

# Globalization and Structures of Power: A Weberian Inquiry<sup>1</sup>

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*Abstract* - This paper examines globalization through the framework of Max Weber's essay "Structures of Power." The paper argues that globalization is characterized by political and economic entities using debt, the nation-state, and organizational networks as the means to maximize profit and power. It suggests that an examination of globalization through this framework provides a clear idea of what globalization is and how to solve its structural problems.

Among a plurality of co-existing polities, some, the Great Powers, usually ascribe to themselves and usurp an interest in political and economic processes over a wide orbit. Today such orbits encompass the whole surface of the planet.

- Max Weber, "Structures of Power"<sup>2</sup>

## Introduction

Globalization functions on personal, political, and economic levels. It has been active and deepening for at least the last fifty to one hundred years. The ubiquitous influence of high-speed finance, mass culture, and mass communication is a reality from which almost no sector of the planet is left unexposed. From the moment that World War

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<sup>2</sup> Max Weber, "Structures of Power," in *From Max Weber: Essays in Sociology*, eds. and trans. H. H. Gerth and C. Wright Mills (New York: Oxford University Press, [1914] 1946), 161.

One unsheathed the horrors of mass conflict between the great powers, the international scene has been unable to ignore the effects of international economic and political collusion.

The main sociological questions of globalization are, from where does power in the global system emanate, how is this power maintained, who benefits from it, and who suffers from it? In looking at globalization as a social problem, we must consider this question of power, for it is chiefly through the control and use of power that social problems are created, perpetuated, and resolved. For those at the top of global power structures, this may not appear to be a social problem. For those at the bottom, however, existing from day to day on meagre wages, a deteriorating natural environment, and the consequences of military conflicts, global power dynamics present more problems than opportunities. To the extent that peasant publics are lifted out of poverty by the availability of jobs at the outposts of multinational corporations, this relief is often temporary and seldom offers a means to substantive social change. Put in other terms, an ethical discussion of globalization must reflect upon and seek solutions to human suffering across the planet.

We will approach globalization from the perspective of Max Weber's essay "Structures of Power." Written at the beginning of the twentieth century, Weber's essay emerged from a context of declining colonial powers and ascending commercial interests. These rising commercial interests employed methods of extracting resources and exploiting labour which paralleled those of colonial nations. The historical juncture in which Weber's essay appeared is important for two reasons. First, colonialism not only established the economic patterns for what we now term globalization, it also established the means of political control and the patterns of sudden intercultural overlap which both bind and unravel the world today. Second, the fundamental nature of colonial rule was rentier ownership of capital, material resources and wealth. This feudal model of land use and ownership set the political and sociological pattern for control of overseas colonies by European powers from the sixteenth to nineteenth centuries.

Rentier social and legal patterns formed the legal structure of the Anglo-American colonies. When the colonies broke with Britain, the driving force of the revolution was the American land-holding class whose financial gain was derived from the annulment of British property

claims and taxes. Laws in the United States governing private property, land ownership, and corporate structures are ethically and legally rooted in the rentier tradition of the original colonies. Today's global system of commerce and finance reflects these roots.

This essay will focus primarily on American government and corporate behaviour. Certainly, globalization has moved the locus of economic and political power from the United States to a more diverse scope of actors and institutions. American power continues to be predominant, though, and it does so through less obvious mechanisms than were used in the Cold War. We also see in the behaviour of the American government and corporations during the Cold War, the origins of the behaviour of dominant political and financial entities today.

This essay contends that globalization originated from colonialism. With this as an analytical starting point, we turn to three main facets of globalization which are derived from Weber's framework: 1) debt as structures of power, 2) the nation-state as structures of power, and 3) global networks as structures of power.

### **Debt as Structures of Power**

Each historical epoch is characterized by a momentous event which chroniclers refer to when describing the period. For the early French republic, that event is the storming of the Bastille. For the United States from the mid-nineteenth to the early twentieth century, it is the Union victory in the American Civil War and the Industrial Revolution. For American society of the 1950s through the 1980s, it is the Allied victory over fascism in World War Two.

The defining moment for the epoch of globalization is the fall of the Berlin Wall and the subsequent demise of the Soviet Union. During the Cold War, social critics identified communist *and* capitalist powers as the enemies of freedom and personal autonomy. After the Cold War, there is little tolerance for public criticism of capitalism as the mechanisms of world finance receive general praise. Dissent exists but is made inaccessible by the continually consolidating corporate engines of the mass media.

