

AN UNRULY WORLD?

Globalization, Governance and Geography

*Andrew Herod, Gearóid Ó Tuathail
and Susan M. Roberts*



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NEGOTIATING UNRULY PROBLEMATICS

Gearóid Ó Tuathail, Andrew Herod, and Susan M. Roberts

Unruly: not amenable to rule or discipline; ungovernable; turbulent; disorderly.

Oxford English Dictionary

We live in unruly times and, increasingly, in unruly places and spaces. Throughout the globe at the end of the twentieth century, a series of unruly and contradictory problematics are working themselves out across states, nations, economies, environments, and bodies. From the emergence of integrated global financial systems, the globalization of production, the rise of planetary networks (Castells 1996), and the de-traditionalization of identity (Heelas *et al.* 1996), to the collapse of “actually existing socialism,” the end of the Cold War, and the creation of new transnational institutions, longstanding structural forces and processes are colliding and converging to produce a *fin de millénaire* world that is relentlessly compressed and restlessly dynamic, while also spectacularly riven and dangerously fragmented. Just as Halford Mackinder (1904) proclaimed a “post-Columbian epoch” of closed global space at the beginning of the twentieth century, so might one be tempted to proclaim at century’s end the emergence of an “unruly epoch” of ungovernable, turbulent, and disorderly global space. Caught in the maelstrom of the processes which are re-writing the rules of world order are the old masters of global space, the state formations that have historically divided territories and organized economies, ruled sovereignly over populations and corporations, disciplined subjects, and consolidated identities. Absolute rulers no more, the slipping power of states threatens the advent of an unruly world, a world no longer amenable to the state-centric ruling systems and disciplining institutions of the past.

Within numerous of the defining problematics of the late twentieth century – problematics such as globalization, governance, and geography – unruliness appears as a mantra to some and as a paradigmatic and spectral condition to others. In and of itself, the concept of “unruliness” is not a secret cipher to our contemporary global political economy. It expresses no hidden essence nor does it offer divine revelation, a mastering concept

based on a God's-eye view (the position of a Mackinder) from which to make sense of the messy complexity of our world at the end of the millennium. Like all concepts, its multiple uses are delimited contextually. Our interest in it is as a path of entry into the problematics of ungovernable globalization, turbulent governance, and disorderly geography, problematics where "unruliness" registers in ways which divulge certain lines of power and disclose ironic contradictions in the structural trends and tendencies reconfiguring the rules of the globe. In this sense, the unruly is, for us, a question and not an answer, an open line of inquiry and not a closed definitive description. So it is, too, for the chapters that make up this volume which engage the unruly problematics of globalization, governance, and geography in different places, contexts, sectors, and institutional sites. Rather than describe each essay in detail or discipline all in the name of a forced thematic singularity, we wish to use this introduction to articulate the multiple problematics they negotiate, articulating as we go along the particular sites of power addressed by the various chapters in the volume. Our goal in this volume is not to survey the global political economy we work within from some transcendent "geographical perspective" but, instead, to engage with the polymorphous unruliness of our world to gain a greater understanding of its shifting tectonics of power and the faultlines they generate.

GLOBALIZATION

As an imperfect name for a differential and uneven process of transition from an international economy to an imaginary unified global economy, "globalization" is a flexible concept for flexible times, one that is much evoked by commentators and capable of being articulated in a variety of ways (Kofman and Youngs 1996; Mittleman 1996). As a means of approaching the concept, two useful distinctions are worth making at the outset. The first is made by Robert Cox (1996) who notes, following Marx, that capitalism has always been global. Cox usefully distinguishes between a historical materialist and an ideological understanding of the term. From a materialist perspective, globalization has its origins in the crises of the international economic order of the 1970s as the capitalist organization of production began to move beyond the Fordist mode of (national) regulation that had structured it during the immediate post-war decades. Internationally, the bargain between states and capitalist markets that characterized this era has been identified by John Ruggie as "embedded liberalism" (Ruggie 1982). As capitalist production moved to new forms and (global) scales of organization, however, the post-war national bargains established in various countries between capital, labor, and the states began to unravel. Crudely summarized, an international economy made up of discrete and strongly regulated national economies trading with and investing in each other slowly became

eclipsed by a world economy "in which production and finance were being organized in cross-border networks that could very largely escape national and international regulatory powers" (Cox 1996: 22).

Numerous symbolic dates and events characterize this change: the breakup of the Bretton Woods system of fixed exchange rates; the Japanese challenge to the American automobile industry; the global effects of the OPEC oil price increases and the subsequent flooding of the international economy with petrodollars; the fall of Saigon; and the Thatcherite and Reaganite offensive against organized labor and the post-war social bargain in their respective states. In a materialist sense, then, globalization marks a crisis of the nationally constituted territorial rules and regulations governing the relationship of states to capitalism. It marks a shift towards an unruly and ungovernable form of capitalist organization at a global scale, a form of organization promoted and sought by capital itself both materially and discursively. As Cox notes, the world economy grew by taking advantage of the territorial fragmentation of the international economy. "This allowed capital to choose the most propitious site in which to locate diverse phases of a geographically disseminated production process, taking account of differences in labor costs, environmental regulations, fiscal incentives, political stability, and so on" (Cox 1996: 23).

By the mid-1990s it was estimated there were 40,000 corporations in the world whose activities crossed national boundaries, with these firms having an estimated 250,000 foreign affiliates (Anderson and Cavanagh 1996). For these transnational corporations and the states within which they operate, "globalization" has become a pervasive ideology which explains, justifies, and further facilitates their material interests. Globalization is represented as an economically overdetermined necessity, a material inevitability, and a political imperative (Gibson-Graham 1996). It is the material transformation at the center of the increasingly hegemonic discourse of transnational liberalism (also known as neoliberalism), the doctrine that holds that movement towards so-called "free trade" and "open markets" at a global scale is in the interest of all the world's peoples (Agnew and Corbridge 1995). In the discourse of neoliberalism, globalization is the unfolding of the latent potential of *laissez-faire* capitalism to revolutionize the globe. It is seen as a tsunami of transformation that will, sooner or later, wash away the staid regulations of the territorial state, uprooting old bureaucracies and protected markets, and launching them into the global flows of free market capitalism (Luke and Ó Tuathail this volume). It is transnational corporate capitalism's manifest destiny, its vision and promise of an (b)orderless world where consumers are the ultimate sovereigns and "nothing is overseas any longer" (Ohmae 1990: viii). Globalization envisions the re-making of the globe, the transformation of "safe and sleepy markets . . . into fluid and complex business environments where change and uncertainty seem to be the only constants" (Smithson *et al.* 1994: 3).

