

Theory Talks

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THEORY TALK #5

TIMOTHY SINCLAIR ON SOCIAL FORCES, TRANSNATIONAL CORPORATIONS AND GLOBAL GOVERNANCE

Theory Talks

is an interactive forum for discussion on actual International Relations-related topics for both students and specialists. Theory Talks frequently invites cutting-edge specialists in the field to open a debate, discuss current issues or elucidate a theory.

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TIMOTHY J. SINCLAIR ON SOCIAL FORCES, TRANSNATIONAL CORPORATIONS AND GLOBAL GOVERNANCE



Timothy Sinclair is well-known for his research on the politics of global finance and the power of private actors, especially the American bond rating agencies, in his *The New Masters of Capital* (2005), and for his book on and with Robert R. Cox, the influential critical theorist who introduced Gramsci to IR. Since their joint publication *Approaches to World Order* (1996), it is difficult to think about Sinclair's work and not link it to notions of social forces, states and their relations to hegemony or world orders. In this *Talk*, Sinclair amongst others explains how not only states but also institutions form the stage for struggles between social forces and how global governance has a nature very different from that of international institutions.

What is, according to you, the biggest challenge / principal debate in current IR?

The major problem in IR is that it is a perspective on the world developed during the Cold War for the purposes of American policy, as Stanley Hoffmann suggested in the 1970s. Integrating capitalism and "the international" is therefore the challenge. The post-9/11 hysteria about terrorism retards this intellectual and practical project.

What is your position or answer to this challenge / in this debate?

We need to develop the analytical and political agenda of IR, moving away from the prevailing mainstream fixation with sovereignty and anarchy. To my mind, neither of these categories should be at the centre of our thinking.

How did you arrive at where you currently are in IR (and by that, I mean in your ideas on how the world works)?

Like most critical people, I read Marx. But I didn't stop with the Paris Manuscripts of 1844. I also read the three volumes of *Capital*. Very few critical scholars seem to have read *Capital*, even self-professed [Neo-Gramscians](#). Then, oddly perhaps, I worked as a policy adviser in the New Zealand Treasury, involved in rationalizing public sector expenditure and privatization.

Subsequently, I encountered a more open, tractable Marxism at York University in Toronto, working with Stephen Gill and Robert Cox. This allowed me to make sense of the critical and liberal analysis I had been exposed to before leaving New Zealand in 1989. Since coming to England I have been strongly influenced by Ruggie, Katzenstein and [John Searle](#).

What (skills, mindset, etc.) would a student need to become an IR-theorist like yourself?

Given my biography I think a rigorous immersion in classical theory has huge benefits. In my case this was Marx, but others would do just as well. I would also reinforce practical experience as theory is, after all, just a tool. This helps people see things in perspective – a rare quality in IR theory where extremes seem to rule. Last, I would say that international experience is essential. Inevitably, I have some difficulty understanding how IR scholars can do all their work in one country.

Your research focus has always circled around ways to check the market. Is the capitalist market something negative, and do international organizations serve actors (overcoming transaction costs, uncertainty or collective action problems) or do they offer civil society a means to govern them?

The market is an enormously powerful and often incoherent social system. My position is similar to that of the late Susan Strange. What we must deal with is the inherent tendency of capitalism, specifically global finance, to produce volatility, as revealed yet again by the subprime crisis. There is a good history of international cooperation in the monetary field, but I fear that the pace of change is so fast, that like domestic regulators, international actors have problems keeping up. We look to civil society for counter-hegemonic movement, but crisis will have to prove more damaging and persistent to produce mobilization.

How would you judge popular talk about globalization, which typically comprises the pervasive spread of capitalism as the only way of doing things, information technology as a means by which we can construct new social relations and more intense contact between people all over the world that will result in homogeneity?

This seems to be a dream for some and a nightmare for others. I see 'location' as key to the most globalized form of capitalism, finance, as Saskia Sassen shows. Proximity is necessary and adds value. So I don't see this homogenized place-less world as a practical proposition any time soon.

Why is the literature on transnational corporations moribund?

The dominant theories of the 1960s and 70s, [dependency theory](#) and the elite or radical [Weberian approach](#) to political economy were largely descriptive and polemic, and so they burnt themselves out in the 1980s. Far better accounts of institutions have emerged from sociology and organizational theory since, in part by the authors that I've mentioned before as sources of

inspiration and from scholars such as [Harrison White](#) and [Oliver Williamson](#). Time is now ripe to apply these to Transnational Corporations.

In Europe and the States, there's been a proliferation of attention for international labor standards, human rights and the like, which focuses mainly on the rest of the world. This can be seen as something positive ('we finally make a stand against global injustices') or as something negative ('social standards as a way to curb competing companies from the developing world'). What's your view on this instrumentalization of normativity?

In my view, this instrumentalization provides many opportunities for intervening in the affairs of subordinate countries, reinforcing their more marginal place in the world order.

You've asserted that 'collective understandings can become powerful forces in world politics'. That assertion can be interpreted as a 'Coxian' assertion in its effects, and a constructivist one in its process. Are institutions always for someone and for some purpose? And can you give a concrete example of such a powerful collective understanding?

This takes us back to the state debate of the late 1960s and 1970s, about which Robert Cox and I have written extensively in *Approaches to World Order*. There, we explained that both states and world orders can be seen as the result of the struggle between social forces. The ideas, norms and values expressed in states, we argued, serve the interest of specific groups. I subsequently see institutions not as instruments, but as places in which conflict and accommodation take place between and within social forces.

An example often cited of a powerful collective understanding would be [monetarism](#). Or, if you like, 'collective disposition against inflation.' This helped to delegitimize union wage demands in the 1980s, which again serves the purpose of a certain group, and certainly does not serve another.

In 2009, you'll publish a book on global governance, in which you link governance to the infrastructure of private authority. Can you explain the main argument of this study?

It turns out that 'global governance' is a much more limited conception of cooperation than international organization. Global governance, I show, is in great measure the organization of the international by private actors. Unlike international institutions, which represent states and political actors, and are thus subject to criticism and politicization, private institutions find favor because they enable many otherwise political issues to be dealt with as technical matters to which normative issues do not apply easily.

Related links

Who influenced Timothy Sinclair

- Read *An Annotated Bibliography of Susan Strange's Academic Publications 1949-1999* (C. May, 2002) [here](#) (pdf)
- Read Robert Cox's influential article *Social Forces, States and World Orders: Beyond International Relations Theory* (1981) [here](#) (Sage, subscription or free trial required)
- Read Saskia Sassen's (counterintuitive?) thoughts on the importance of the local in a globalized world in her article *The Global City: Strategic Site/New Frontier* (2001 lecture) [here](#), and read her 2006 article *Cities at the Intersection of New Histories* [here](#) (pdf)

Sinclair's work

- Read selections from *The New Masters of Capital* (2005) and journal articles at Sinclair's faculty profile at University of Warwick [here](#)
- Read Timothy J. Sinclair's lecture *Capitalism in the Information Age: Continuity or Change?* (2001, lecture held at the United Nations University Global Seminar) [here](#) (pdf)
- Read the first chapter *Beyond international relations theory: Robert W. Cox and approaches to world order* from *Approaches to World Order* (1996, Robert W. Cox & Timothy J. Sinclair) [here](#) (pdf)