

# Theorizing the transnational: a historical materialist approach

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Although transnational relations is a frequently employed phrase in international relations (IR) since the early debates of the 1970s, the literature in fact still shows surprisingly little theorization of the concept. Seeking to theorize ‘the transnational’ beyond what is currently on offer in mainstream IR discourse, this article argues that the field of transnational relations has in fact much to gain from the insights articulated by the transnationalist perspective elaborated within ‘transnational historical materialism’, and in particular by the ‘Amsterdam Project’ in International Political Economy. After presenting a critical review of what are interpreted as liberal, ahistorical and actor-centred perspectives on transnational relations dominating the mainstream, this article elaborates and builds upon this alternative transnationalist perspective by showing how it is grounded in a historical *materialism* emphasizing the constitutive power of transnational (economic) *structures*, while at the same time re-claiming the role of *class agency*. Briefly sketching on this basis the development of transnational relations in the global political economy, the article examines the theoretical implications of such a historical (materialist) analysis for a theory of transnational relations. Rather than viewing transnational relations as moving us beyond international relations altogether, it is concluded that the question is rather how the former gives content to the latter. Critical here, it is argued, is the process of *transnational class formation* and the role of capitalist class strategy beyond national borders in restructuring global capitalist social relations.

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## Introduction

Transnational relations are as old as international relations.<sup>1</sup> Yet, it can be argued, the former has witnessed significant intensification as part of the so-called globalization process. In this respect, it is striking that even though more and more international relations (IR) and international political economy (IPE) scholars conceive of their object of study in terms of a ‘globalization of



world politics' (Baylis and Smith 2001), IR *theory* has advanced little in terms of theorizing the nature and impact of transnational relations. This is, as Nölke (2003a) notes, in spite of the many (relatively dispersed) empirical studies of transnational phenomena that are being produced. More than three decades after Keohane and Nye's (1971) special issue of *International Organization* on the topic, there is still not much that can count as *transnational relations theory*. The lack of theoretical reflection on 'the transnational' is particularly apparent within the mainstream IR/IPE debate.<sup>2</sup> In contrast, within what may be termed 'critical' or 'radical' (broadly construed) IPE, attention to transnational relations has been much more sustained. This is particularly the case for the broad array of neo-Gramscian perspectives (Morton 2001) within IPE. Here, the work of especially Robert Cox (1986, 1987) and Stephen Gill (1990) has been groundbreaking. Yet neither Cox nor Gill offers a full theoretical understanding of 'the transnational' (as in relation to the international, the global, etc.). Within what has also been called *transnational historical materialism* (Gill and Law 1988: 65; Overbeek 2000) the Amsterdam IPE project — the focus of this special issue — perhaps represents the theoretically most elaborate approach to transnational relations. It also represents a relatively specific approach — building upon a particular class-analytical perspective — that has close affinity with the work of Cox and Gill but in important respects also goes beyond this particular neo-Gramscian perspective (on this, see Overbeek in this issue).<sup>3</sup>

Seeking to theorize 'the transnational' beyond what is currently on offer in mainstream IR discourse, this article argues that the field of transnational relations has in fact much to gain from the insights articulated by the transnationalist perspective elaborated within the Amsterdam IPE research programme. This contribution, then, seeks to outline and further advance this transnationalist perspective by placing it within the wider context of current IR theory in this field. In contrast to the liberal and actor-centred perspective on transnational relations dominating the mainstream, the perspective presented here is grounded in a *historical materialism* emphasizing the importance of transnational (economic) *structures*, whilst at the same time reclaiming the role of *class agency*. From this perspective, it is argued that the world of international relations has from the start been inextricably bound up with the expanding capitalist world economy and thus *embedded within and shaped by transnational social relations* growing out of that globalizing capitalism. The growth of these relations does not lead to an end of international relations, but means that the latter, in *content* terms, can only be understood in a context that is neither national nor international but instead subsumes both; that is, it is transnational.

Whereas others both within and outside IPE have also acknowledged the importance of transnational capitalism in this respect, the specific contribution



of the Amsterdam Project (AP) lies in its focus on what is conceived as a process of *transnational class formation*. The *core argument* made is that as classes form transnationally — a process thus far largely restricted to (fractions) of the capitalist class — instances of transnational class agency become important vectors of contemporary global politics. Specific — also compared to other neo-Gramscian perspectives — to the work of the Amsterdam group is its emphasis on struggles *within* the capitalist class, struggles between what may be termed rival ‘fractions’ striving for hegemony within the bourgeoisie, and subsequently over other social groups.

This article is organized in four main sections. In the section below I pose the question of how to theorize ‘the transnational’ in the context of IR/IPE theory by providing a critical review of the most prominent mainstream theorizations of transnational relations. Informed by this critique, I then outline the historical materialist foundations of an alternative transnationalist perspective in the second section. On this theoretical basis, the third section considers the origin of transnational relations within the capitalist world market and briefly examines how subsequent processes of transnational class formation developed within and shaped the global political economy. The final section examines the theoretical implications of such a historical (materialist) analysis for our attempt to theorize transnational relations.

### **Transnational Relations and Mainstream IR/IPE Theory: A Critique**

The central question of this article is how best to conceptualize transnational relations and how to incorporate our analysis of them into our understanding of world politics (cf. Risse 2002; Nölke 2003a). What needs to be done first is to answer the question of what transnational relations actually are. More than simply a definition of transnational relations, a theory should provide us with an understanding of their nature in an ontological sense. Before reviewing the mainstream literature, let me explicate some basic considerations informing my critique.

A first point of departure for conceptualization of ‘the transnational’ presented here is that it *does not constitute a ‘level’*, as opposed to say the ‘national level’, and possibly synonymous with the ‘European’ and the ‘global levels’. With IR discourse being full of talk about levels, this is in fact quite common parlance. Such language, however, tends to miss the fundamental point about transnationalism, which is that ‘the transnational’ is precisely a phenomenon that *extends across, and thereby links as well as transcends, different (territorial) ‘levels’*. Thus, as Anderson writes, the transnational includes ‘state, supra-state and sub-state in a multi-level conception which can also accommodate *non-territorial phenomena*’ (Anderson 2002: 16; also



Overbeek 2003: 4). In the review below, I observe that in fact much of the literature does not seem to fully grasp this ‘multi-levelness’ inasmuch as transnational actors are conceptualized as operating at a *level* above the (nation-)state, or in fact outside of it. Of course, the latter is an empirical impossibility (unless we imagine transnational actors as operating from international waters or from outer space) as long as the world at least formally continues to be divided into territorial units called states. Although it is one thing to argue that transnational social forces have transcended those territorial borders in their *constitution* as transnational actors, it does not follow that their agency no longer takes place in *any* national context, rather it takes place in *several national contexts simultaneously*. Thus, by definition transnational social forces do not operate outside states but *inside different states at the same time*.

Second, in reformulating the question of what transnational relations are into what constitutes them (to explain their coming into existence), I suggest we need a theory of transnational relations that conceptualizes the transnational in terms of both *structure* and *agency*. I note below that many conventional (liberal) approaches to transnational relations are in fact relatively *actor-centred*, often to the extent of ignoring structures (or viewing them as ‘mere’ constraints on the rational behaviour of otherwise autonomous actors). As pointed out by many critics of individualism, the problem with talking about actors without referring to any structures is that the actors themselves — their emergence, their identities and interests — are left unexplained (e.g. Wendt 1987: 343). In the case of, for instance, a focus on transnational *actors* it means we cannot fully grasp either how these actors are constituted by structures nor how they at the same time, in the words of Roy Bhaskar (1979), through their agency *reproduce* or *transform* those structures (I elaborate on this conceptualization of the relations between structure and agency in the next section). The notion that the existence of social structures is dependent upon their instantiation in human agency also implies the possibility of emancipatory practice. Indeed, it is such a *critical theory* stance (for a classic formulation, see Cox 1986: 208) that provides an important normative point of departure for our theoretical perspective. Following from this critical-theoretical commitment is the need to *historicize* social structures in order to understand how they are socially constituted — rather than viewing them as ‘natural phenomena’ — and hence how they might be changed.

