

University of Helsinki  
Department of Social Research

**THE MAKING OF A GLOBAL ELITE**  
GLOBAL ECONOMY AND THE DAVOS MAN  
IN THE *FINANCIAL TIMES* 2001–2011

**Markus Ojala**

ACADEMIC DISSERTATION

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# ABSTRACT

Recent decades have seen an increase in the number of policy-planning groups, think tanks, clubs, conferences and retreats whose members and participants mainly comprise executives of transnational banks and businesses, political leaders and officials from state agencies and international organisations. In addition to such exclusive meeting places, there is a variety of international media outlets and publications targeting these groups of influencers and focusing on issues pertaining to the operation of the global economy. This study argues that these forums and media contribute to transnational elite formation by bringing elites together across institutional and national boundaries and by facilitating the formulation of shared ideas and policy objectives in common private and public spaces. Defining these institutions and processes for international business-policy interaction as *transnational elite communication* (TEC), the study examines their relevance for global economic governance. The specific focus is on the World Economic Forum and the *Financial Times* (FT) as forms of TEC.

Theoretically, the work carves out a niche at the intersection of elite studies, global political economy, and communication and media studies. First, the study draws particularly on C. Wright Mills' concept of the power elite, which provides a critical view of how societal transformations and institutional connections can pave the way to the concentration of power in society and to the formation of an increasingly integrated elite. Second, the perspective of global political economy informs that efforts to incorporate political and business elites on a transnational basis into a common field of global economic governance are an elementary aspect of managing an increasingly globalised and financialised capitalism. It also suggests that the historical process of integration is deeply rooted in political-economic power relations and that it has been shaped most significantly by the US state and US-based transnational corporations, which have been in dominant positions in the global political economy after World War 2. Finally, the perspective of communication and media studies highlights the importance of culture, identity and the public sphere – as a domain of associational life and discursive practice – in transnational elite formation. The theoretical exploration thus develops into an inquiry into the concentration of power in the global political economy; into the role of elites from the fields of business, politics and administration in shaping the processes of global economic governance; and into the efforts of US and western elites to incorporate non-western elites into these institutions and collective practices of governance. The study argues that observing the forums and media of transnational elites complements analyses of political and economic power in the global context as it sheds light on the kind of hegemonic processes concerning the ideas, identities and interests that inform elite agency in the global political economy. The practices of TEC

enhance the potential of elites to bridge divides, formulate common outlooks, negotiate shared goals and organise themselves as a collective agent in the pursuit of those objectives.

The theoretical inquiry is followed by an empirical analysis of elite-formation in TEC, focusing on the FT coverage of the World Economic Forum's annual Davos meetings from 2001 to 2011. The qualitative text analysis is informed by the perspective of sociological or discursive institutionalism and draws specifically on the notion of *epistemic work*. The latter posits that actors appeal to world-cultural ideas, including ontological assumptions, actor identities, and values and ideals, when articulating their goals and attempting to convince others of their soundness. Accordingly, the analysis observes FT journalism as a form of epistemic work as it takes place around various concrete issues that the corporate professionals, political decision-makers and international officials debate at the Davos forum. The analysis supports three major findings. First, the global economy occupies a central place in elite ontology and is discursively constructed as an interdependent system and an object of governance, and that financial markets appear principally as a functional, even though inherently unstable, element in the global economy. Second, FT journalism articulates the transnational elite as an actor identity, presents Davos attendees as its representatives and supports positive identification with this elite among its readers. Third, globalisation emerges in FT-mediated TEC as a prevalent idea that informs elite agency and is positively connected to the values of growth and liberty. In this way, liberal internationalism is associated with universal interest and articulated with the idea of historical purpose that unites transnational elites behind a common political project.