A focus on markets has dominated the social and political thought of the twentieth century. The left defined the market as the

enemy of freedom while the right defined the market as its source. In public discourse, meanwhile, democracy has been equated with the “free” market economy. Yet “free” markets do not exist in a pure form. Markets exist under the aegis of government control. Governments determine which publics have superior access to the capital upon which greater wealth is built in turn.

Max Weber’s description of colonial “tribute” indicates a connection between the rentier, absentee ownership of colonial powers and the political control of debt exercised by the First World over the Third World today. Weber suggests that this means of control not only benefits the elite of the “Great Powers” but also provides material advantage to their workers:

For under the present economic order, the tribute to “creditor nations” assumes the form of interest payments on debts or of capital profits transferred from abroad to the propertied strata of the “creditor nation.” Were one to think these tributes cancelled...[t]his would influence the labour market of the respective workers in an unfavourable manner.<sup>3</sup>

Since the Great Depression of the 1930s and the global recovery in the aftermath of World War Two, international organizations such as the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank have taken a central role in world finance. Free trade agreements between industrial nations such as the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT) have also bound world markets together. This has occurred in such a way that the “tribute” of debtor nations, whether in the form of interest payments on loans or the provision of cheap labour, largely supports the balance of power in the world today.

Throughout the Cold War, the United States prevented leftist regimes from coming to power in debtor nations. These regimes were often subverted by American-backed authoritarian regimes which prevented mass rebellion against creditor control. With the fall of the communist powers, however, the threat to capital is no longer the Kremlin, but democracy itself. If Third World nations elect regimes

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<sup>3</sup> Ibid., 170.

which speak directly to the interests of their people, whose economic systems groan under the weight of debt and imposed poverty through cheap labour, the industrialized, creditor nations will be faced with an emergency in the form of a potential loss of payments and control over labour. To prevent this, the creditor nations must operate successfully on two fronts: 1) they must convince their own people that their exertion of power and economic prerogative throughout the world is directly related to their domestic well-being and to their state's power position on the world stage; and 2) they must determine how to control the debtor nations without having to resort to dictatorial means.

Weber writes of the need to convince the populations of dominant nations that they have a stake in world market dominance:

Every successful imperialist policy of coercing the outside normally – or at least at first – also strengthens the domestic “prestige” and therewith the power and influence of those classes, status groups, and parties, under whose leadership the success has been attained.<sup>4</sup>

In the United States, the organs of public discourse pressure the population to see its status, prestige and fortune as directly bound up with the extension of American power across the globe. The American defeat in Vietnam has become a reference point for all efforts to convince the American public of its need for global power. Since then, the popular legitimacy of all overt uses of American force has hinged on its ability to reclaim the prestige lost in Vietnam.

American strikes against terrorist nations in the 1980s were characterized as confirmation that Vietnam had not weakened American resolve. The 1983 US invasion of Grenada was said to have dispelled the stigma of defeat in Vietnam. The US invasion of Panama in 1989 was portrayed in more comical tones as US forces surrounded Manuel Noriega with trucks blaring American rock music.

In 1991, the ‘Vietnam syndrome’ was evoked during the Persian Gulf War. As with Vietnam, the Persian Gulf War ‘entered’ American homes nightly. Instead of images of dead American soldiers, the public saw controlled footage of “smart bombs” hitting targets in clinical detail.

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<sup>4</sup> Ibid., 170.

The loss of thousands of innocent Iraqi lives in the service of the interests of the oil industry was obscured by the flag-waving jingoism of yet another “victory” in place of the defeat in Southeast Asia.

These attempts to erase the stigma of the Vietnam War appeal to the American public’s desire for international status and prestige. The economic motives behind the use of force, meanwhile, are obscured. Appeals to the military status of the nation illustrate Weber’s notion of debt as a structure of power. For even though threats to the flow of tribute from debtor nations may legitimate the use of armed force, the use of force must be backed by public will.