### **From liberalism to liberal constructivism**

Developing at the time somewhat outside the mainstream of the IR discipline, the neo-functional theory of European integration (Haas 1958; Lindberg 1963) as well as the work on transnational transactions and formation of



supranational security communities by Karl Deutsch (Deutsch *et al.* 1957) can be argued to be the first more or less systematic (mainstream) attempts at theorizing the role of transnational relations. However, neo-functionalism tended in particular to conceptualize the transnational relations emerging within Western Europe (which happened to be the object of its study) as a *sui generis* phenomenon, engendered by the presumed functionalist logic of regional integration. In fact, neo-functionalism in the end tended to equate transnationalism with European supranationalism, or with the (allegedly) emerging central or federal *level* (Haas used the terms supranational, central and federal interchangeably; Haas 1958: 9). Moreover, inasmuch as these theories were in fact concerned with transnational actors they were not much interested in underlying social relations and concomitant power asymmetries (Van Apeldoorn 2002: 18–19; Van Apeldoorn *et al.* 2003a). On the contrary, firmly steeped in the pluralism of American Political Science they assumed that the rise of one particular socio-economic interest would ‘lead toward the formation of countervailing aggregates of economic interests’ (Haas 1958: 359).<sup>4</sup>

In the meantime, in the United States (US) in particular, state-centric realism came to dominate the discipline. The first major work within mainstream discourse to break with that paradigm — though far from offering anything like a *theory* of transnational relations — was the aforementioned volume of Keohane and Nye (1971). Although containing a diverse collection of essays, most contributions to the volume showed the imprint of the *pluralist* conception of world politics that emerged in the *détente* of the 1970s. Here too, a kind of competitive equilibrium between interests was assumed, but now at the world level. The framework they offered was moreover clearly actor-centred, ignoring underlying social structures. As the editors stated in their introduction (1971: xv), the concept of ‘transnational relations’ is in fact used as a shorthand term for transnational *actors* and *organizations* constituting a plurality of new actors on the world stage next, and often opposed, to states.<sup>5</sup> The latter notion of transnational actors as rival to states and their interests, engaging in a ‘confrontation’ that states may or may not win (1971: xxv) is in fact characteristic of much of the literature until today — missing how transnational actors by definition operate simultaneously *inside* different ‘national states’ rather than ‘confronting’ those states from the outside.

In any case, within the American mainstream the transnationalist research agenda was largely discarded even before it had a chance to bear substantial empirical fruit. As Kenneth Waltz’s statement of neo-realism (1979) fell on fertile ground in the context of the Second Cold War, many adherents of the early ‘transnationalist paradigm’ — Keohane (1984) as the most prominent of them — came to accept much of neo-realist state-centrism. Indeed, as has often been pointed out the whole ensuing ‘neo-neo debate’ (of neo-realism versus



‘neo-liberalism’) of the 1980s and early 1990s in the US mainstream was in substance more an intra- than a real inter-paradigm debate (e.g. Wæver 1994). Certainly, it was not a debate that allowed much, if any, discursive space for transnational phenomena. It was thus that the study of transnational relations became largely relegated to then emerging, relatively separate (and, as far as the ‘neo-neo-mainstream’ was concerned, relatively marginal), sub-discipline of IPE.

In terms of actors, much work done within the field concentrated on the role of transnational corporations (TNCs) which first drew substantial interest in the 1970s (e.g. Modelski 1979). Beyond actors, it is within IPE that in principle more attention is also paid to structures. In fact, back in 1976 Susan Strange (1976: 337–38) made a plea to, ‘in order to redress the imbalance in the study of transnational relations’, pay ‘much more attention [...] to the economic structures — that is to say, to the patterns of investment, production, exchange, and distribution and the location of the power to take economic decisions [...] that affect these patterns,’ a theme also reflected in her later work on ‘structural power’ (e.g. Strange 1996: 16–30). It must be noted, however, that at least within the (US neo-neo) mainstream of IPE this advice has hardly been heeded. Of course, structures do play an especially prominent role in, for example, dependency and world-system theory as well as in (though not in a structuralist fashion) neo-Gramscian IPE. However, since this perspective, or rather a particular variety of it as developed in Amsterdam, is the object of my argument in the sections that follow, I focus here only on the more ‘mainstream’ developments.<sup>6</sup>

What is then striking within much of the mainstream IPE literature is, notwithstanding various empirical studies of the phenomenon, the lack of theory development with regard to transnational relations (cf. Underhill 2000). For instance, Strange has paid quite some systematic attention to non-state actors, arguing in particular that concomitant to a ‘retreat of the state’ (Strange 1996) the structural power of various sources of non-state authority was rising. Yet, though far from a mainstream writer, her work unfortunately lacks any more rigorous attempt to theorize the role of transnational actors, for instance in relation to her various ‘structures’.

Moreover, Strange’s work (1991, 1996; Stopford and Strange 1991) on, in particular, TNCs tends to share (notwithstanding other important differences) the mainstream inclination to take these transnational actors as *external* to national societies rather than as part of a transnationalization of formerly national state-society relations. Focusing on ‘the *tension* between states and multinationals’ (Eden 1991: 197, emphasis added), or their opposing interests in a globally competitive environment (Stopford and Strange 1991), such a framework tends to see the TNC more as an ‘appropriate counterpoint’ (Eden 1991: 197) to the state influencing it from the ‘outside’, and hence less as a



*transnational* actor influencing states from the ‘inside’ as well. As Gill and Law (1988: 205) wrote ‘the power of transnationals appears [only] as an external force,’ missing how internally ‘their [TNCs] structural power maybe at its greatest, especially at the ideological level’ (*ibid.*).<sup>7</sup>

Such a treatment of TNCs does not in fact go beyond that of American mainstream IR/IPE, except that the latter often tends to attach more weight to state relative to non-state actors. Stephen Krasner (1995), in a (for a realist writer) rare attempt to deal explicitly with the issue of transnational relations, may be taken as representative of the latter approach when he, echoing Keohane and Nye, conceptualizes transnationals as standing in a bargaining relationship with (rational) state actors, where states ‘win often but not always’ (Krasner 1995: 260, 268; also e.g. Gilpin 1987: chapter 6; 2001: chapter 11). In line with neo-realism, Krasner (1995: 257) moreover takes states and state interests as ‘ontological givens’, independent of either domestic or transnational society. In the end, the dichotomous conceptualization of TNCs as transnational actors *vs* state actors underlying all of this literature betrays a pluralistic and ahistorical conception of the state-market relationship in which ‘states’ and ‘markets’ are seen as separate and opposed entities (cf. Underhill 2000).

After a prolonged absence, it was only in the mid-1990s that *theorizing* about transnational relations made a comeback to mainstream IR with a volume edited by Risse-Kappen (1995a), which has subsequently become a standard work within mainstream IR as well as what may be regarded as mainstream, actor-centred, IPE. Risse-Kappen *et al.* seek to pick up where Keohane and Nye had left off, in particular by developing a more restrictive and more parsimonious approach to transnational relations (Risse-Kappen 1995b: 8–9). In fact, like the earlier 1970s volume it more represents a theory about transnational *actors* than about transnational *relations* proper. The bias towards agency clearly transpires from the volume’s definition — now widely accepted in the discipline — of transnational relations as ‘*regular interactions across national boundaries when at least one actor is a non-state agent or does not operate on behalf of a national government or of an intergovernmental organization*’ (Risse-Kappen 1995b: 3). This *actor-centred* approach (also Risse 2002), then, tends to take transnational actors as autonomous entities rather than as embedded in, and indeed constituted by, *transnational* structures. Thus, while for instance Risse-Kappen (1995a) and other contributors to the volume focus on *domestic* structures as ‘intervening variables’ constraining and enabling the agency of transnational actors, and determining their success in influencing state policies, their conception of structures beyond national state-society complexes remains limited to a focus on international institutions (such as international organizations, international regimes etc.). In this *liberal* perspective, the rising significance of transnational



relations within contemporary world politics remains unexplained, as are the interests of transnational actors. Further, the focus of this liberal perspective on the *impact* of transnational actors on the policies of their so-called ‘target states’ (Risse-Kappen 1995a; Risse 2002; also e.g. Keck and Sikkink 1998) ultimately tends to reveal a kind of outside-inside approach — with transnational actors operating from the outside but seeking to gain access to policy-making inside certain states — that may only be appropriate for a relatively limited set of research questions.<sup>8</sup>

In fact, maybe in line with its neglect of global (economic) structures most empirical work that has come out of this agenda has dealt exclusively with the role of so-called ‘principled’ International Non-Governmental Organizations (INGOs) — targeting states through ‘transnational advocacy coalitions’ (Keck and Sikkink 1998) in order to generate ‘norm change’ — rather than on socio-economic actors such as for instance transnational business (also Risse *et al.* 1999; Risse 2002). Indeed, the liberal transnationalist agenda has largely merged with, or one might say, been taken over by, the emerging liberal *constructivist* research agenda within IR with a concern with ‘constructivist issues’ dominating the search for an understanding of the ‘transnational’ (cf. Císař 2003).<sup>9</sup> It may seem ironic that in an era in which the transnationalization of capital has both accelerated and deepened (also see below) and transnational private accumulation has taken on new extreme forms, ‘[t]he new transnationalism of the 1990s’ as Risse (2002: 259) concludes, ‘concentrates more thoroughly on the transnational non-profit sector.’ What is maybe more problematic is that underlying this constructivist focus is, in my view, an untenable dichotomy (cf. Cowles 2003) of actors driven by (material) interests on the one hand, and actors driven by ideas on the other. Thus, Keck and Sikkink (1998: 30) classify transnational actors based on their alleged motivations, with transnational corporations and banks being motivated by ‘instrumental goals’, epistemic communities by ‘shared causal ideas’ and, finally, transnational advocacy networks by ‘shared principled ideas or values’. Contrary to what Keck and Sikkink suggest, here it is maintained that socio-economic actors may also very well be in the business of generating and propagating norms (such as those of private enterprise and private accumulation), and that for instance a transnational business elite may very well be seen in terms of a relatively powerful epistemic community.