The concluding chapter of the study draws together key theoretical and empirical insights and discusses them in light of some recent developments in the global political economy, including the global financial crisis of 2007–9, the weak economic recovery after the crisis, and the so-called power shift as it is articulated in terms of the decline of the west and the rise of emerging economies. The study argues that TEC certainly facilitates epistemic work for transnational elite integration but the latter is always influenced by the historical context in which it takes place. Accordingly, the weakening if not loss of US hegemony in the 2010s implies that the neoliberal form of liberal internationalism is less capable than in preceding decades of uniting elites behind a common policy project and therefore the elites appear to be increasingly divided. However, despite the rise of nationalist and mercantilist tendencies, transnational elites still tend to share a commitment to an integrated global economy characterised by relatively free movement of the factors of production. Insofar as the forums and media of TEC are capable of incorporating non-western elites as well as alternative economic-policy ideas, they have the potential to bridge elite divides and to promote the kind of policy shift that addresses the multiple crises of contemporary capitalism.

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Markus Ojala

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## Abbreviations

APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
BIS	Bank for International Settlements
CEO	chief executive officer
CSO	civil society organisation
CSR	corporate social responsibility
ECB	European Central Bank
FDI	foreign direct investment
FSA	Financial Services Authority
FSF	Financial Services Forum
FT	<i>Financial Times</i>
G7	Group of Seven
G8	Group of Eight
G20	Group of Twenty
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
IFI	international financial institution
IGO	intergovernmental organisation
IIF	Institute of International Finance
ILO	International Labour Organization
IMF	International Monetary Fund
OECD	Organisation for Economic Co-operation and Development
SCE	state-controlled enterprise
SEC	Securities and Exchange Commission
SOE	state-owned enterprise
SWF	sovereign wealth fund
TEC	transnational elite communication
TNC	transnational corporation
WEF	World Economic Forum
WTO	World Trade Organisation

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# 1 INTRODUCTION: STUDYING TRANSNATIONAL ELITE COMMUNICATION

Nearly a decade after the outbreak of the global financial crisis, decision-makers and experts in the world's most powerful governments, central banks and international organisations are grappling with a common conundrum. Despite a series of extraordinary policy measures to stimulate the economy, recovery from the Great Recession has been weaker than expected, unemployment levels remain high in many countries, and there is a general lack of investment and demand in the global economy. In tandem, the probability of another serious financial market failure is growing. Meanwhile, attempts to compensate rising levels of public debt and declining revenues with policies of austerity coincide with the inability of governments to lead the shift towards a non-carbon-based economy and to adequately address the influx of increasing numbers of immigrants from areas stricken by wars and poverty, paving the way not only for far-right populism and xenophobic nationalism but also towards increasing geopolitical tensions. In other words, the aftermath of the financial crisis of 2007–9 has laid bare the world's inability to adequately address the unsustainability of the accumulation paradigm of contemporary capitalism centred on financialization, rapidly mounting debt, widening wealth inequality and continuing dependency on carbon-based energy. This collective failure is reflected in a series of global problems from runaway climate change to refugee crises, and from general social instability to international conflicts.

In research on the global political economy, a number of perspectives can be adopted to analyse the financial crisis and its fallout. Some of the most prominent figures of mainstream economics have proposed various alternative terms, such as “liquidity trap”, “debt overhang”, “global savings glut” and “secular stagnation”, to describe and explain the present conundrum of slow economic growth and financial instability. In other social sciences, concepts like globalisation, financialization and empire are often employed to characterise the current conjuncture of global capitalism and to highlight the importance of its historical dynamics when interpreting present crises. Alternatively, scholars can draw on more cultural, political and heterodox approaches to the economy in order to emphasise the shifts in institutional, political and ideological power that lie behind today's economic and social ills. In these accounts, the contemporary crisis is typically explained in terms of the growing dominance of capital over the state and labour and the corresponding ideological hegemony of neoliberalism.

Complementing these structural, political and cultural diagnoses, the perspective on elites highlights the importance of agency in the global political

economy. Instead of abstract processes, ideologies or even institutions, the notion of the elite refers to actual people making decisions and exerting power. When employing the elite as an analytical and theoretical concept in social research, the purpose is to demonstrate how powerful individuals and groups act to shape structural conditions and lead the changes we make sense of in terms of stagnation, globalisation or neoliberalism. In the words of Niilo Kauppi and Mikael Madsen (2013, 211), elites are “entrepreneurs of these very developments”. At the same time, elites themselves must be understood as being shaped by structural processes. They are products of the concentration of power, the degree of which changes from one society or historical situation to the next. Therefore, to understand how power operates in the contemporary world, social research needs to take the notion of the elite seriously (cf. Krysmanski 2012, 20).