Throughout the Cold War, developed nations often functioned as agents of private capital. This was advertised as helping developing nations strengthen their infrastructure. When the Cold War ended, international financial institutions became vehicles for multinational capital in previously state-centred economies. Their requirement that debtor nations abandon state-centred policies and programs promulgated the ideology of free market regimes and required developing nations to ignore the suffering of their indigenous populations. As Robert Cox points out, in the last twenty years “a hyper-liberal form of capitalism has gained ascendancy” and, with the help of the IMF and the World Bank, it has been presented as a requisite market form for nations which desire help from Western and Northern nations and their financial institutions.<sup>5</sup> In 1976, the Labour government in power in the United Kingdom, in order to cut public spending, required IMF assistance.<sup>6</sup>

International programs which ameliorate poverty in a capitalist context follow a pattern visible in the US when government agencies collude with private interests in the financing of welfare state initiatives. The missions of international financial agencies are often to provide those at the bottom of the economy with the means to improve their standing. In the spirit of the United Nations International Children’s Emergency Fund (UNICEF), the idea of such help is to provide a “hand-up” rather than a “hand-out.” Nonetheless, according to Stephen Gill,

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<sup>5</sup> Robert Cox, “Critical Political Economy,” in *International Political Economy: Understanding Global Disorder*, ed. Bjorn Hettne (Atlantic Highlands, NJ: Zed Books, 1995), 37.

<sup>6</sup> Daniel Yergin and Joseph Stanislaw, *The Commanding Heights: The Battle Between Government and the Marketplace that Is Remaking the Modern World* (New York: Simon & Schuster, 1998), 104.

“[a]ffluent urban dwellers in the Third World...have been the primary beneficiaries of aid flows and World Bank loans.”<sup>7</sup> As with many American domestic social programs where government monies intermingle with private ventures, the help often evades those most in need.

Debt is directly related to the rentier pattern of absentee ownership. In the development of the nation-state, one sees the gradual consolidation of feudal powers in order to establish larger powers with greater reach of conquest. This development connects the emergence of France under Charlemagne to Germany under Bismarck. As the Industrial Revolution altered world power structures, it replaced the state with the private corporation as the seat of world economic power. The tidal drift in this consolidation of power has continued, but now in terms of ever-increasing consolidations of corporate power.

While ownership of corporate dividends is clear, the ownership of corporate blame is not. Though management is blamed for profit losses, blame for human suffering caused by corporate behaviour is assigned less frequently or specifically. Sometimes the corporate body is blamed, and particular managers may occasionally receive punishment for legal violations. However, the corporation remains viable and thereby protects owners and their assets. Ultimately, the *system* is portrayed as the cause of suffering under globalization. Yet the system is also excused in the name of free market capitalism.

Absentee ownership has become the dominant paradigm of the world economy. It is enacted through international credit and investment schemes. It lives or dies on the chance that the underlying assumptions which legitimate speculation and credit remain valid.<sup>8</sup>

### **The Nation-State as Structures of Power**

[P]olyarchy as a distinct form of elite rule performs the function of legitimating existing inequalities, and does

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<sup>7</sup> Stephen Gill, “Theorizing the Interregnum: The Double Movement and Global Politics in the 1990s,” in *International Political Economy: Understanding Global Disorder*, ed. Bjorn Hettne (Atlantic Highlands, NJ: Zed Books, 1995), 73.

<sup>8</sup> Cf. William Greider, *One World, Ready or Not: The Manic Logic of Global Capitalism* (New York: Simon & Schuster, 1998).

so more effectively than authoritarianism....When US policymakers and organic intellectuals speak of 'promoting democracy,' they do not, as a matter of course, mean promoting popular democracy. But more than this, they mean the *suppression* of popular democracy, in theory and in practice.<sup>9</sup>

Theories of globalization frequently predict the death of the nation-state. To be sure, this is an extreme view, but it finds adherents both inside and outside of academia. Two reasons for this are: 1) intellectuals foresee the take-over of the central functions of the state by corporations, and, out of a general distrust of the motives of private capital, they fear the consequences of this for society; and 2) private enterprise perceives a nation-state with diminished regulatory powers as germane to the increase of profit. Business tends not to challenge the military role of the nation-state, however, in maintaining social control. The "national interests" of the multinational corporation's country-of-origin are invoked when military intervention is deemed necessary.

Alberto Fujimori's dissolution of democracy in Peru and Mexico's crackdown on rebels in Chiapas are examples of government intervention which are not resisted by private interests. It stands to reason that corporations are reassured by military and government control. However, the interests of the population at large are ignored in these circumstances. The mass media, especially in developed nations, does not report the negative impact of these actions. As major newspaper, television, and publishing corporations consolidate and are absorbed by larger conglomerates, the editorial inclination to suppress criticism and negative reporting on military suppression in the interests of capital is likely to increase.