One other approach that does not adopt the constructivist agenda but does seek to further fill the theoretical void in the literature on transnational relations was recently put forward by Nölke. This involves combining Risse-Kappen’s concept of transnationalism with the resource dependency school from organizational sociology into a theory of transnational policy networks (Nölke 2003b: 278; also 2003a). It seeks to develop a rigorous framework for analyzing cross-border exchanges of resources, focusing on the important role



of public and private actors (cf. the emerging literature on ‘private authority’ in global governance, Hall and Biersteker 2002) in transnational policy-making. In spite of its analytical strengths with regard to the *how* of transnational politics and the concrete conditions in which certain forms of transnational politics become relevant, in terms of our aim of explaining the nature and content of transnational relations this approach is also hampered by its ahistorical actor-centeredness and its concomitant stress on ‘relational’ over ‘structural’ power (Van Apeldoorn *et al.* 2003b: 7).

To conclude this review, in mainstream IR/IPE the concept of transnationalism remains by and large theoretically underdeveloped. Inasmuch as theorization has taken place, it is actor-centred to the degree of neglecting transnational relations as structures (and in particular of underlying socio-economic structures). Recent theorizations, moreover, are relatively limited to one particular set of actors within global civil society. Below, I outline an alternative conceptualization of transnational relations that seeks to transcend these limits, and that is often missing from (mainstream) reviews of the literature (Císař 2003; although for an exception, see Risse 2002). I argue that in order to understand transnational actors — whether ‘profit’ or ‘non-profit’ — and the role of their agency we need to have some understanding at the level of structures of what enables this agency in the first place. What is driving the *process* of transnationalization; how can we explain the transnationalization of social space? For this we need to historicize transnational relations, asking how they came about, and examining how transnational actors and their identities and interests are constituted by larger-than-national structures. In what follows, I first outline the specific historical materialist foundations on which such a historical understanding of transnationalism might be built.

### **Towards a Historical Materialist Theory of Transnational Relations: Theoretical Foundations**

In contrast to neo-realism (and to a large extent neo-liberalism as well), in which state power is narrowly conceived as the accumulated material capabilities of the ‘state-as-actor’, historical materialism seeks to examine the *social* origins of that power. Hence Cox’s (1986: 205, emphasis added) suggestion to ‘consider the state-*society* complex as the basic entity of international relations.’ Emphasizing the *capitalist* nature of society, a historical materialist theory of world politics would, as Mark Rupert (1993: 84) phrased it, take ‘as its point of departure the proposition that international politics as we know it is *historically embedded* in, and *internally related* to, capitalist social relations.’ What our transnationalist perspective would add to



this is the claim that these social relations have from the start been at least partly of a transnational nature, and that through different phases in the history of modern capitalism (though not in a straight upward line) these social relations have increasingly become more transnationalized.

Such a transnationalist approach not only breaks with the state-centrism of neo-realist IR, but also of that of various other strands of historical materialism. What could perhaps be seen as one of the most elaborate and sophisticated contemporary Marxist bodies of thought, so-called ‘open Marxism’ (e.g. Burnham 1994), is a case in point (cf. Bieler and Morton 2003: 475). Although emphasizing in the abstract the global nature of capitalist class relations, these in fact are seen as being expressed only through relations between ‘sovereign states’ which within a setting of (realist) rivalry ‘are [via the exchange rate mechanism] interlocked internationally into a hierarchy of price systems’ (Burnham 1994: 229–30). The agency of social forces thus remains locked within the container of the nation-state.

One important attempt within historical materialism (broadly understood) to go beyond ‘methodological nationalism’ with respect to an understanding of capitalism has of course been formed by dependency theory as well its holistic elaboration in Wallerstein’s world-system theory. These perspectives have indeed been very helpful in recognizing the transnational nature of capitalism. The dependency writers of the late 1970s were among the first to develop elaborate accounts of local-global linkages as transnational structures tying the periphery to the core (e.g. Evans 1979), including what Sunkel and Fuenzalida (1979) identified as a ‘transnational community’ consisting of the upper stratum of owners and managers of multinationals as well as affiliated politicians and professionals. Apart from their analytical focus on transnational relations between core and periphery rather than on relations within the core, the dependency literature did not, however, develop a theoretically grounded account of transnational class formation/agency. Wallerstein’s conceptualization of transnational capitalism (1974, 1979) here is also not helpful inasmuch as his structuralist determinism is unable to take seriously the role of (class) agency (on this, see Overbeek in this issue).

With these observations in mind, below I briefly sketch the main theoretical foundations of a different transnationalist perspective. This perspective is grounded in a historical materialist social ontology that seeks to go not only beyond the state-centrism inherent in many other varieties of historical materialism, but also beyond the structuralist holism of, for instance, world-system theory by according a central role to class relations and class agency, however, without relapsing into voluntarism. More specifically, the historical materialism advanced here is one inspired by Antonio Gramsci’s attempt — and by Cox’s (1983) reading and introduction of his work to



IR — to reconstruct historical materialism as a ‘theory of praxis’, giving due place to the role of consciousness, ideology, and culture in the reproduction and transformation of social formations, and hence also to the role of collective (class) agency producing these intersubjective forces (Gramsci 1971). While my understanding of historical materialism is thus influenced by what has come to be known as *neo-Gramscian* IPE (Gill and Law 1993; Rupert 1995; Bieler 2000; Bieler and Morton 2001a; Van Apeldoorn 2002), I should make clear that in what follows I neither seek to engage in ‘correctly’ interpreting Gramsci (cf. Germain and Kenny 1998; Morton 2003) nor necessarily speaking on behalf of any particular neo-Gramscian perspective (cf. Morton 2001), whether developed in Amsterdam or elsewhere.<sup>10</sup>

At a meta-theoretical level, I take historical materialism to rest upon a ‘critical realist’ philosophy of science as developed primarily by Roy Bhaskar (1979, 1997) and in particular by his ‘Transformational Model of Social Activity’ as regards the agency-structure problem (Bhaskar 1979: especially 43–47).<sup>11</sup> The great advantage of Bhaskar’s realist ontology is that it allows for much more *ontological depth* (also Ryner 2002: 196) than is possible in a positivistic ‘empiricist account of science, according to which its valid content is exhausted by atomistic facts and their conjunctions’ (Bhaskar 1997: 27). Going beyond the ‘level’ of events and actions — that is the ‘data’ in which positivists (mistakenly according to critical realism given the open nature of systems) try to discover law-like regularities — critical realism presents a *stratified ontology* in which real (though unobservable) structures at a ‘deep level’ (Fleetwood 2002: 67) can actually explain the observed events. As Bhaskar suggested (1979: 39 and *passim*; also Bhaskar 1997), such an ontology fits well with the *method* of historical materialism of uncovering — moving from the concrete to the abstract and back — the social relations behind concrete forms (on the relation between Marxism and critical realism, see Brown *et al.* 2002b). Against individualism, Bhaskar (1979: 43) stressed the importance of the structures necessary to any form of human praxis: ‘[A]ll activity presupposes the prior existence of social forms [...] Speech requires language; making materials; actions conditions; agency resources; activity rules.’ There is thus no such thing as a pre-social actor; human agency is always embedded in pre-existing social relations that constitute that agent’s identity and interests.