Lately, many popular and academic authors have insisted that the nature of the elites has changed since World War 2. According to this argument, previous decades have witnessed the “globalisation” of elites, or the emergence of new transnational elites who are highly integrated and identify with each other more than with their respective national communities (Lasch 1995; Bauman 1998; Faux 2006; Rothkopf 2008). Underlying this argument, there is not only recognition of the rise of powerful new actors and institutions outside of the national governments, including intergovernmental organisations (IGOs), transnational corporations (TNCs) and informal networks and associations specialised in transnational policy-planning. There is also an assumption that the social and political sense-making, personal lifestyles and beliefs, and the feelings of belonging and solidarity of the most powerful individuals have changed with the increasingly global outlooks of these people. In other words, arguments about the globalisation of elites point not only to a structural shift in the operation of power in the global context, but also to a cultural or ideological shift. The developments, arguably, have been mutually reinforcing and dependent on each other: the strengthening of a global outlook among elites has been intimately connected to changes in their practices and material environments. This points to the importance of studying the actual sense-making and public discourses of elites in the reproduction of globalisation as an ideational and material phenomenon.

However, many of the arguments about the globalisation of elites lack analytical rigour and tend to suffer from hyperbolic claims, occasionally drawing from simplistic forms of globalisation theory and claiming the end of nation-states while largely dismissing the ways in which state structures and national institutions continue to influence societal and cultural processes. Taking critical distance from these arguments, this study draws attention to the importance of *transnational elite integration* as a project that is being actively pursued by powerful institutions and driven by the recognition that, as capitalism is increasingly characterised by transnational production networks, there is a simultaneous need to ensure that the global political economy is rendered into a seamless and stable playing field for the largest

businesses to operate on. Moreover, within the context of the global political economy that is characterised by highly uneven power relations and historical structures of institutionalised decision-making, transnational elite integration should be seen specifically as an attempt of western elites, particularly those of the United States, to incorporate non-western elites in order to maintain an international policy regime that is friendly to transnational business and finance. By *the making of a global elite*, then, the study refers to a historical and ongoing project of liberal-internationalist elites in the west to integrate non-western elites behind a common, western-led process of global capitalism. The establishment of a global elite thus marks a hypothetical endpoint of these efforts, while transnational elite integration is a process that leads towards the increasing unification of elites.

Focusing on what will be defined as *transnational elite communication* (TEC), this work is an effort to connect studies of communication and media with questions of the concentration of power in the global political economy in the early twenty-first century. When media scholars engage in analyses of the political economy, they often examine the media as a culture industry which not only adheres to the broader tendencies in contemporary capitalism, including globalisation and concentration of ownership, but also occupies a strategic position in the global political economy due to its cultural importance and close connections with other business sectors and the field of politics (see, e.g., Mosco 2009, 6–8). My intention, however, is to take another route and look for ways to adapt perspectives on cultural studies, journalism and the public sphere to the analyses of the global political economy. More precisely, these perspectives have to do with: (a) the nature of communication as a form of sharing common cultural beliefs and understandings within a particular group or community; (b) the journalistic media as particular forms of mediated mass communication that structure and shape the public communication between members of a community and potentially reinforce the sense of belonging of its audiences to the community; and (c) the public sphere as a historical formation that brings people together in communicative interaction and enables collective mobilisation around shared concerns.

The specific interest here is in the way particular, exclusive forms of communication and media bring together elites on an international level from the fields of business, politics and administration, creating spaces for them to network, interact, develop common understandings of reality, share ideas about public policies and negotiate differences between competing interests. The *Financial Times* (FT), a traditional newspaper of choice for international business leaders and policymakers, and the World Economic Forum (WEF), the annual gathering for the executives of the world's largest corporations, international officials, central bankers and government leaders, work in this study as the primary examples of such exclusive spaces. The empirical part of the study observes the FT coverage of WEFs as a mediated and journalistic form of TEC in which a particular set of policy concerns and corresponding ideas for political agency are developed.