A world economic crisis may provide the only impetus to restore the ability of governments to intervene in economic affairs. Yet if such a crisis occurs, the industrialized and developed nations of the world lack the patrician class which saved capitalism in the 1930s. American President Franklin D. Roosevelt represented an aristocrat peculiar to American society. Because of his gregarious appeal and his assured upper class demeanour, Roosevelt was able to restore the fundamentals

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<sup>9</sup> William I. Robinson, *Promoting Polyarchy: Globalization, US Intervention, and Hegemony* (New York: Cambridge University Press, 1996), 51, 62.



of capitalism through government controls. Few such figures exist today. This could leave the developed world adrift if a world economic crisis does occur.

Third World nations, meanwhile, remain vulnerable to dictatorial regimes if a general economic collapse occurs. Their infrastructures, formed mainly on a Mediterranean bureaucratic model,<sup>10</sup> may lack the strength to resist authoritarianism. Much as developing nations resist environmental regulations because of their perceived hindrance to economic growth, so too might they resist democratization in the face of economic disintegration. Their priority in such circumstances would be the maintenance of the social order. Afghanistan's Taliban regime and Pakistan's 1999 military coup illustrate this tendency when economic distress is primarily local. The tendency would certainly be more widespread in the event of a global economic collapse. The developed world, meanwhile, is apt to support Third World authoritarian regimes which promise to protect financial assets in the face of disorder. An economic collapse which would cause these problems on a global scale may never occur, or it may now be in the latter stages of gestation.<sup>11</sup>

The Weberian model of the nation-state provides a view of social cohesion and political relations which can explain the world's current elasticity. It also provides a way of understanding how globalization might be transformed by a general economic crisis, since Weber's model shows how private interests maintain the power of the nation-state.

Weber's model identifies two spheres of national cohesion: 1) solidarity determined by common values; and 2) solidarity determined by political associations. These spheres show how the nation-state exists within globalization. Weber's spheres of cohesion also allow us to imagine how the nation-state may change from a geographically-bound model to something more dynamic yet more out of control. Finally, the Weberian model demonstrates that the nation-state remains a viable unit

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<sup>10</sup> Joseph Bensman, "Mediterranean and Total Bureaucracies: Some Additions to the Weberian Theory of Bureaucracy," *International Journal of Politics, Culture and Society* 1 (1987): 62-78.

<sup>11</sup> Cf. Greider, *One World*; David C. Korten, *When Corporations Rule the World* (West Hartford, CT: Kumarian Press, 1995); Richard J. Barnet and John Cavanaugh, *Global Dreams: Imperial Corporations and the New World Order* (New York: Simon & Schuster, 1994); and Roger Altman, "The Nuke of the 90's," *New York Times Magazine*, 1 February 1998, 34-5.

of analysis in examining phenomena like international terrorism, multinational corporations, and the emergence of supra-national confederations like the European Union (EU), the Association of Southeast Asian Nations (ASEAN), and the Caribbean Community (CARICOM).

The word “nation” can evade definition. It is assigned contrasting meanings by different competing interests. Weber suggests:

In the sense of those using the term [“nation”] at a given time, the concept undoubtedly means, above all, that one may exact from certain groups of men a specific sentiment of solidarity in the face of other groups. Thus, the concept belongs in the sphere of values.<sup>12</sup>

In these terms, a nation exists either where groups are compelled into union by an outside force or where groups are united by common beliefs. Weber suggests that if members of the ‘Jewish Diaspora’ in the United States were asked whether the Jewish people constituted a nation, “their answers would vary in nature and extent.”<sup>13</sup> Weber also suggests that “The Negroes of the United States, at least at present, consider themselves members of the American ‘nation,’ but they will hardly ever be considered so by the Southern Whites.”<sup>14</sup>

While values cause groups to cohere, the nation-state cannot exist without the galvanizing force of politics. Weber describes how “political associations” are the final means by which “national sentiment” coheres.<sup>15</sup> This occurs in democratic regimes when value-related groups organize as political parties. As parties develop “platforms” in which contrasting values are reconciled, interests are protected and collective action is accomplished. The process also occurs when authoritarian regimes force value-related groups to submit to the regime or form networks of collective resistance. For Weber, the concept of a nation is “fluid”:

In any case, the differences in national sentiment are both significant and fluid and, as is the case in all other

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<sup>12</sup> Weber, “Structures,” 172.