This, however, is not to lead to determinism. As indicated before, structure and agency must in fact be regarded as mutually constituting. Structure also presupposes agency as it only exists in virtue of intentional human action in which social structures are *reproduced* or *transformed* (Bhaskar 1979: 49). Note then that structure and agency in this conceptualization are *not* related ‘dialectically’ (Bhaskar 1979: 42; cf. Bieler and Morton 2001b)



with agency ‘creating’ structures which in turn shape agency independently from it:

people do not create society. For it always pre-exists them and is a necessary condition for their activity. Rather, society must be regarded as an ensemble of structures, practices and conventions which individuals reproduce or transform, but which would not exist unless they did so. Society does not exist independently of human activity (the error of reification). But it is not the product of it (the error of voluntarism) (Bhaskar 1979: 45–46).<sup>12</sup>

Of course, the above does not yet offer any substantive theory, that is an ontology beyond the level of philosophy. In its substantive ontology, historical materialism focuses on the social *relations* of production, whereas those relations have to be understood as (deep) structures instantiated by human agency, through struggle and resistance, consciously and unconsciously. The primacy accorded to these relations (also Overbeek 2000: 168; Bieler and Morton 2001b: 24) should not be understood as implying any economism in the sense of assuming, as one critic recently put it, ‘the indisputable materiality of economic factors and objects’ (De Goede 2003: 90). The *materialism* in historical materialism is in fact often misunderstood. It is not to denote that we are ruled by material forces (as in matter determining consciousness), nor that the most important social structures are *material* as opposed to *ideational*. Indeed, although a historical materialist ontology would rather opt for transcending such a Cartesian dichotomy of the ‘ideal’ and the ‘material’ when speaking of social structures, staying within that dualism it is obvious that the latter are more ‘ideal’ than ‘material’ (in fact, from a critical realist perspective it would be more correct to say that social structures are ‘real’ though unobservable; they are neither made up of matter nor of ideas, even though they are not independent from human thought as part of human praxis). Liberal constructivists like Alexander Wendt (1999: 94) are in this sense right to point out that so-called relations of production are to a large extent dependent on, and constituted by, ‘ideational’ structures such as laws, rules, norms and ideas which enable capital to exploit labour (e.g. property rights). Abandoning an old Marxist metaphor, one should acknowledge that the so-called ideational superstructure does not so much reflect a so-called material base but permeates that base from the very start. In that sense, the social relations of production are not confined to the economy but from the start imply (the reproduction of) social structures at the so-called level of the state, law, culture, etc. (on this also Wood 1995: 49–75).

What is materialist about this ontology is that human beings themselves are material (biological) beings with material needs which they can only satisfy in (their social) interaction with nature, that is, through production as a social *process* (on the latter point, Cox 2002: 31). Further, seen from a critical realist



perspective, a historical materialist focus on social relations in capitalism sheds light on the important question of how and why it is that some groups in society have more power to reproduce or transform social structures to their perceived advantage than others (Holman 1993: 13). Capitalist social relations are relations of domination bound up with an unequal distribution of material capabilities resulting from an unequal control over the means of production. Our focus is thus drawn to how 'the *distribution* of the structural conditions of action' (Bhaskar 1979: 54) specific to capitalism results in structural asymmetries with regard to the exercise of agency, agency that is exercised in the context of (class) struggle.

The social organization of capitalist production gives rise to opposing interests, and hence conflict, between those who exercise control over the means of production and thus supervise the production process and those who actually carry out the tasks of production. Critically, within the capitalist class itself we also find conflicting interests and related structural cleavages. Indeed, conflict within the capitalist class is endemic inasmuch as competition is an essential principle of capitalist accumulation. It is only in confrontation with other social groups and classes, and in particular with labour, that capitalists may become conscious of themselves as (members of) a class, and come to act accordingly. This then brings us to the importance of agency of classes and class fractions, that is, the agency of the social forces engendered by the social relations of production.

Although as Cox (1987:1) stated, production forms the necessary material base for power exercised at the level of the state, the reproduction of capitalist production relations at the same time already implies the state (and state regulation). This fact, however, does not warrant a functionalist view of the state. On the contrary, in the words of Bob Jessop (2002: 41), 'there is no guarantee that political outcomes will serve the needs of capital.' What is therefore suggested here is the importance of the role of *agency* in creating (or rather reproducing) the conditions at the level of the state (and state policies) that are necessary for the continuation of capitalist accumulation but that are in fact in no way predetermined. In particular, the hegemony of the capitalist class is not secured without continuous struggle within what Gramsci (1971: 263) called the 'integral state', that is 'political society + civil society'. It is thus that, from within this perspective, we would reclaim the importance of *class agency* in understanding the relationship between production and (political) power.

Two theoretical premises, then, underlie this endeavour. First, that capitalist society is still a class society in which the capitalist class is a ruling class.<sup>13</sup> Second, that this class domination that characterizes capitalist societies cannot be understood from a structuralist–determinist perspective that merely focuses on the structural domination of capital over labour, but that the reproduction



of this power of capital — and of the capitalist class — also has to be explained in terms of collective human agency within concrete social power struggles. In order to constitute themselves as a class, capitalists somehow have to ‘discover’ their common interests and construct a shared outlook and identity that transcends the narrow view of their position as individual and competing capitalists. The moment of class agency — or the process of *class formation* — is thus always a *political* process in which capitalists transcend the logic of market competition and reach a temporary unity of strategic orientation and purpose, enabling them to articulate (*vis-à-vis* other social classes or groups, as well as *vis-à-vis* the state) a ‘general capitalist interest’. Any formulation of the general capitalist interest is, as Van der Pijl (1984, 1998) has emphasized, always formulated from the perspective of what is only a section or ‘fraction’ of total capital, a fraction that has temporarily achieved a leading position within the capitalist class (also see the contributions by Overbeek, and by Van der Pijl in this issue).

Since social structures ‘do not exist independently of the agents’ conceptions of what they are doing in their activity’ (Bhaskar 1979: 48–49), the intersubjective and discursive dimension of class formation is of critical importance. To paraphrase Van der Pijl (1998: 98), members of a class have to *imagine* themselves as part of a wider (possibly transnational) community in order to constitute themselves as a class *actor*. In this process, the most highly developed form of class consciousness is reflected in what in the Amsterdam perspective have been denoted *comprehensive concepts of control* (also see the other contributions in this issue, especially Van der Pijl’s). Reflecting a Gramscian notion of hegemony (Gramsci 1971: 169–70), ‘concepts of control are frameworks of thought and practice by which a particular world view of the ruling class spills over into a broader sense of “limits of the possible” for society at large’ (Van der Pijl 1998: 51). Here a hegemonic concept of control reflects the power of the class (fraction) or social group ‘which has been able to articulate the interests of other social groups to its own by means of ideological struggle’ (Mouffe 1979: 181; also Laclau and Mouffe 1985: 67). Concepts of control can be viewed as both giving direction to, and as an outcome of, (transnational) class *strategy*. Critically, although originating in production relations — reflecting a particular configuration of different historical fractions of the capitalist class and their relations with the subordinate classes, concepts of control must be translated into *state* policy to become effective. In other words, concepts of control may be seen as expressing at the ideational level a particular configuration of social classes (and fractions thereof) giving, to borrow a phrase from Cox (1987: 409), ‘content to a historical state.’

Now if we apply this framework to our central question of how to understand transnational relations, the critical point is that this *content* of historical states is not just of a national but also of a transnational nature. In



the section below, I elaborate on this crucial transnational dimension, arguing how it may be seen to have developed historically. In the final section, I argue how that historical understanding can inform a historical materialist theory of transnational relations in line with the transformational ontology outlined above, namely, integrating an account of structure with that of agency through the concept of transnational class formation.

### **Transnational Relations, Global Capitalism and the Interstate System**

As indicated, the transnational dimension to our historical materialism rests on the claim that international relations and interstate politics have historically become embedded within and mediated by transnational capitalist social relations. At the same time, the very concept of transnational relations presupposes the existence of international relations. Therefore, they arose only with the advent of the modern states system. Let us thus examine somewhat more closely how transnational relations, capitalism and the interstate system became historically entwined.

The received wisdom that the modern states system was created through the Westphalian peace of 1648 was recently challenged by Teschke (2002: 6), arguing that the Westphalian system was distinctly *non*-modern as it was 'rooted in pre-capitalist social property relations.' For Teschke, it was only in the 19th century that a full transition to international modernity was made (*ibid.*). In fact, what lies behind this argument is the controversial question of when, how and why the transition from feudalism to capitalism took place (e.g. Wood 1999). Whereas Wallerstein (1974) for instance located the transition to capitalism in the 16th century with the development of a capitalist world economy, critics have pointed out that in focusing on exchange relations rather than on production relations his world-system theory misses the *specificity* of capitalism (e.g. Brenner 1977; cf. Wood 1999). In this vein, Van der Pijl (1998: chapter 3) has argued that it was only with the Glorious Revolution of 1688 that in England the first capitalist state-society complex crystallized.

Notwithstanding the importance of production relations, it is necessary to recognize how transnational relations had already developed *before* the advent of capitalism proper and as such pre-figured later transnational capitalist social relations. These early modern transnational economic links — mainly relations of trade and finance and, indeed, not yet of production — developed concomitant to the early modern state system arising out of the crisis of feudalism. Here one of the key arguments offered by Wallerstein (1974: 348) is that '[c]apitalism has been able to flourish precisely because the world-economy has had within its bounds not one but a multiplicity of political systems.' In contrast to 'world empires', the geographical scale of the capitalist



market from the start surpassed that of political authority; that is, of the state. Although one may indeed question the capitalist nature of this market — as it was still primarily a ‘market as an opportunity’ rather than, as under capitalist production, a ‘market as an imperative’ (Wood 1999: 5–8, 62) — the coming into existence of this market beyond the territorial reach of any state did lead to the creation of transnational economic relations spanning a large part of the globe. The development of the world market has thus been key to the growth of *transnational* social relations in the context of an emerging *international* political system.