Such change and uncertainty is reflected in the ways in which transnational corporate capitalism is conceptualized and managed (Barnes 1996). Thrift argues in this volume that a "new managerialism" is emerging in response to a world that appears uncertain, paradoxical, unruly, complex, and chaotic. Whilst traditional managerial discourses have drawn on what Jowitt (1992) calls a "Joshua discourse" founded on the notion that there is a single, God's-eye view of reason which suggests some underlying logic to the organization of the world, more recently what Thrift calls a "Genesis discourse" has begun to gain ascendancy in management (and academic) circles. Whereas in the Joshua discourse order is taken as the rule and disorder as the exception, the Genesis discourse sees disorder as the rule and order as the exception, such that knowledge is no longer based in eternal "truths" but is simply "an archipelago of islands of epistemic stability in a sea of disorder, fluctuations, noise, randomness and chaos." Coincident with such discursive transitions are significant changes in the logistical ways in which global capitalism is managed as numerous corporations rip out layers of middle management and adopt looser forms of business organization which are able to respond quickly to the challenges of an evermore integrated globe. As capitalism has become increasingly globalized, it has also, Thrift suggests, become increasingly oriented around issues of discourse, knowledgeability, and access to information, such that the contemporary discourses articulated by corporations and various management gurus are serving as instruments of the regulation of capitalism through the process of new institutional and subject formation – what Thrift calls the rise of "soft capitalism." Although knowledge has, of course, always been central to the way that capitalism works, increasingly various discursive practices appear to be playing a much more significant regulatory role as the power of the state to regulate through legislative fiat seems to be diminishing. Hence, by way of example, Bridge's chapter in this volume both illustrates and embellishes this point through its analysis of how global mining concerns are reshaping discourses concerning environmental stewardship so that they might negotiate crises of accumulation and legitimization which emerge as a result of challenges by environmentalists.

A second useful distinction for clarifying globalization is that between a "globalization-from-above" and a "globalization-from-below," as elaborated, albeit somewhat simplistically, by Brecher and Costello (1994). For Brecher and Costello, globalization-from-above refers to the globalization sought and promoted by powerful corporate actors and institutions in our contemporary global political economy. It is the command and control globalization being created by transnational corporations thinking globally as they shift from multidomestic to global competitive strategies. It is the US-European Union–Japan triadic management globalization sought and promoted by quasi-state and quasi-private institutions like the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO).

Finally, it is the commodified cultural globalization imagined by transnational media and corporations which project consumer utopias – Disney Worlds and Marlboro countries, Planet Hollywoods and Banana Republics – where consumption not citizenship defines identity and where brand-names like Sony and not nationalist visions of soil are meant to inspire loyalty (Barber 1995).

By contrast, globalization-from-below is Brecher and Costello's somewhat idealistic and normative interpretation of the web of transnational networks and connections between grassroots social movements, non-governmental organizations, and trade unions in many different states trying to ameliorate and democratize globalization-from-above. Like the most powerful actors in our global political economy, they suggest, grassroots activists – whether they be environmentalists and labor unions, farmers and public health activists, human rights groups and women's forums – need to "think globally and act locally," rejecting appeals to chauvinistic nationalism and local prejudice in the name of a more equitable and just globalization (for examples of such activities, see Herod 1995; Roberts, this volume).

The notion of the "unruly" is quite different for these contrasting forms of globalization. Within the neoliberal discourses of the most active advocates and agents of globalization-from-above, a certain form of what we might call "economically correct" unruliness is a vital prerequisite for radical change and future economic success. As a *de facto* vanguard pushing a revolutionary doctrine, the polemicists and practitioners of neoliberalism mythologize the unruliness of the market and demand its emancipation from the fetters and discipline of statist regulations. The revolution they ferment is a revolution to free markets across the globe in the name of rationality, growth, and efficiency, a concerted effort to promote unruliness by abolishing all restrictions, brakes, and fetters on "the market." The resistance of entrenched interests and territorially bound bureaucracies must be overcome. In a world where transnational corporations are "moving at the speed of business" (UPS advertising slogan) globalization is conceptualized in democratic terms as a mythic acceleration ("take-off") towards the future (Thrift this volume). Dromo-globalization as an ideology celebrates visions of an "accelerated transition" to what Toffler (1980) has called "Third Wave capitalism," "friction-free exchange," and "super-conductive" financial markets (Luke and Ó Tuathail this volume). In the technofuturism of Newt Gingrich (architect of the New Right's takeover of the US Congress in 1994), where revolution is only technological and always capitalized, the Third Wave will supposedly re-create the good old mythic days of nineteenth-century *laissez-faire* capitalism and democracy. In his infamous book *To Renew America*, for which Rupert Murdoch's HarperCollins initially paid Gingrich an exorbitant advance fee (which Gingrich was later forced to decline because of the perception of corruption), Gingrich declares that;

more and more people are going to be operating *outside* corporate structures and hierarchies in the nooks and crannies that the Informational Revolution creates. While the Industrial Revolution herded people into gigantic social institutions – big corporations, big unions, big government – the Information Revolution is breaking up these giants and leading us back to something that is – strangely enough – much more like Tocqueville's 1830s America.

(Gingrich 1995: 63; emphasis and capitalization in original)

Classic liberalism is joined to neoliberalism and neoliberalism to democracy in this determinist textbook vision wherein the Tofflers lead us right back to Tocqueville. Third Wave capitalism will supposedly set us free, erasing social barriers and hierarchies and leading, ultimately, to a "market democracy" of small entrepreneurs and innovators in perfect competition with each other.