<sup>13</sup> *Ibid.*, 174.

<sup>14</sup> *Ibid.*, 174.

<sup>15</sup> *Ibid.*, 174.

fields, fundamentally different answers are given to the question: What conclusions are groups of people willing to draw from the ‘national sentiment’ found among them?<sup>16</sup>

This model accommodates nations consolidating in coalitions of proximate power blocs. The nations in those blocs determine their geographical parameters on the basis of political associations between *value*-groups. If this continues, the concept of the nation-state will need to expand to include collections of states whose domestic policies and laws are more or less autonomous, which identify individually by cultural qualities, but which act together as consolidated economic and military engines. Yet the Weberian model can also accommodate a world in which a localized backlash against the forces of consolidation causes political and economic fragmentation. Under this scenario, the Weberian model provides for numerous political associations forming through the value-orientations of groups which feel stripped of control in the global order. Presently, globalization is a combination of these scenarios.

The perspicacity of Weber’s model of “nation” increases when it is overlaid with his concept of debt as structures of power. For it is in the illustration of the nation-state as combined structures of group power intersecting with the power of debt that we see a more comprehensive grid of power structures. These structures form the phenomenological and structural framework of globalization.

Since the end of the Cold War, world powers have switched their support from dictatorial regimes to free market democracies.<sup>17</sup> Prior to this shift, US foreign policy and intelligence agencies promoted authoritarian governments like those of Ferdinand Marcos in the Philippines, the Shah in Iran and Augusto Pinochet in Chile. The United States supported many right-wing governments regardless of their oppression of indigenous publics.

El Salvador’s political shift in the 1980s provides illustration. The right-wing National Republican Alliance (ARENA), backed by American money and force, came to power in El Salvador in 1983 after the nation’s civil war. ARENA ruled by ‘democratic’ means through the

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<sup>16</sup> Ibid., 175.

<sup>17</sup> Cf. Robinson, *Promoting Polyarchy*.

next decade and a half. In 1997, the opposition Farabundo Marti National Liberation Front (FMLN) took control of mayoralties in major cities across El Salvador and made significant gains in parliament. This, however, was after intense struggle against ARENA which had American financial backing and military support. FMLN gains were also resisted by owners of the *maquiladora* (sweatshops) which account for much of El Salvador's economic infrastructure.

The *maquiladora* have become for El Salvador what late nineteenth and early twentieth century garment factories were for the US before the emergence of fair labour laws. One egregious practice of the *maquiladora* was "Christmas firings." By constitutional mandate, employers in El Salvador were required to pay employees a Christmas bonus equal to a percentage of their yearly wages. To avoid this, the *maquiladora* fired thousands of workers before Christmas and hired them back after the holidays. Additionally, El Salvador's ARENA President Armando Calderon Sol promised American manufactures that labour unions would be kept out of Salvadoran factories (Sol was replaced in March 1999 by ARENA candidate Francisco Flores). Meanwhile, the United States Agency for International Development (USAID) continues to promote the "free trade zones" throughout El Salvador, within which the suppression of unions abounds.

The replacement of state-centred economies with free markets has been celebrated around the world. The main beneficiary of this freedom, though, is the marketplace. The citizens of developing nations, though offered the vestiges of democracy, are given little control over their political and individual fates. In the opening of free markets, human freedom is often forgotten. In the shadow of global capital, peasant societies can hope to accomplish little for their own good.<sup>18</sup>

In his book *Promoting Polyarchy*, William I. Robinson describes "polyarchy" as "a system in which a small group actually rules and mass participation in decision-making is confined to leadership choice in elections carefully managed by competing elites."<sup>19</sup> Robinson indicates that although democratic institutions may exist in The Philippines, Chile, Nicaragua and Haiti, the democratic process is largely ceremonial. Local

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<sup>18</sup> Cf. Barnett and Cavanaugh, *Global Dreams*; Korten, *When Corporations Rule*; Greider, *One World*.

<sup>19</sup> Robinson, *Promoting Polyarchy*, 49.

and transnational elites control the process by determining which candidates and parties receive the money and armed power to promote their campaigns. Once these candidates are elected, they must adhere to the agenda of the elite that includes continued use of and payment of international debt.