Whether the world market subsequently played a significant role in preparing the way for capitalism by breaking down feudal social structures is controversial (Wood 1999). However, a plausible argument seems to have been made by Marx in the following quotation (from *Capital, Vol. 3*) in which he suggested that the world market did play this role but was itself subsequently transformed by the capitalist mode of production once established:

whereas in the sixteenth century, and partly still in the seventeenth, the sudden expansion of trade and the creation of a new world market had an overwhelming influence on the defeat of the old mode of production and the rise of the capitalist mode, this happened in reverse on the basis of the capitalist mode of production, once it had been created. The world market itself forms the basis for this mode of production. On the other hand, the immanent need that this mode of production has to produce on an ever greater scale drives it to the constant expansion of the world market, so that now it is not trade that revolutionizes industry, but rather industry that constantly revolutionizes trade (Marx 1991: 450–51).

It is from this perspective that we may also understand the development of transnational relations into relations of capitalist *production*. The world market itself generated transnational commercial and financial networks enabling the formation of transnational social forces. However, it was only when, expanding from the English state-society complex outwards, capitalism transformed the world market into a capitalist market based on the imperative of continuous expansion and deepening that *capitalist* social relations started to develop across the boundaries of the newly established territorial units called states. It was therefore only on the basis of this *capitalist* world market — and the internationalization drive of capital it induced — that a process of *transnational (capitalist) class formation* could develop (class relations — and hence class formation — presupposing production relations).

The coming into existence of a transnational bourgeoisie went beyond earlier transnational structures of socialization inasmuch as it created a *transnational space for the exercise and reproduction of capitalist class rule*. Such a



transnational space first arose in the 18th century in the form of what Van der Pijl (1998: especially chapter 3) has called the *Lockean heartland*, formed through the expansion of the British state-society complex to include parts of North America and other regions through settler colonies, and in its commercial and political expansion confronting (sometimes resulting in war) so-called *Hobbesian* contender states. It is thus that through this expansion we can witness — though via many crisis and fits and starts — a gradual widening of the area of state-society complexes subject to the imposition of capitalist discipline and a concomitant (deepening) commodification of social relations. It was with the industrial revolution that this expansionary dynamic of capitalism set in for good. This development reached a new climax when in the 19th century under the *Pax Britannica* the internationalization of capital deepened and the liberal internationalist fraction of a Anglo-Saxon bourgeoisie became more and more cosmopolitan in outlook.

After the collapse of this 19th century liberal order, the crisis years of the interbellum saw a tendential (re-)embedding of capital into the national (and nationalizing) state. The internationalization of capital was resumed, however, after World War II under the aegis of American hegemony. It was an expansion of (first of all US) capital supported by a new hegemonic concept of control, corporate liberalism (Van der Pijl 1984), which in effect represented a projection of a concept that had been restructuring the American state-society complex from the 1930s onwards, and was predicated on both a class compromise between capital and labour, and a synthesis between the financial and industrial fractions of the US bourgeoisie. In the context of the Cold War, this concept of control came mainly to circulate within an Atlantic area that was unified through a process of *transatlantic* class formation, a process which was arguably also at the heart of the origins of the European integration process (Van der Pijl 1984).

### **Transnationalization in the era of globalization**

Within the context of a crisis of corporate liberalism, global capitalism entered a new phase with the sustained and global transnationalization of both production (see Van Apeldoorn 2002: 55–60, for some empirical evidence) and finance. With regard to the former, as capital was confronted with deteriorating profitability, declining productivity, and stagnating demand, a strategy of geographical expansion — what Harvey (1989: 183) called the ‘spatial fix’ — was one ‘solution’ to the accumulation crisis that many large firms came to opt for. This was at the same time a way for capital to partially exit from national regulations that it had come to experience as a burden and to enhance its bargaining power *vis-à-vis* labour and shift the class balance back in its favour.



This points to the critical structural power of transnational capital (Gill and Law 1993) which came to inform much of the restructuring of the global political economy in the late 20th century. The structural power of transnational capital has in fact both a material and an ideological dimension (though both are very much inter-related). The material dimension refers to the greater exit option — that is, its ability to relocate across borders — on the part of transnationally mobile capital. More abstractly, and also echoing Wallerstein's argument, we may say that the power of transnational capital is as such predicated on the territorial non-coincidence between state and market (Murray 1975). The ideological power of transnational capital must be viewed as exercised at a more collective level as *class* power. The contemporary process of *transnational class formation* takes place through such organizational channels as corporate interlocks, but also through elite socialization in all kinds of transnational forums or 'planning groups' (Van der Pijl 1998) in which top executives of TNCs and those who have substantial property interests in transnational capital, as well as sometimes key political and opinion leaders (or globalizing political elites that transnational capital seeks to coopt), meet to exchange ideas and if possible forge a common outlook and strategy.

Stephen Gill (1990), in particular, suggested that in the late 20th century the process of transnational class formation, which used to be largely confined to the Atlantic area, became extended to a *trilateral* pattern. Although within 'the Triad' the Atlantic link has always remained strongest, and while Japanese capital has globally become much weaker, we can in fact observe patterns of deepening *global* (that is, not just confined to the Triad) capitalist class integration, with business elites from the (former) periphery also being incorporated into global capitalist elite networks, for instance through the World Economic Forum (WEF). At the same time, however, it must be emphasized that transnational class formation always takes place within certain historical and institutional settings that may be more or less encompassing in terms of geographical scope (even if always transcending single states). In particular, we may identify certain macro-regional patterns of transnational class formation within an overall global pattern of capitalist integration. Thus, elsewhere (Van Apeldoorn 2002; also Holman 1992; Holman and Van der Pijl 2003) I have analyzed what I see as a specific regional pattern of transnational class formation within the European arena that emerged after the emancipation of the European bourgeoisie *vis-à-vis* US capital in the wake of the Atlantic crisis of the 1970s and in response to the crisis of European capitalism.

Whether within the European arena or within the wider Atlantic and global arena, transnational class agency engendered by regional and global processes of transnational class formation has become centred around a *neo-liberal concept of control* expressing the general objective of an 'unmaking' of the post-



war class compromise and a fundamental restructuring of social relations in favour of private enterprise and propertied interests. The neo-liberal concept of control must be seen as a hegemonic *articulation* of the world views of the most transnationalized sections of industrial as well as of a liberalized global financial capital, and as such disseminated through the agency of this transnational capitalist class through elite forums as the WEF at the global level, and for instance the European Round Table of Industrialists (ERT) within the European arena (Van Apeldoorn 2002).

The nature and limits of the neo-liberal (globalization) project are analyzed elsewhere in this issue (especially by Van der Pijl). What is key for the purposes of this contribution is the fundamental transnational nature of this social restructuring process and the fact that neo-liberalism as a concept of control both promotes and reflects the transnationalization of capital that set in with capital breaking loose from its (post-war) national moorings, enabling it more than ever to achieve 'sovereignty' on a global scale above and beyond the sovereignty of states.

In sum, though this is by no means a necessarily irreversible process we may argue that what started out as a limited set of transnational links being established in the early (capitalist) world economy has now reached a depth, in terms of how it affects the lives of so many through the commodification of social life, and a breadth in terms of encompassing the whole globe, that is unprecedented. It is thus that, as Van der Pijl writes (1998: 98), 'the comprehensive capital relation can be argued to have become global.' It is this what is indeed new about the current globalization process, it is the globalization as well as a deepening of a transnationalization of capitalist social relations having set in at least three centuries before, a process that in turn was preceded and partly enabled by the transnational linkages created by the mercantile world economy as it co-evolved with the early modern states system.

### **Implications for a Theory of Transnational Relations**

Let us now turn to some of the implications of the above for a more general theory of transnational relations. In particular, how does our historical materialist approach conceptualize transnational relations in terms of structures *and* agency, and in terms of the *process* linking them? Further, how in terms of process do we conceptualize the role of transnational relations in world politics? How do transnational relations relate to international relations? Does the process of globalization lead us beyond the latter and therefore in fact also beyond transnational relations as understood here (with both sets of relations seen as logically two sides of the same coin)? Here I argue that we are not in such a 'postmodern' world beyond the modern states system



altogether (cf. Ruggie 1993). In that sense, even if there has been major structural change in other respects there is as yet more structural continuity — from the very origins of the capitalist world market onwards — than is suggested by some literatures, even if more profound transformations may still be in the offing. As for now, however, I submit we still need to theorize the transnational (as in relation to the international) as part of our continuous effort to grasp the nature of world politics.