Gingrich's register of paradox – "strangely enough" – cannot, however, disguise or smooth over the contradictions of such discourse. First, the unruly globalization represented and promoted by neoliberal ideologues as inevitable and imperative (the "there is no alternative" and the "no turning back" slogans popularized by Thatcher) requires strong state action to realize itself. Rewriting the rules for the global economy necessitates the rule of the neoliberal right (or, in countries with nominally leftist governments such as New Zealand and France in the 1980s, at least the rule of neoliberal rites) to deregulate national markets and unleash the revolutionary potential of the global marketplace. With the bound rules of national capitalism as the Bastille to be stormed and finance capital as Robespierre (Greider 1997: 25), the revolutionaries promise the freedom and democracy of a liberated market, where individuals are no longer fettered and encumbered by the repressive and restraining rules imposed by earlier generations of politicians and bureaucrats. However, the state must still be "seized" in order for the market to be liberated. Control of the organs of the national state is still required to manage the perpetual "transitions" neoliberals imagine, transitions from national capitalism to global capitalism, from socialism to capitalism, from the plan to market, from the bureaucratic past to the "opportunity society" of the future (World Bank 1996). Politics becomes infused with the discourse of the neoliberal vanguard, pushing the acceleration of transitions, polemicalizing on behalf of the future utopia of the market, and promising a new world wherein individuals can breathe freely in the fantasy lands of the global techno-consumer society. Yet the utopian future society (which is also a simulacrum of a utopian past) can never actually arrive, for it is a hyperreal artifact of neoliberal discourse, a model of the real that is more real than the messy materiality of actually existing capitalism. Thus, for example, whilst Gingrich and others celebrate the advent of the Age of the Information Superhighway, the most recent US Census shows that in Kentucky there are over twenty rural counties in which more than 20 percent of households have

no telephone (Pack 1995). Despite the neoliberal rhetoric, it is clear that invitations for membership in the opportunity society are only tendered to some and that large segments of the global populace will continue to be blackballed.

Second, behind the "market democracy" imagined by the neoliberal right is the dictatorial ("no alternative") rule of the global market, transnational capital, and the network of transnational institutions fermenting economically correct revolution across the globe. The future ability of even left-leaning national governments to re-write the rules in favor of the less powerful within their own states diminishes considerably as economically correct unruliness is legislated in national law and "locked in" by transnational agreements like the NAFTA, the Maastricht Treaty, and various WTO treaties. Neoliberal unruliness at the state level is part of a larger drive to establish a transnational regime of rules at the global scale. Unruly globalization is a condition that has to be organized by transnational forums (like the Asia Pacific Economic Cooperation [APEC] group and the WTO), actively promoted by transnational organizations (like the IMF and the Bank for International Settlements [BIS]), and sold as rational expertise by neoliberal polemicists, econocrats (Strange 1996), and "eminent persons" (Roberts this volume). It is a global vision, articulated in the name of the general interest, but envisioning the globe as a mess of anachronistic statal rules that have to be re-designed in order to secure the more profound rule of "the market" (Roberts forthcoming a).

One such pusher of neoliberal unruliness is Fred Bergsten, chair of APEC's "Eminent Persons Group" and Director of the Institute for International Economics, a Washington think-tank that exercises considerable influence over US economic foreign policy and has helped formulate the so-called Clinton Doctrine, the belief that the world should become a global market of free trading democracies, with the US economy as its linchpin and guarantor (Walker 1996). In a recent *Foreign Affairs* article titled "Globalizing Free Trade," Bergsten (1996: 105) argued that inter-state arrangements are usually necessary to implement liberalization because "domestic political opposition frequently blocks countries from abolishing their traditional barriers unilaterally." Because "entrenched interests fight hard, and often with prolonged success, to maintain their protected positions" these positions can only be taken out, according to Bergsten, by mobilizing pro-trade interests in an international war of position against them. Until now, that war of position has been most successfully fought by regional groupings like the EU, the NAFTA area, and the APEC group. Whilst these regional and global liberalization initiatives of the GATT process (now headquartered at the WTO) have historically been mutually reinforcing, the generalized offensive against "protected markets" and "entrenched interests" requires careful future coordination. "Avoidance of conflict has required the maintenance of effective global trade rules that

both define the regional arrangements and govern relations between them, as well as an institution to enforce those rules" (Bergsten 1996: 107). The institution which Bergsten believes is needed to enforce the rules and push an ambitious globalization of free trade is the WTO. Consequently, he proposes that the biennial WTO meeting scheduled to be held in Singapore in 1998 be converted into the first global trade summit and, among other things, that the Singapore meeting should appoint "a wise persons group to make recommendations for the future of the trading system" (1996: 115).

In his capacity as chief eminent person to APEC, Bergsten in fact helped organize and advise the 1996 APEC leaders' conference held at Subic Bay in the Philippines. The conference's location – a former US navy base that was subsequently converted into a free port, tourist resort and enterprise zone – symbolized the transition from geopolitics to geo-economics that underpins the Clinton administration's "market democracies" foreign policy. As the new regional hub for Federal Express's operations in East Asia, it also symbolized the Philippines' own effort to launch itself into the fast lanes of transnational commerce. Yet, for many critics it also symbolized the imagined face of globalization-from-above. In its preparations for the conference, the Filipino government bulldozed – like the Indonesian government's "Operation Cleansing" before the November 1994 APEC summit in Jakarta (Greider 1997: 391) – hundreds of squatter shacks along the capital's major roads leading from the international airport to the big hotels and convention sites, rendering an estimated 10,000 people homeless (Richburg 1996). As APEC delegates arrived and drove into town, they were presented with a clear view of freshly whitewashed walls, painted curbs and median lines, 2,000 new street lights, and few "eyesore" squatter camps. Such globalization-from-above did not go uncontested, however. At the same time the 18 visiting Asia-Pacific leaders met at Subic, a coalition of leftist groups organized a counter-conference, the People's Coalition Against Imperialist Globalization, to draw attention to those victimized by globalization-from-above. APEC, they charged, is little more than a vehicle for the rich to get richer at the expense of the poor (Kirk 1996).

Third, despite the rhetoric of deregulation by freeing markets and downsizing government, economically correct unruly globalization is, in practice, not necessarily about *deregulation* at all but about *reregulation* (in the interests of certain groups). In his excellent study of regulatory reform in advanced industrial countries, Vogel (1996: 2) notes that "the rhetoric of globalization, privatization and deregulation serves only to obscure what is going on." He argues persuasively for three propositions, namely: (i) that *deregulation* is really *reregulation*, indeed that the liberalization of markets requires *reregulation*; (ii) that there is no common trend or convergence across the advanced industrialized states in the form neoliberalism actually takes institutionally; and (iii) that states, as we have already noted and as

Webber in this volume demonstrates, are active drivers of the process, in some instances more than the private interest groups which stand to gain from the process of reregulation. The "unruly" in the neoliberal imagination, therefore, is a highly qualified concept.

