times the income of the poorest 20%, by 1995 they had 82 times as much income. Today, while a small minority are extremely rich, about 1.3 billion people are in poverty, living on less than US$1 a day. One in four in developing countries (and one in eight in developed countries) is affected by human poverty, and almost 1.3 billion people do not have access to clean water. Of 4.4 billion people who live in the developing countries, nearly 60% still lack basic sanitation. Many in the poor countries, such as in parts of Africa, are objects of global poverty relief (UNDP, 1998, 1999). This shows the existence of a huge gap between the rich and the powerful on the one hand, and the poor and the weak on the other on a global scale.