### Structure, agency, process

The first point that might be noted is that from within this historical materialist perspective we define transnational relations as *social relations* across and beyond ‘national’ borders. Such a definition immediately brings the (deep) *structural* dimension of ‘the transnational’ to the fore. In contrast to the actor-centeredness of mainstream approaches, a historical materialist theorization would emphasize the structures *in virtue of which* certain transnational actors exist. Whereas the standard definition (Risse-Kappen 1995b) of transnational relations refers (only) to direct relations between individual (corporate) actors and their interaction, a focus on social relations emphasizes how groups of people are also linked transnationally without any direct (personal) relationship. Indeed, characteristic of social relations under capitalism is that they often involve no such relationship at all, with people’s fate (across cultures and territories), nevertheless, directly being tied up with one another through the (world) market (through what Van der Pijl calls ‘market socialization’ in this issue). Thus, the social relations of transnational production may link workers in New York with workers in New Delhi without any direct interactions ever going on between the members of these two groups, except, as Marx (1990: 166) would have put it, through the exchange of commodities, ‘the social relations between their private labours appear as what they are, i.e., they do not appear as direct social relations between persons in their work, but rather as material [*dinglich*] relations between persons and social relations between things.’ Indeed, from a critical realist perspective, it could be argued that these social relations are hidden because within a stratified ontology they lie beneath the surface of events and actions at the level of ‘deep structures’. These structures, however, have — through a ‘differential allocation of [...] resources’ and of persons and groups to ‘functions and roles (for example in the division of labour)’ (Bhaskar 1979: 52) — real powers with respect to constraining and enabling the (class) agency of specific social groups.

Of course, without human interactions there are no transnational (social) relations but, to the extent that the interactions are engendered by the relations established by capital expanding beyond single national state-society complexes, it is this origin that we have to take into account in order to understand



their meaning. In order to understand the nature of transnationalism, it is more the *quality* — that is, the nature of social relations — that counts than the *quantity* of interactions. Indeed, from a Marxian critique we may argue that the often exclusive focus on the quantity of cross-border transactions, that is the *flow* of goods, capital etc., in conventional studies of transnational capital as well as in some critiques of the globalization literature (e.g. Hirst and Thompson 1999; cf. Overbeek 2003) is a form of *commodity fetishism* inasmuch as the social relations — that is, relations between people — lying underneath these relations between ‘things’ remain hidden in such empiricist analyses.

Transnational social relations thus refer to structures linking peoples’ social lives across borders, including those without any direct contact. Of course, direct contact may exist and it is here that transnational relations may — through socialization — constitute transnational *actors*. From our historical materialist perspective we see classes (or fractions thereof) as primary amongst such actors. It is important to note that historically the process of class formation is mediated to different degrees by various non-class identities, where classes thus formed can be conceptualized as *transnational imagined communities* (Van der Pijl 1998: 98, and this issue; on the notion of ‘imagined community’, see Anderson 1983). Nevertheless, in the process of capital’s expansion across borders, capitalists — unlike workers — do tend to come into direct contact with one another. The transnational capitalist class is indeed a transnationally *mobile* class. Though sharing a social position, a collective outlook and strategy of such a class is not simply pre-given but has to be constructed politically within a struggle for hegemony. As indicated, the pursuit of such a strategy, that is, the exercise of class agency, is indispensable for the reproduction of capitalist class hegemony. Namely, class agency is necessary for the reproduction of class rule as a structure. It is thus that there are critical planning functions (Van der Pijl 1998) to be performed, for which at the transnational level, there are elite business forums such as the WEF and the ERT in which transnational capitalist can meet, socialize, and above all discuss and seek to synthesize different viewpoints into one cohesive orientation.<sup>14</sup> Therefore, next to the so-called ‘principled’ INGOs and ‘scientific’ epistemic communities of constructivist studies of transnational relations, these elite groups may be seen as key transnational actors within particular international settings. Their agency, however, should not be seen as autonomous from the agency of the social forces that operate through them. Indeed, these are vehicles of transnational class strategy, both an outcome of the process of transnational class formation and an organizational medium through which that process takes shape (see Van Apeldoorn 2002: especially chapter 3).

The perspective advanced here does not claim that transnational class elites are the only important actors. However, it does claim the primacy of transnational social relations of production constitutive of these actors. What



this means is that so-called non-profit actors — ‘principled’ INGOs, etc. — are also embedded within a structural context shaped by the processes of transnationalization of capital and transnational class formation. It is the historical expansion of capital on a global scale that in the first place has enabled the growth of transnational relations, whether economic or otherwise. When the world market turned in a ‘market as imperative’ (Wood 1999), it was capitalism that has since continuously revolutionized the means of production; that is, it has engendered the incessant development of new technologies, not in the last place the transportation and communication technologies responsible for the space–time compression often argued to be a defining aspect of globalization (Harvey 1989).

Even more important than the fact that other transnational actors are thus partly constituted (or enabled in their agency) by the transnationalization of capital is that they operate in a field of action fundamentally structured by capitalist social relations. In contrast to pluralist theory, we do not assume that there is a competitive equilibrium of interests but, on the contrary, argue that there are structural power asymmetries, and with that also a *hierarchy of issues*. It is hence that when analyzing the agency of various transnational actors within the emerging arena called *global governance* we cannot but take the structural power of transnational capital into account (something that liberal constructivist analyses do not do at all, instead implying that so-called principled INGOs and ‘instrumentally motivated’ TNCs not only exhibit different logics of behaviour but also belong to somewhat independent social realms).

In fact, many — though not all — transnational actors outside the capitalist class do themselves seem to acknowledge that power as they are often called into existence in *response* to that power, or to its socially or environmentally detrimental effects. This is not to say that these transnational actors are necessarily powerless in the face of the structural power of capital, that transnational advocacy networks could not be successful in bringing certain issues to the agenda or indeed in affecting domestic change. In particular, the whole *dialectical* movement within the current neo-liberal globalization process, in which a hitherto relatively diffuse group of anti-globalization protestors is developing into a politically very salient transnational social movement, is becoming increasingly relevant to an understanding of contemporary transnational relations. However, it also proves the point inasmuch as this movement can by definition only be understood in the context of a globalized transnational capitalism.

A final question needing to be answered in this context is to which extent states should also still be considered actors. As we have seen, established (liberal) theories tend to view transnational actors in *addition to states*, and often opposed to them. Although the state-as-actor model has



been mitigated by some by pointing out that one actually is talking about governments rather than about states (Risse 1995b: 18–19; Nölke 2003a), most of the literature in actual practice sticks to the model by not distinguishing between the two. From our historical materialist perspective the state-as-actor model is problematic inasmuch it does not make sense to separate the capitalist state from the social forces — whether national or transnational — that give content to it. Thus Van der Pijl (1995: 40) reformulated the basic *problématique* of the study of world politics by suggesting that, rather than taking states as actors, we view them as *structures* that are reproduced or transformed by (transnational) social forces. Although for some research questions, it might still be useful to employ the ‘convenient fiction’ (Jessop 2002: 40) of states as actors, I suggest that for an analysis of transnational relations in world politics abandoning this fiction is indeed helpful in as much as it takes us beyond the conceptualization of transnational actors as forces opposing states from the outside, of states and transnational actors as mutually autonomous actors locked in pluralist competition.

Structure and agency together account for the *process* of transnationalization and its outcomes in terms of shaping global politics. In our perspective, the transnationalization process is primarily driven by the expansion of capital across national borders and engendering a transnationalization of capitalist class rule through the *transnational* operation of comprehensive concepts of control. It is within the Lockean heartland, seen as both ‘an organically unified group of states’ (Van der Pijl 1998: 64) and as a transnationally constituted social space, that these concepts of control primarily circulate (Overbeek 2000: 178). It is within this area that ‘[t]he struggle for hegemony between fractions of the bourgeoisie [...] replaces the traditional form of world politics ever more by “global domestic politics”’ (Van der Pijl 1989: 19). The expansion of the Lockean heartland, for instance through the widening process of European integration (see Holman in this issue), thus implies a *transnationalization* of state-society complexes (also Holman 1996) that were hitherto of a non-liberal form, and in fact often resisting Lockean liberalization. Transnational (capitalist) relations of course also extend beyond the Lockean heartland as in fact the whole states system must be viewed as embedded in such relations through the capitalist world market. However, outside this ‘organically unified’ area the degree of transnationalism as providing this unity and cohesion, creating a transnational hegemony of a certain concept of control, is more limited. In both cases, however, the implications are that we can no longer fruitfully study so-called domestic politics exclusively in a national context, nor can we understand so-called international politics outside the context of transnationalized ‘domestic’ society.