Indeed, the concept is very much shadowed by the fear that things just might get a little too unruly even for the new transnational ruling class-information, and that certain economically correct rules are necessary to prevent the system degenerating into anarchy. Such fears were voiced by Canada's current Minister for Foreign Affairs and International Trade, Art Eggleton, on the occasion of the May 1996 visit of WTO chief Renato Ruggiero to Canada. Invoking an imagined community of states willing to play by the new international rules of global free market capitalism, he stated:

There is a perception that somehow increasing trade flows is harmful, that it leads to job losses, not job creation . . . We, in the WTO, need to respond to these concerns by showing that *increased adherence to a rules-based system*, together with further trade liberalization, leads to greater economic growth which benefits us all.

(Eggleton 1996, emphasis added)

Likewise, for John Weekes (1996), Canada's permanent representative to the WTO, "globalization is a reality." It has made the "well-being of ordinary people much more dependent on events outside national borders." As a consequence, the world "needs predictable international rules and strong institutions to enforce them." Lest Canada, a country dependent upon trade for its economic survival and with a population of only 30 million, succumbs to the "unfair" practices of unscrupulous competitor states, "there can be only one answer [to globalization]. We need the *protection and security of a rules-based system*, not the rough and tumble of a global jungle where only the powerful survive" (emphasis added). Evidently, for the neoliberal supporters of globalization WTO-style "deregulation of the market" is just fine, so long as everybody plays by the same set of rules and long-standing lines of power are not threatened by brash neophytes in the global marketplace. Neoliberalization, in dissolving and deregulating the old rules of national capitalism, requires that the new rules governing the transition to the mythic global economy are observed by all and enforced by institutions with real power.

GOVERNANCE

Michel Foucault (1991: 93) defined governmentality as "the right disposition of things, arranged so as to lead to a convenient end." Until the twentieth century, the various govern-mentalities that helped define the modern world resided within powerful states (Taylor 1996). The disastrous inter-state wars of the twentieth century helped give impetus to the establishment of a set of

govern-mentalities that would transcend and regulate the behavior of states within what was then still an inter-state system. While the League of Nations largely failed as an experiment in trans-state governmentality, the United Nations has become a more successful (though unevenly so) site for the organization and consolidation of trans-state governmentalities. Founded by some 50 states in San Francisco in 1945, the organization is today perceived by many as in need of fundamental reform if it is to respond flexibly to the challenges of the late twentieth century. The Commission on Global Governance (1995), a group of international politicians and senior government officials, many of whom are closely associated with the UN, recently concluded that structural transformations and systemic changes in what is now a global system make improved arrangements for the governance of this system imperative.

The challenges facing the world today are vastly more complicated than those that confronted the delegates in San Francisco. They demand co-operative efforts to put in place a system of global governance better suited to present circumstances – a system informed by an understanding of the important transformations of the past-half century and guided by enlightened leadership.

(Commission on Global Governance 1995: 39)

The global govern-mentality envisioned by the Commission – a govern-mental imagination that skates over the contradictions and the politically contested nature of the key concepts, ideals, and goals of global governance (Baxi 1996) – is just one of many different responses to the changing problematic of and for governance at the end of the twentieth century (for an earlier Trilateral Commission inspired reading of this problematic see Crozier *et al.* 1975). Let us take a closer look at three aspects of this changing problematic.

First, economic globalization has altered the power relationship between states, corporations, and markets. For a start, the relative economic power of most states *vis-à-vis* transnational corporations has shifted considerably. Comparing corporate sales to gross domestic product, Anderson and Cavanagh (1996) note that of the 100 largest “economies” in the world, 51 are corporations but only 49 are countries. Amongst their findings are that Mitsubishi, the largest corporation, has sales greater than the gross domestic product of Indonesia, Denmark, and Thailand. Ford Motor Company is larger than Turkey, South Africa, and Saudi Arabia. Wal-Mart – the 12th largest corporation in terms of sales – is bigger than 161 countries, including Israel, Poland, and Greece. Overall, the combined sales of the top 200 corporations accounted for 28.3 percent of the world’s GDP. Likewise, global trade and international investment have also mushroomed in recent years. Currently world transnational trade is growing at about 8 percent per year, a rate three to four times faster than the growth in global production.

Whereas annual foreign direct investment inflows to all countries averaged some US\$50 billion in the first half of the 1980s, by 1993 they had risen to US\$194 and are currently over US\$200 billion (Bank for International Settlements 1996).

More dramatic still is the power of transnational financial markets. Cross-border transactions in bonds and equities among the G-7 countries (excluding the UK) jumped from 35 percent of GDP in 1985 to approximately 140 percent in 1995, whereas a survey of the global derivatives market indicated that the outstanding value (at least on paper) of derivative contracts totaled some US\$40 trillion in over-the-counter markets alone (Bank for International Settlements 1996). Private traders can now successfully undermine the ability of certain central banks to manage their own currencies, as George Soros demonstrated so spectacularly when he forced Great Britain out of the European exchange rate mechanism (Greider 1997; Millman 1995). The global financial system is itself exceedingly unruly. As the BCCI scandal, the Barings Bank, and the Nomura Securities cases demonstrate, the rules governing the global financial system depend on codes of conduct which are often ignored. Furthermore, many new global banking centers make their money from their ability to ignore or get around the conventional rules (Roberts 1995). The unruly status of these places – the Bahamas, Channel Islands, Luxembourg, Panama, the Cayman Islands – makes them attractive banking locations for both “legitimate” and “illegitimate” business, for both well-established transnational corporations and the networks of criminal enterprises from Columbia to Russia who use these offshore banking centers for laundering their illegal funds (Farah 1996).