Robinson's model fits Weber's because it accounts for the overlap of debt and the nation-state. Debt as structures of power requires value-related groups and political associations to cohere so the payment of debt does not cease. As financial crises emerged in Mexico in the 1980s or Asia in 1997-98, massive "bail-out" packages were floated by governments and international agencies. These bodies are the public agents of vested interests which require the continued existence of debts in order to remain legitimate.

Occasional calls for a clearer vision of potential problems in globalization arise from both ends of the political spectrum. Roger Altman, a member of the American financial and political establishment, describes the latent consequences of "[a]verage daily world-wide trading in financial instruments [which] now may exceed \$1 trillion."<sup>20</sup> David C. Korten, a former faculty member of the Harvard University Graduate School of Business, criticizes the global financial system in his book *When Corporations Rule the World*. In addition to examining macro problems, Korten focuses on micro crises confronting Third World populations. He describes the damaging human consequences of multinational corporations extracting maximum human and material resources while swaying the policies of governing bodies toward less regulatory intervention.<sup>21</sup>

Globalization is fraught with humanitarian and financial problems. While it is unclear what the solutions to these problems might be, there is no foreseeable end to the lowering of trade barriers and tariffs. The prospect of a world government taking control is troubling even if it is unlikely to occur. Such a body would necessarily engage in authoritarian rule to create coherent political associations out of the multitude of conflicting value-related groups.

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<sup>20</sup> Altman, "The Nuke of the 90's," 34.

<sup>21</sup> Korten, *When Corporations Rule the World*.

Thus, policy solutions must recognise multiple value-related groups, the coherent social networks within these groups, and the need for governing structures which command accountability from global financial powers.

## **Networks as Structures of Power**

Social systems arise from the interlocking of mutually affective groups. The defining quality of modern social and economic systems is their use of interlocking directorates and associations for the maintenance and extension of power.<sup>22</sup> These systems of power have existed throughout history, and modern corporate and government bureaucracies extend their dominance through them. Because bureaucracies function on a rational model, the non-rational character of social networks gains greater power because it is not accounted for in the bureaucracies' standard procedure.

The social network operates inside the bureaucracy, but it is always outside of the rules. Those who wield power understand this. The power broker knows that old school ties can secure a deal more certainly than having to go through the standard procedures and established channels. The latter exist more or less to legitimate deals which have been accomplished through other means.

In American society, the student who has proceeded from preparatory school to private higher education and then to a career in academia, the arts, business, or government will understand the relevance of social connections to his or her success and to broader social processes. This *de facto* coalition is more explicitly interlocked at the highest levels of finance, government and education.<sup>23</sup>

In the United States, the *de facto* American aristocracy has been the object of conspicuous emulation by the new middle classes since the

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<sup>22</sup> Cf. Thorstein Veblen, *Absentee Ownership and Business Enterprise in Recent Times: The Case of America* (New York: Augustus M. Kelley, [1923] 1964); and C. Wright Mills, *The Power Elite* (New York: Oxford University Press, 1957).

<sup>23</sup> Cf. Mills, *Power Elite*; E. Digby Baltzell, *The Protestant Establishment: Aristocracy and Caste in America* (New York: Random House, 1964); and Arthur J. Vidich, "Networks and the Theory of Modules in the Global Village," *International Journal of Politics, Culture and Society* 11 (1997): 213-43.

early twentieth century.<sup>24</sup> The introduction of electronic mass media increased this emulation.<sup>25</sup> The White Anglo-Saxon Protestant (WASP) elite and the celebrity class provide visible examples of moneyed conspicuous consumption to the mass audience. The celebrity class, often unwelcome in the private realms of the WASP elite, is publicly invited to mingle with European landed aristocrats and Americans of moneyed descent, with little regard for ethnic background.<sup>26</sup>

On the world scene, the transnational elite of media celebrities, government functionaries, business operatives, and landed families legitimates itself to a world audience by creating vicarious experiences of exoticism, eroticism, and leisure. This elite avoids the image of ‘decadent parasites’ by vicariously including the public in its escapades through the mass media.

There is, though, a more pragmatic function to the decadence and celebrity status of the transnational elite. The young, ascendant elite of the developing world are drawn to this international jet set in part for the glamour and economic freedom permitted it, but also for the power which this group is known to possess.