This theorization thus stresses the primacy of the struggle between transnational social forces, giving content to state-society complexes and their relations. What it *does not* do, it should be clear, is to conceptualize transnational actors (classes) as in any way replacing states or as even making them less relevant. *Ipsa facto*, it also does not view international relations as having diminishing relevance.

### **Beyond international/transnational relations?**

If the growth of transnational relations is not about the withering away of the (national) state, it is also not about transcending international relations altogether. The latter is sometimes suggested by some of the globalization literature where, for instance, globalization is seen as being defined by processes of *detritorialization* (Scholte 2000; cf. Ruggie 1993) or *denationalization* (Zürn 1998) to such a degree that it tends to render the whole concept of transnational relations obsolete (cf. Risse 2002: 262).

Yet the world continues to be divided into (national) states even if, as argued, the form and content of states are being transformed as the result of (neo-liberal) globalization. The world is not (in the process of being) united politically and global *governance* is no substitute for global *government*. Indeed, if, to use Wallerstein's terminology (1974), the world were one politically in the form of a 'global empire', the very concept of transnationalism would not make much sense anymore. We might still speak of 'transworld' (Scholte 2000) processes connecting events and people across distant places (within the empire) but these would have a different meaning and significance than current *transnational* processes. In speaking about 'the transnational', it is thus still pertinent (and not just for reasons of linguistic clarity) to refer to processes across national borders, and therefore to implicitly recognize the latter's continuing existence and relevance (though in a different way than one might expect), and hence also of 'the international'.

As argued (and concurring with Wallerstein), transnational *capitalist* relations as developing within the world economy could flourish precisely because of the territorial fragmentation of sovereignty. Thus, if Scholte (2000: 48) writes that many 'transborder' flows 'largely escape controls at state boundaries,' this is exactly the key point. Further, if some of these flows may also be constituted by deterritorialized phenomena such as global finance it is still critical to see how these processes touch the lives of people living in different *places* and *territories*, with their identities at least partly still bound up with especially the territorial entity of the state, and with their political hopes and aspirations also oriented to that level which continues to be the principal site for legitimate political rule. Although not seen as autonomous actors,



states as such are necessary structures in the effectuation of any concept of control. It is true that in this respect 'the state' does not per se only refer to 'the national state'. Indeed, we are currently witnessing several new forms of *stateness*, above all in the European Union (EU) where Europe's emergent multi-level polity (Marks *et al.* 1996) partly represents a novel form of political domination (Schmitter 1991; cf. Ruggie 1993; Caporaso 1996).

Nevertheless, not even the EU (which in fact represents a relatively unique process in this respect) reflects a transcendence of the state and of state functions as such nor, in fact, a complete transcendence of territorial politics as based on the national state. Critically, although indeed in the domain of security concerns the realist logic of anarchy has been largely transcended within intra-European international relations, rivalry between member-states remains built-in within a multi-level system in which states remain responsible for growth, employment and welfare while, at the same time, the instruments to achieve those goals have been curtailed by the supranational single market (and single currency). The phenomenon of regime competition (Streeck 1998; Scharpf 1999) is no unintended side-effect of the current integration process but is rather at the core of the *social purpose* underpinning — as a transnational concept of control — the integration project since the 1990s (Van Apeldoorn 2002). Also, and again this is no coincidence, within the EU it are the member-states that remain the primary sites of legitimacy, providing not only the means of coercion, but also the institutional and ideological apparatuses through which consent is organized and reproduced.

States and (by implication) interstate politics thus continue to matter. International relations are critically shaped by transnational relations but the former surely cannot be reduced by the latter. As Van der Pijl (1998: 64) writes:

In reality, all social action is simultaneously structured by the tendency towards global unification represented by capital, and by the fact that every concrete state/society complex is ultimately held together by a specific structure of power and authority mediating its relations with other such complexes.

The power of transnational classes is necessarily supported by state power and the projection of that state power internationally. It is hence that the process of transnational class formation in the 19th century was associated with British hegemony, and in the 20th century with that of the US. Van der Pijl's theory of the Lockean heartland, moreover, stresses how transnational bourgeois hegemony within that heartland is in fact partly premised upon (in terms of propping up the legitimacy of its project) its geopolitical confrontation with Hobbesian contender states. It is accordingly that with the demise of the Hobbesian contender state of the Cold War, the central US role in the global



political economy can no longer derive part of its international and transnational legitimacy from its critical geopolitical role in defending the interests of ‘the West’.<sup>15</sup>

The tensions inherent in the above-mentioned duality of world politics — that of a global unity of capital and continuing national fragmentation (also Cafruny 2003: 95) — are in fact becoming glaringly manifest in the context of the global disorder precipitated by the neo-conservative project of US imperialism. With the benefit of hindsight we may conclude that the transnational hegemony of neo-liberalism of the 1990s was indeed US-centred (Gill 1990), but that this was not so much an indication of continuing hegemony of US power as such but in fact coincided with a continuing structural decline of the latter (Wallerstein 2003). As the world continues to be divided into states, and as the states system thus endures (even if notions of sovereignty change meaning and even if especially in a European context the realist logic of anarchy is partly overcome), any given unity between states (no matter how ‘organic’) is transient and contingent upon the reproduction of a particular (transnational) configuration of social and political forces. The current crisis of Atlantic transnationalism is a case in point, even if the depth of the transnational integration of capitalist production and finance seem to make a total unravelling of Lockean unity unlikely for the near future.

What we seem to witness instead is a crisis of global governance that is precisely the product of the contradictions of global and transnational capitalism. Whereas on one hand the power of transnational capital is premised on the territorial fragmentation of political rule, on the other hand this necessary (from a capitalist point of view) fragmentation may also be seen as blocking effective solutions to the global problems associated with the historic globalization of capitalism. After the collapse of the Soviet Union, even in the absence of a common threat to their capitalist liberty, the liberal capitalist (Lockean) states were at first still united in a transnational hegemony underpinned materially by an accelerating transnationalization of capital, and ideologically by the increasingly pervasive discourse of neo-liberal globalization. The deepening crisis of global capitalism becoming manifest after the turn of the millennium, however, has only — at least from the perspective of a growing transnational social movement — served to underline that transnational capital and neo-liberalism are part of the problem. Also within the population at large, the global recession is everywhere straining the hegemony of the neo-liberal concept of control. Meanwhile, in spite of Bush’s determined efforts, geopolitically, the war on ‘global terrorism’ has not yet proved the transatlantic rallying point around which the core states of the global political economy can unite once more.



## Conclusion

Noting the paucity of systematic theorizations of the transnational, and arguing the continuing need for such a theorization for an understanding of the current global political economy, this article has advanced a particular historical materialist perspective on transnational relations — as elaborated especially within the Amsterdam IPE group — argued to transcend a number of limits inherent in the mainstream debate on transnationalism in world politics. A critical review of this debate has shown how most of the conventional approaches are relatively actor-centred as well as ahistorical, thus disregarding historically generated structures of social power. Going beyond this liberal conception, our historical materialist approach defines transnational relations in terms of *social relations* and claims that with the advent of the capitalist world market primary among these relations are the social relations of capitalist production. Transnational relations, international relations and global capitalism have come to constitute a historical triad. Out of this constellation, processes of transnational class formation have been engendered that have made transnational classes important actors in world politics. Transnational social (class) forces have been argued to give content to — to use Cox's phrase — different *forms of state* (Cox 1987) as well as different forms of interstate relations. Here we have noted in particular the development of a Lockean heartland of core states and a concomitant transnational civil society that forms the space in which capitalist class rule is effectuated across national boundaries.

Having thus emphasized the historical as well as contemporary relevance of transnational relations within world politics, I have also stressed that transnationalism is not about the negation of the states system as, on the contrary, transnational relations not only logically presuppose international relations but are also significantly mediated by them. Here, however, we may also point to some limitations of the Amsterdam research programme thus far and hence point to a possible agenda for further research.

First, although it is acknowledged that international relations (i.e. interstate politics) cannot be reduced to transnational (capitalist) relations as the former also forms a historical structure of socialization of its own (in fact necessary to global capitalism and the power of transnational capital), the implications following from that have so far not been fully examined. The implications of what Jessop (2002: 40 and *passim*) calls the *strategic selectivity* of the state as an autonomous institutional form (even if the content is always dependent upon underlying social forces) have remained somewhat outside the focus of the Amsterdam perspective which tends to see the state only as an arena for (transnational) class forces. Similarly, at the *interstate* level this has also tended to translate into viewing the Lockean heartland of the capitalist core as first



and foremost a transnational arena and no longer as a realm of interstate politics. It has of course to be pointed out that the argument made is precisely that it is within the Lockean heartland that ‘realist’ international relations are transcended and international politics become more ‘domestic’. Nevertheless, and apart from the fact that such a transnational unity may be neither complete nor eternal, this conceptualization does seem to miss the fact that for instance the ‘European arena’ of the EU (which indeed exhibits quite a *specificity* in terms of its institutional form) is separate and different from for example the transatlantic arena, let alone from regional patterns of transnationalization outside the Atlantic area.