Second, there is considerable evidence that states as public authorities charged with the welfare of their populations are failing. The phenomenon of the “failed state” has become a conceptual category all to itself in the late twentieth century. At an extreme, one has the “failed states” of Afghanistan, Rwanda, Zaire, and elsewhere whose spectacular failure is picked up by global media networks and used to generate increasingly frequent imperatives of intervention and assistance on the part of the developed world (Luke and Ó Tuathail, 1997). Less extreme, but none the less pervasive, is the state failure induced by endemic corruption within state institutions and governing bodies. Few contemporary states escape from some form of corruption or other. The most spectacular instances of official corruption – misuse of public office for private and/or illegal ends – in recent years have involved states from India to Italy and from Saudia Arabia to South Korea. Long-standing institutionalized kleptocracies include Nigeria, Zaire, and Mexico. Political leaders from Pakistan, Turkey, Japan, Mexico, the United States, and China have fought charges of official corruption in recent years. Combined with an inability of many regulators even to understand fully how some new financial instruments operate (witness the debacle over derivatives), a new kleptomania appears to have suffused many parts of the global financial and

governmental system. Add to this the growing insolvency of many states and one has a generalized, rather than a regionally specific, problematic of "state failure."

Many of the reports of the failure of states as institutions, of course, tend to be ideologically colored by a neoliberalism which holds that states are failing when they inhibit or regulate markets. States are interpreted as nascently corrupt institutions prone to failure, while markets are read as innately liberative and democratic institutions destined to succeed. Leiken's (1996) reading of the epidemic of corruption across the globe, for example, sees corruption as a phenomenon of states and imperfect markets under political control. He prescribes neoliberal reforms as potential solutions to corruption. Yet, despite the neoliberal rhetoric, it must be noted that some of the most spectacular cases of corruption in recent years have, in fact, been associated precisely with drives towards marketization and the privatization of state industries, such as those in Central Europe and Latin America (Oppenheimer 1996). The neoliberal-induced traumas of Mexico, with its peso crisis, international bailout, endemic political corruption, assassinations, bankruptcies, income polarization, narco-capitalism, and political rebellions may well be paradigmatic for the future of many states in our current world order (Ó Tuathail 1997).

Third, it appears to many that the post-Cold War world has not given birth to a stable New World Order but, instead, to a dangerously unruly world disorder of rogue states and nuclear outlaws (Klare 1995), proliferation threats (Sopko 1996), fanatic nationalism (Moynihan 1993), Islamic terrorist threats (Esposito 1992), rising infectious diseases (Gartett 1996), and an emergent "clash of civilizations" (Huntington 1996). With the relative decline of distance and territory as factors in strategic calculations, some geopoliticians have argued that we have moved from a world of spatially delimited "enemies" to a world of spatially diffuse and omnipresent "danger" – global environmental destruction, drugs, terrorism. Many of these dangers are not new but have become official discourses of danger in the absence of "the Soviet threat" in order to re-legitimate national security institutions, intellectuals, and ideology. The fact that they are not necessarily new certainly does not make them any less real as threats. However, unlike the Cold War where the threat was narrowly defined and territorially isolatable, in the post-Cold War world threats are diffuse and post-territorial.

Whilst haunted by the unruly, the failure of states and crisis of governance at the end of our century can easily be overstated. Though on the defensive against a world economy it cannot control, the state, as Eric Hobsbawm (1994: 576) notes, is neither a redundant nor an ineffective institution of governance. As Samers (this volume) shows in his study of the French state's regulation of foreign migrant workers, in some arenas the power of the national state has remained quite strong and, perhaps, even increased in recent years. Information technology has strengthened the capacity of many

states to monitor and control the affairs of their citizens and corporations – though, in certain circumstances, it has also done the opposite (Gill 1995; Meiksins 1996; also, Herod this volume). Advances in military technology have given states more lethal destructive firepower than ever before in history. The end of the Cold War has arguably made Western states in general, and the United States in particular, more powerful and hegemonic than at any other time in the twentieth century.

The problematic of governance at the end of the twentieth century is best expressed, then, less as the "end of the nation-state" (Dunn 1995; Guéhenno 1995; Horsman and Marshall 1994), or the inevitable ascendancy of unruliness, than as the *globalization of the state* and the globalization of governmentality, with globalization being understood both in its materialist and also its neoliberal ideological sense. Both these processes can be conceptualized as a further stage in what Robert Cox (1987: 253–67) termed "the internationalization of the state." By this Cox was referring to the process whereby national institutions, policies, and practices become adjusted to the evolving structures and dynamics of a world economy of capitalist production. Cox identified three dimensions of this process. First, "there is a process of interstate consensus formation regarding the needs or requirements of the world economy that takes place within a common ideological framework." Second, participation in the negotiation of this consensus is hierarchical. And third, "the internal structures of states are adjusted so that each can best transform the global consensus into national policy and practice" (1987: 254). He also identified three historical stages in the process whereby the state has become increasingly internationalized. The first of these was characteristic of the 1930s when states were relatively strong *vis-à-vis* the world economy and protected their populations from it (Polanyi 1944). The second occurred after the Second World War with the establishment of the Bretton Woods system which represented a compromise between the accountability of governments to the institutions of the world economy (particularly its sources of liquidity) and the "accountability of governments to domestic opinion for their economic performance and for the maintenance of welfare." The third stage is better described as the globalization of the state and governmentality, for it marks a restructuring of the state/world economy and national/international compromise in favor of the transnational institutions and networks of power which dominate the current world economy. The globalization of the state marks a further erosion of the role of the state as a buffer against the world economy, an intensification of an already existent tilt towards trans-state sources of power, authority, and decision-making. Following Cox's points, we can further elaborate on the three characteristics of this restructuring of the role, power, and posture of the state and governmentality.

First, the process of inter-state consensus regarding the needs and requirements of the world economy is forcing states to delegate many of

their sovereign powers upwards to quasi-governmental and quasi-private transnational institutions and actors. States are becoming increasingly enmeshed in transnational organizations, groupings, and structural practices. As Held (1995: 92) notes "the meaning of national decision-making institutions today has to be explored in the context of a complex international society, and a huge range of nascent regional and global organizations which transcend and mediate national boundaries." The modern state, in other words, is "trapped within webs of global interconnectedness permeated by quasi-supranational, intergovernmental and transnational forces, and unable to determine its own fate." Joining supranational institutions, like the UN, WTO, the IMF, the OECD, NATO, ASEAN, NAFTA, APEC, or the EU, requires states to submit to their criteria for membership, rules of arbitration, and lines of power. International institutions are, as Cox (1987: 259) notes, "particularly important in defining the ideological basis of consensus, the principles and goals within which policies are framed, and the norms of 'correct' behavior."