It is clear to Western politicians, diplomats, and business leaders that the Third World elite, while perhaps poor cousins, are in their own right vital extensions of First World absentee owners. For it is the Third World elite which enables the system of *maquiladora* to continue in El Salvador, the supply of black-market babies to flow from Russia and Colombia, and which enables Western business executives to navigate

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<sup>24</sup> Cf. Thorstein Veblen, *The Theory of the Leisure Class: An Economic Study of Institutions* (New York: Penguin Books, [1899] 1979).

<sup>25</sup> Cf. C. Wright Mills, *White Collar: The American Middle Classes* (New York: Oxford University Press, 1951); Herbert Marcuse, *One-Dimensional Man: Studies in the Ideology of Advanced Industrial Society* (Boston: Beacon Press, [1964] 1991); and Jacques Ellul, *The Technological Society* (New York: Vintage Books, 1964).

<sup>26</sup> Cf. Mills, *Power Elite*; Baltzell, *Protestant Establishment*; Vidich, “Networks;” Joseph Bensman and Arthur J. Vidich, *American Society: The Welfare State and Beyond*, rev. ed. (South Hadley, MA: Bergin and Garvey, 1987); Lawrence Otis Graham, *Our Kind of People: Inside America’s Black Upper Class* (New York: HarperCollins, 1999); see also the weekly society pages of the *New York Times*.

their way through the bureaucratic mazes which characterize business deals in much of the developing world.<sup>27</sup>

This conspicuous dimension of the international upper class at play is an indication of a multicultural democracy of Big Business spawning its own jet set “society.” A combination of studied aristocratic gentility, multicultural exoticism, and emulated new middle class expressionism characterizes this new international leisure class.<sup>28</sup>

In this combination of the leisure class, diplomats, and businessmen and women, one sees in part how the networks of global business and politics are interconnected. In most bureaucratic organizations, the means of command and control are set up in a hierarchical fashion. There is a central authority figure at the top of the organization with a board of directors or trustees who operate in synch with him or her. Depending on the organization, that board will either have more or less power than the chief executive, and will exist either as an advisory group or a dictatorial committee. From the top of the organization descends an ever-increasing series of more complex and inter-linked offices and departments which focus on increasingly micro aspects of the work of the organization. It is at this lower realm, at the tensile end of the extended finger of the organization, that the customer meets the clerk, the student meets the bursar, the passenger meets the porter, the undergraduate meets the teaching assistant, the reader meets the book, and the slave meets the overseer.

Throughout the organization, however, unofficial connections moderate uses of, and access to, power. Those who see the organization only as a series of established channels might survive and even thrive in a specific position. They will, however, not achieve great influence within their particular organization. More importantly, they will also be blind to the crucial role of informal connections between members of separate organizations.<sup>29</sup> Global structures of power are now articulated through these inter-organizational connections. It is only through the

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<sup>27</sup> Cf. Yergin and Stanislaw, *The Commanding Heights*.

<sup>28</sup> Gerald E. Levy, “Thorstein Veblen and Contemporary Civilization,” *International Journal of Politics, Culture and Society* 8 (1994): 26.

<sup>29</sup> Vidich, “Networks.”



exploitation of these connections that policy solutions to human suffering in the global order may be accomplished.

## **Conclusion**

There is little in world history that resembles the force or effect of what we now call globalization. The political and financial orders of the future will look to the latter half of the twentieth century to understand the foundations of those orders. The backward glance may be from a position of despair. Historians and sociologists of the future who examine the current era may be looking out from the rubble of a world which imploded under the combined pressures of a global financial crisis and related military conflicts. Or the world may continue steadily on its present path. International organizations and nation-states may increasingly blend together and meld into a worldwide unit of financial arrangements which increase wealth at the top while broadening the scope of poverty at the bottom of society.

The Weberian model for understanding power structures, however, will apply to whatever power dynamics that might arise. Through that model, we can see how nations and organizations mutate to accommodate various power arrangements. By using the Weberian model to identify the patterns of credit control and political alliances throughout the world, we can understand the present more fully by understanding its connection to the past.

The flexibility of the human race, however, is not infinite. The basic physical and psychological staples we require to remain sane and alive are being threatened. The global order seems largely unconcerned with these needs. At present, the primary concern is with the maximization of profit and the infinite relaxation of barriers to free trade in the pursuit of profit.

For the overwhelming majority of the world's population at the bottom of global power structures, the question is not, *can we maintain our power*, but rather, *can we survive at the discretion of those who currently hold power?* The answer to this latter question is a dubious *perhaps*. History, however, may already provide a more precise and troubling answer to this question.