Second, we may in this respect also point to the fact that the historical materialist approach to transnational relations developed by the AP is first and foremost a theory of transnational capitalist integration *within the core of the global political economy*, that is, Western Europe and North America. Given the historical centrality of these regions in the formation of the states system as we know it today (internally related to capitalism) this focus of course seems justified. Nevertheless, it remains the case that we are not yet well equipped to analyze transnational social relations and how they mediate state policies in, for instance, East Asia. As the centre of gravity of the global political economy may yet shift in that direction, more research and theorization of ‘the transnational’ beyond our traditional geographical focus seems all the more called for.

## Notes

- 1 This article has benefited greatly from the incisive comments and helpful suggestions from three anonymous reviewers as well as from the editors of the *Journal of International Relations and Development*. I am especially grateful to the editors for their constructive engagement with the arguments I seek to develop here.
- 2 Making a similar observation, Nölke (2003a) in this context for instance noted the lack of attention to the topic in the special ‘state-of-the-art’ 50th anniversary special issue of *International Organization* (Katzenstein *et al.* 1998).
- 3 The point of this article, however, is not to stress differences with Cox or Gill or others within transnational historical materialism. Rather, the purpose is to build upon transnational historical materialism generally, and on the Amsterdam IPE project specifically, in order to contribute to a further systematic historical materialist theorization of transnational relations as an alternative to mainstream liberal approaches.
- 4 The limits — with respect to an understanding of transnationalism — of these early integration theories I note, apply, I claim, equally to later ‘supranationalist accounts’ of European integration (see in particular Sandholtz and Stone Sweet 1998). In fact, I contend that the whole debate on European integration as well as more recent attempts at theorizing European ‘governance’ only has limited relevance as far as the theorization of transnational relations is concerned.
- 5 To the extent that the early transnationalist writings focused on structures, it was on the structure of *interdependence* supposedly created by transnational relations (also Keohane and Nye 1977). Interdependence, however, remained a relatively shallow conceptualization of



structure, primarily seen — within the liberal tradition — as acting as a beneficial constraint on (realist) state behaviour and on interstate relations.

- 6 I am aware that outside the 'mainstream' there is, of course, much more than just neo-Gramscian and neo-Marxist perspectives. However, I restrict myself here to those approaches that focus on transnational relations in an explicit and theoretical way. Here, in fact the number of relevant approaches is much more limited. For instance, both post-structuralist approaches to IPE (e.g. De Goede 2003) and 'critical' globalization studies could be argued to deal with transnational relations in their empirical substance but in their understanding of it have moved beyond the whole *problématique* altogether. Although there might be good reasons for doing so, with regard to the globalization literature I argue in the final section of this article that in this way some important insights also tend to get lost.
- 7 Although it has to be pointed out that, for instance, Stopford and Strange's (1991: 37) concept of a 'privileged transnational business civilization' does emphasize this latter dimension. However, this concept has not really been elaborated on by them either theoretically or empirically.
- 8 To be sure, both Keck and Sikkink (1998) and Risse *et al.* (1999) use fairly complex models linking 'domestic NGOs' with 'transnational networks', linking 'inside' with 'outside' pressures, and in this vein also claiming a transformation of sovereignty in the international system (Keck and Sikkink 1998: 209–17). The problem, however, is that in couching it in these terms the distinction between 'inside' and 'outside' continues to be reified in a way that, in my view, hampers an adequate understanding of 'the transnational'. By speaking of 'links' between 'domestic society' and 'transnational society' (e.g. Risse and Sikkink 1999: 17) their separateness is in fact confirmed.
- 9 I speak of *liberal* constructivism as it could be argued that there is also a more 'critical constructivism' that is in fact quite compatible with historical materialist premises (Van Apeldoorn 2002: especially 13–17).
- 10 Indeed, though happily accepting the label of 'neo-Gramscianism' I also do not feel the need to — as suggested by the critique of Germain and Kenny (1998; also Morton 2003) — engage more deeply with Gramsci (and other interpretations of his work), at least not for the purposes of this article. Though such engagement in general might be enriching here I do want to cite the words of Craig Murphy (in his reply to Germain and Kenny) that 'as students of international relations we should keep our focus more on understanding *international relations* than on understanding Gramsci' (Murphy 1998: 417). This certainly also applies to this article in which the central focus is on theorizing the transnational within world politics. Here, indeed, the direct relevance of Gramsci may be limited. What is relevant is how some scholars (e.g. Cox, Gill, Van der Pijl) have applied Gramscian concepts to a historical materialist analysis of these transnational phenomena. As Cox (2002: 29) also rightly points out, the test here is not whether Gramsci has been 'correctly' interpreted but whether the way Gramsci is being appropriated 'help[s] towards the understanding the historical phenomenon that is the object of my enquiry.' Notwithstanding this, with regard to Germain and Kenny's (1998: 14–17) claim that it is problematic to use Gramsci to analyze transnational civil society given the absence of a transnational or international state, I would refer to Mark Rupert's (1998: 433) reply that this rests on an unwarranted insistence on a 'strict institutional correspondence of state/civil society.' Indeed the point is not, as Germain and Kenny (1998: 15) suggest, that by focusing on social forces across and beyond national and state borders one would conceive of a civil society 'shorn of a state' but rather to see how those transnationalized social forces would give content, and be organically linked, to a number of *national* states simultaneously, while at the same time the same state functions are also being internationalized as well as transnationalized in emerging multi-level governance structures.



- 11 To avoid any misunderstanding, ‘critical realism’ as a philosophy of science has nothing to do with realism in IR. As a philosophy of science it has, amongst others, been introduced into the IR debate by Patomäki (1996), although not from a historical materialist perspective. Although, as Brown *et al.* (2002a: 3) point out, critical realism can be regarded as a ‘full-blown philosophy of science’ dealing with ontology, epistemology, causality, theory evaluation, etc., I mainly focus here on Bhaskar’s ontology with regard to structure and agency. This is, however, linked to his general ‘realist method’ inasmuch as his conception of structure/‘society’ (see Bhaskar 1979: 2) is concerned. The agency-structure debate was introduced into IR by Wendt (1987) and has seen many different contributions since. Rather than rehashing this debate here I refer to an excellent overview of the debate by Bieler and Morton (2001b), in which they also seek to explicate what they see as a ‘neo-Gramscian’ perspective on the agency-structure problem. Unfortunately, however, they do in my view tend to misrepresent Roy Bhaskar’s position on this problem — and therefore miss the potential value of his work from a neo-Gramscian perspective — when citing others (but not Bhaskar himself!) in claiming that his position would be inconsistent with the historicist neo-Gramscian ‘assumption that, ultimately, all structures have been instantiated via human interaction’ (Bieler and Morton 2001b: 27). As will transpire below, this is not at all contrary to Bhaskar’s position (indeed, on the contrary, though Bhaskar would say, not ‘have been’ but *are* necessarily instantiated via human agency).
- 12 Although it falls outside the scope of this article, it might briefly be pointed out that the idea that structures are dependent upon their instantiation in intentional agency also implies that in the social world structures are *historical* (Bhaskar 1979: 164). Therefore, insofar as we can speak of social (causal) laws these are ‘spatio-temporally restricted in scope’ (*ibid.*). However, not even within those spatio-temporal limits must we understand causal laws in terms of empirical invariance (a constant conjunction of events) as in the universal laws that positivism seeks to generate. Since social systems are always *open* ‘causal laws must be analysed as *tendencies*’ which may or may not be realized in the empirical domain (*ibid.*: 13, emphasis added; also see Brown *et al.* 2002a: 4–5). Although it would require more space to argue this, I suggest that Bhaskar’s critical realism is in fact quite compatible with neo-Gramscian or specifically Coxian historicism (Cox 1986, 2002: 59–60; cf. Bieler and Morton 2001b: 17–21, 27).
- 13 On the conceptualization of class within the Amsterdam group, also see Van Apeldoorn (2002: 21–26), and Holman and Van der Pijl (2003).
- 14 In his contribution to this special issue, Kees van der Pijl argues that the planning functions are in fact mostly performed not by members of the capitalist class proper but by a separate ‘cadre class’ of managers and other professionals, a class that is linked to, yet not part of, the property-owning bourgeoisie. In my view, however, one should not overemphasize the differences between these two social groups as the notion of a separate ‘class’ may seem to do. Top executives of transnational corporations, for instance, are in more than one respect definitely part of the capitalist class (Van Apeldoorn 2002: 25), although this might apply less to other types of ‘functionaries’. For the purposes of the argument developed in this article I do not pursue this point further.
- 15 I owe this point to a discussion with Henk Overbeek.

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