Second, these transnational organizations are hierarchically structured. While wealthy developed states can be active participants in the negotiation of the "needs of the world economy," less powerful states must belong yet have very little say over the direction of these institutions or even their *de facto* participation in them (witness the forcible imposition of Structural Adjustment Policies on various African countries by the World Bank and the International Monetary Fund). States effectively become instruments facilitating the globalization-from-above determined by these organizations. They are required to adopt aggressive neoliberal growth strategies which involve the establishment of the techno-infrastructure for them to become part of the circuits of the global economy (as the Philippines and Mexico are seeking to do), the dismantling of "outdated" regulations governing the national economy, the privatization of state monopolies, and the drastic reduction of all social expenditures. In order to succeed, states must internalize the transnational consensus – what is sometimes called "the Washington consensus," namely that open, deregulated, and free national markets are the required recipe for success in the new global economy – and become entrepreneurial. Webber (this volume) outlines how, in the case of Australia, the recipe has been followed. A growth strategy based on internationalization of the economy has been implemented as a deliberate policy by the Australian state. Rather than being merely a response to globalization, the actions of the Australian state (and many others) have been components in its own globalization.

Third, instead of serving as a buffer or negotiator between its population and the world economy, the state's role is restructured so it becomes a conduit and transmission belt for the new rules and requirements of the global economy. States are expected to localize the prevailing transnational liberal orthodoxy by re-inventing government as a flexibly specialized

ensemble of institutions that facilitate, enable, and enhance globalization (OECD 1995; Ould-Mey 1996). The govern-mentalities of state managers become globalized as they downsize the state, deregulate its economy, and re-conceptualize citizens as human resources and clients in need of management and service. Previously Fordist Western states in particular are also forced to restructure their internal social bargain to attract global flows of capital, a process which is increasingly leaving many people behind. Paradoxically, such people have the potential to be unruly citizens of the new global society, threatening social upheaval as they are both forced out of work by the restructuring of the global division of labor and simultaneously have the old Fordist welfare safety-nets cut out from beneath them. Part of the process of the globalization of the global state, then, is managing the shift from welfare to workfare – a new "policy orthodoxy." Thus, as Peck in this volume shows with his analysis of welfare reform in Canada – a state which itself has been a laboratory for neoliberal experimentation for some time and which, as Agnew and Corbridge (1995: 201) note, has an important place in the historical development of the transnational liberalism its governmental representatives currently articulate (Merrett 1996) – the "commodification of labor reproduction, the marketization of welfare, and the associated enforcement of 'self-sufficiency' through low-wage employment" have, in Canada, been linked to "attempts to impose new regimes of 'moral regulation'" to exorcize what are depicted as social pathologies associated with welfare. Likewise, in the US current efforts to repeal some of the protections offered workers under employment and labor law are part of a dual pronged attack on organized labor and low wage workers to remove "rigidities" which threaten labor market flexibility and to bring low wage workers off state welfare rolls and back into the national, and indeed global, labor force (Herod 1997a).

This generalized move towards the globalization of the state and its govern-mentalities is nevertheless deeply fraught with tensions and contradictions of many kinds, each of which is negotiated and managed (temporarily) in different ways in different locations. As a structural tendency, these processes heighten the potential unruliness of the global system for they dismantle the role states have historically played as social protection systems and expose national populations to the speed and restless vagaries of a world economy that is not ultimately controlled by any one site or disciplined by any one set of institutions. As Falk (1995), Gill (1996), Held (1995) and others demonstrate, not only are the traditional powers of the state compromised by globalization and governance from above, but so also is the very theory and practice of democracy. Held's (1995: 135) question – "can the principle of democratic legitimacy be defended when the international order is structured by agencies, organizations, associations and companies over which citizens have minimum, if any, control, and in regard to which they have little basis to signal (dis)agreement; and when both routine

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and extraordinary decisions taken by representatives of nations and states profoundly affect not only their citizens but also the citizens of other countries?" – is a pertinent one that anticipates profound legitimacy problems for those pushing greater and greater degrees of economically correct, politically predetermined, and econocratically concentrated forms of "governance-from-above" (see Roberts this volume). The "Washington consensus" is built on the slogan "there is no alternative," but it is a narrow elitist consensus that has little popular legitimacy. Certainly, unruly times lie ahead for the forms of global governance being pushed by the powerful and no amount of assimilation and co-optation of noble cosmopolitan ideals and democratic sentiments – such as that found in the Report of the Commission on Global Governance – appear able to prevent this.

GEOGRAPHY

Clearly, the drive to implement a globalization-from-above and the restructuring of governance have profound implications for the geographical structures that bound and condition people's everyday lives in our global political economy. The dark fears of the powerful have a material basis, for the world is – for the majority of its peoples – starkly oppressive, unruly, and violent. The geography of this form of unruliness is a highly uneven one. The United Nations' *Human Development Report* 1996 notes that in the past 15 years "the world has become more economically polarized – both between countries and within countries. If present trends continue," it notes, "economic disparities between the industrial and the developing nations will move from inequitable to inhuman" (UNDP 1996: iii). The figures on global inequality are truly startling:

- Of the \$23 trillion global GDP in 1993, \$18 trillion is accounted for by the industrial countries, with only \$5 trillion generated in the countries of the developing world, even though they are home to nearly 80 per cent of the world's people.
- The poorest 20 per cent of the world's people saw their share of global income decline from 2.3 per cent to 1.4 per cent in the past 30 years. Meanwhile, the share of the richest 20 per cent rose from 70 per cent to 85 per cent, doubling the richest to poorest ratios from 30:1 to 61:1.
- The assets of the world's 358 billionaires exceed the combined annual incomes of countries with 45 per cent of the world's peoples. (UNDP 1996: 2)

While this stark income inequality has a strong geographical basis – with 35 countries in Africa, 22 in Latin America and the Caribbean, 20 in Eastern Europe and the former Soviet Union, and 14 Arab states worse off now, on aggregate, than decades ago – it also has a strong class basis, for income

polarization has increased dramatically within states as well as across the developed/developing state divide (UNDP 1996: 13-17). Reflecting on these trends, Manuel Castells (1996: 145) has described the architecture of the new global economy as asymmetrically interdependent, "organized around three major economic regions [Europe, North America and Asia Pacific] and increasingly polarized along an axis of opposition between productive, information-rich, affluent areas, and impoverished areas, economically devalued and socially excluded." Likewise, Alain Lipietz (1992: 174) has suggested that the US and other developed countries are experiencing a process of "Brazilianization" wherein income polarization is becoming evermore exacerbated as market forces have been unleashed through deregulation. These evermore sharply drawn geographies of inequality, exclusion, and polarization are to be found repeated at all scales. Sweatshops employing immigrant women and children are routinely "discovered" in the hearts of world cities such as Los Angeles, New York, and London (e.g. Noble 1995; Van Natta 1995). "Gated communities" of guarded suburban affluence are built just a few miles away from often racialized and criminalized centers of extreme deprivation in most US cities (Davis 1992; Rutheiser 1996). Not just spatially close, these zones are of course interlinked through relations of asymmetric dependence. The ghettos of East Los Angeles or the South Bronx are home to the janitors and low-paid clerical workers who literally keep the wheels of global financial capitalism clean and turning through their labors in the scrapers and office blocks of downtown Los Angeles and Manhattan.

The relations of power demarcated by such geographies of inequality operate across scales and domains. The spatial patterning of the global economy is changing rapidly yet remains highly differentiated and uneven (Daniels and Lever 1996). In the US, for example, old manufacturing centers have become deindustrialized rust belts as new regional complexes of industry develop elsewhere at a fast pace, only to find themselves competing with yet newer industrial spaces emerging even further afield. For instance, whereas South Korea has undercut US producers in many industries, employee rights in South Korea are currently being systematically undermined by legislative changes that the government insists are vital in the face of competition from even lower-cost China (Wilbur 1997) – although this is not an uncontested process, as recent scenes of strikers and riot police in Seoul and elsewhere indicate. Likewise, despite so-called global markets in finance, there remain identifiable centers of concentrated market power (such as London, New York, Tokyo) and massive zones of exclusion (such as most of Sub-Saharan Africa). Even within locales, zones of access and zones from which (formal) financial markets have withdrawn are becoming typical (Leyshon and Thrift 1996; Pollard 1996). This geography of contrast and inequality evokes the specter of a world and its states divided into "wild" zones of unruliness and structural violence, and "tame" zones of relative order and enclaved affluence (Ó Tuathail and Luke 1994).

As populations find themselves in a world in flux, the logic of transnational liberalism purports to explain that they, as components of a globalized economy, must now organize to compete against other scattered populations to reap whatever benefits may accrue to those who host capital. Meanwhile, transnational corporations play states and localities against one another as each locale attempts to secure investment by entering into bidding wars for investment and the hope of jobs. So, paradoxically, as the scope of capital has globalized, as the annihilation of space by time has proceeded, as old market and regional boundaries have been erased, and as the whole world becomes a corporate playing field, "finely graded differences between places now make a considerable difference" for corporate investors and the varied geographies of the human condition become more significant than ever before (Harvey 1996: 246–7). Even slight differences in wage rates, tax rates, or population attributes seem magnified. As capital is able to flow more quickly across the surface of the globe, corporate decision-makers, investors, and traders must be able to evermore quickly take advantage of nano-seconds – temporal units themselves created by the fast capitalist machines of our time – of opportunity for profit-making. Equally, those seeking globalization-from-below are caught up in the flows of an ever-accelerating capitalism and many are now themselves turning to high-tech telecommunications devices such as the Internet as a means of organizing within the nascent geography of globalization (Herod, this volume), although given the differential access of peoples to such technologies this new political geography of protest is itself highly spatially uneven.

Populations can also respond to the uneven spatiality of the contemporary world economy by moving. Whether it is Sri Lankan men migrating to the Persian Gulf to work in the oil business or Sri Lankan women migrating along the same routes to work in domestic service, men from Chiapas or Oaxaca in southern Mexico migrating to the United States to work in agriculture or young women and girls from northern Mexican states migrating to the Mexican-US border region to work in the maquiladora assembly plants, or indeed any number of other migrant groups, the world economy continues to rely on uprooting large numbers of people in order to supply labor needs. Despite the suggestion that globalization has reduced states' powers to regulate, as Samers (this volume) shows they are still very much involved in attempts to regulate transnational labor flows, and indeed some (such as the Philippines) are actively promoting labor migration abroad as a development strategy to gain foreign exchange in the form of money sent home by their nationals working abroad.

In addition to the changing spatialities of the world economy, new geopolitical and political geographies are being wrought. The relatively orderly and unambiguous geography of geopolitical blocs that characterized the Cold War has splintered, leaving many actors – states, corporations, labor unions – to try to fashion a new form of governance out of the

pieces (Herod, this volume). Extreme fragmentation, such as in the former Yugoslavia, has been accompanied by massive violence and dislocation. Meanwhile other countries, such as those of the former Soviet Union and Eastern and Central Europe, have become defined under transnational liberalism as "emerging markets" in which particularly raw and unruly forms of capitalist enterprise (leading many in the region to refer to it as the "Wild East") are taking hold (Ó Tuathail 1997). Even the People's Republic of China has, on its southern margins (including Hong Kong, Macau, and the Special Economic Zones of Guangdong Province), a region of hyper-capitalism which is largely responsible for giving China an average annual growth rate in GNP per capita that is tied with South Korea's as the world's highest for 1985–94 (World Bank 1996: 188). The immense social disruption engendered by these sorts of rapid and far-reaching political and economic shifts is reverberating as populations struggle to evaluate, respond to, and control the forces of change.

The ways in which changing spatialities are experientially felt has forced a rethinking of many once-taken-for-granted concepts such as geographical scale. Scales (such as the global, the national, the regional, and so forth) are social "products" (Smith 1993, 1994; Herod 1991, 1997b) and the ways in which scales are produced and known alter as the spatiality of human life changes. It has become commonplace to find the global in the local (in consumption choices in the developed world, for example), and to find particular local(e)s that have globalized (Shiva 1993). However, the ways in which the global and local are mutually imbricated are not the same everywhere nor for everyone. They are not symmetrical and, of course, may not be totally new as they are overlain on old spatial interrelations (Hirst and Thompson 1996). Relations between, across, and through different scales are seen by many to be more complexly drawn in the contemporary world. The ways that scales have tended to be self-evidently defined around territorially bounded coalescences (such as the regional or the national) with identifiable differences between them are not making the same kind of sense they once did. The criss-crossing of scalar levels by inter-linked relations of power, flows of goods, services, information, money and people – "flowmations," as Luke and Ó Tuathail (this volume) dub them – and the ways such crossings are changing what the local or the global might mean, has led some to posit new ways of conceptually grasping scale (Luke 1995), hence Swyngedouw's "glocalisation" (1992) and Appadurai's "scalar dynamic" (1990), for example (see also Roberts forthcoming b).

The changing and hugely varied ways distance and proximity are reconfigured and experienced as scalar restructuring proceeds are dramatically shaping processes of subject formation in the contemporary world. Together with the structural tendencies towards intensified income polarization, rapid political change, and spatial exclusion, corporeally experienced (Probyn 1990) scalar restructuring is wrapped up in changing processes of identity

As should be evident, then, the question mark after the title of this volume is extremely important. If one conclusion emerges from the varied chapters collected herein it is that the "unruly world" of the late twentieth century is most certainly not bereft of structures of organization and power. Indeed, one of the paradoxes all the chapters endeavor to tackle in their varying ways is that our global political economy is both more unruly and yet also more ruled than ever before. An old statist order of rules and regulations, governmentality and discipline, production and subjectification is breaking apart. An inter-state order of "embedded liberalism" has given way to a globally "dis-embedding liberalism" (Bauman 1995). New transnational and corporate orders of power, regulation, discipline, govern-mentality, production and subject-formation are jockeying to take their place. The result is not a "clash of civilizations" but a "clash of rules" governing the global. Generated by this clash is a highly variegated, messy, and heterogeneous world of "actually existing globalization." The chapters in this volume engage varied aspects of this actually existing globalization knowing that the question of unruliness is not the master key to this world but that it nevertheless is a significant sign of our times, and of our places, spaces, and personalized selves.

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and subject-formation. With states increasingly impotent in the face of some global flows, the potential for backlash against many aspects of globalization – the downward leveling of wages, increased economic insecurity, overarching global "behemoths" (corporations, bureaucracies, and banks), "locked in" transnational liberalism, illegal immigration, cultural cosmopolitanism, and hybridity – is very high. Paradoxically, as globalization has led on the one hand to the emergence of an increasingly global civil society, on the other it has produced a retrenchant territorial parochialism often manifested in the form of strident nationalisms (Marden 1997). Such a backlash, a struggle variously depicted as Jihad versus McWorld (Barber 1995), nationalism versus cosmopolitanism, or fundamentalism versus flows, is already occurring across the globe. Even in the relatively affluent quarters of the developed world the rising popularity of political movements such as the neo-Nazi Freedom party in Austria, the persistent attraction of the National Front to many in France, and the continued resonance of Buchananism for large numbers in the United States (Luke and Ó Tuathail this volume) indicate that reactionary responses to a disorientation presumed to be brought on by globalization are widespread (see Kern 1983 for an account of how similar disorientation at the end of the nineteenth century affected political and social developments).

Processes of subject-formation always occur somewhere and always occur relationally. That is, subjects are formed and exist in particular places and in particular (gendered, "racialized," etc.) webs of relations with other subjects (Pile and Thrift 1995). Therefore, as place is reconditioned, recalibrated, and rewired by global flowmations of power, so also is the relationship of place to identity formation. The varied ways in which human subjects come to know and define themselves (and others) are implicated in what Massey describes as "an ever-shifting social geometry of power and signification" (1994: 3). Certainly, the well established politics of identity revolving around essentialized links between particular identities and particular places or territories persists, though the social mechanisms and logistics of this relationship between identity and place now are different than those of earlier in the century. This fixing of identity to place – often in the face of "threats" in the shape of immigration, external control by "others," global homogenization, or delegitimation by a state – can result in a familiar nativist xenophobia and exclusionism. As it did earlier in the century, such xenophobia and nativism can lead to violent pogroms and genocide. Yet the entwining and essentializing of identity and place today occurs through the logistics of globalization itself, by using its technologies of communication and the possibilities it opens up for re-inventing and re-designing essentialist myths of identity and place. As Barber (1995) notes, movements of exclusion and fragmentation are not simply opposed to, but paradoxically also promoted and delivered by, means of global flowmations. It is not only Jihad *versus* McWorld but also Jihad *via* McWorld.

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THE RISE OF SOFT CAPITALISM

Nigel Thrift

Order and disorder, the one and the multiple, systems and distributions, islands and sea, noises and harmony, are subjective as well as objective. Now I am a multiplicity of thoughts, the world is now as orderly as a diamond. What fluctuates are the order and disorder themselves, what fluctuates is their proximity, what fluctuate are their relationship to and penetration of one another.

(Serres 1995a: 131)

The irony . . . is that while universities become more like companies, companies are trying to become more like universities. Computer companies rechristen their headquarters campuses. Consultancies publish learned journals and organise research projects. The explosive growth of executive education means that professors have to be able to hold their own with practising managers.

(*The Economist*, April 13 1996: 83)

The virtual organization is to be understood primarily as a form of rhetoric, that is, as advice spoken by managerial professionals – not to mention professors of management – in ways that are not necessarily coterminous with organizational practice itself. Although many of the dogmas attributed to the virtual organization are indeed to be found in actually existing organizations, some might contest that the vision of the virtual organization we have laid out . . . remains a kind of projection, a rhetorical mirage removed from the actual daily activities of organizational life. Yet we wish to reiterate that this last distinction – between organizational rhetoric and reality – strikes us as a misleading one, and our argument has been as much a defence of taking rhetoric seriously as it has been a disruption of rhetoric itself. To draw a dividing line between discourse and actuality – labelling one fake and the other worthy of study – is a mistake that has long plagued the social sciences, and organizational science in particular. Against this tradition, it is time to take mere rhetoric seriously, as only such an inquiry will