Regarding questions of power in the global political economy, the perspective outlined here combines literature on globalisation, global governance and US empire with elite studies. These two threads of analysis amount to an argument about the concentration of power in the global political economy and the role of transnational corporate leaders, central bankers and government executives of the world's major economies in shaping its structures in the processes of global economic governance. My argument is that studying transnational elites and their forums and media complements the analyses of political and economic power in the global context as it sheds light on the kind of hegemonic processes that concern the dominant ideas, political identities and the constitution of interests that inform elite agency in the global political economy (cf. Gill 1990, 231). As such, this study is an exploration into the role TEC plays in global economic governance, enhancing the potential of elites to bridge divides, formulate common outlooks, negotiate shared interests and organise themselves as a collective agent.

## **1.1 Elites in theory**

Within social studies, the elite is a long-established concept that points to the concentration of power, authority and prestige in a given social formation. In accordance with common dictionary definitions, which refer to social superiority, highest class or quality, as well as to authority, influence and power, elites may be identified in all spheres of social life and associated broadly with high occupational, educational or cultural status. When it comes to analyses of political power, however, a narrower definition usually prevails: the elite refers to the governing minority that holds the key posts in society and “performs the function of ruling the community” (Aron 1950a, 9). From this perspective, elite status tends to be connected to an institutional position of leadership in large organisations or movements. Indeed, much of elite theorising starts from a Weberian conception of power, in which power is not so much an attribute of individuals but social organisations (Dye 2002, 3). Elites are “the persons and groups who have the *organised capacity* to affect political outcomes regularly and substantially” (Higley 2007, 251, original emphasis).

Aside from the development of powerful organisations that are hierarchically structured, elite theory argues that elite formation is dependent on the formulation of shared interests. Accordingly, only when persons at the apex of institutions act together as a self-conscious group with shared goals is it possible to identify them as an elite (Parry 1969, 31–2; Scott 1990, xi). In this regard, even as they are often characterised as “ruling classes” or “governing classes”, the notion of the elite should be regarded as conceptually distinct from class. As pointed out by Barry Barnes (1999, 83), classes for Weber were aggregates of individual persons who have similar economic opportunities by virtue of being in similar “class situations”, whereas status

groups consisted of social agents “who know each other as members and who are able to generate instrumentally oriented collective action through communicative interaction with each other”. While similar socioeconomic positions and backgrounds certainly contribute to elite formation, it is essentially dependent on intentional interaction which enables the collective formulation and conscious pursuit of shared interests. Thus, the elite as a sociological concept is more akin to a status group than a class (Mills 1956, 11, 384n5).<sup>1</sup>

Given the high level of social differentiation in modern societies, various elites representing separate social sectors and with differing power resources can be identified in the research on social and political elites (see, e.g., Dye 2002; Ruostetsaari 2006; Scott 2008). However, while the existence of these ruling groups may be self-evident, scholars have differed on the implications of such recognition for the operation of power and democracy. Vilfredo Pareto, Gaetano Mosca and Robert Michels, the most renowned classical elite theorists of the Italian school, argued that governing elites represented an essentially anti-democratic tendency in society: instead of majorities ruling minorities, organised minorities in fact continued to dominate unorganised majorities even in so-called democracies (Etzioni-Halevy 1997, 44; Parry 1969, 31). The capacity and tendency of governing elites to organise their interests against those of the governed was implied, for instance, by Pareto (1997) who studied how elites maintained their power through various means, including artifice, argument, ideology, bribery and financial manipulation – or simply brute force. Against such presumption of elite unity, Raymond Aron (1950a, 9–10) identified political leaders, government administrators, economic directors, military chiefs and “leaders of the masses” as distinct elite groups in modern democracies and refuted the claim that they formed a unified clique. Instead he described Western democracies as pluralist societies in which interest groups openly compete and struggle against each other and in which the state is the place for forging compromises between them.

Aron’s argument about the existence of competing elites can be seen behind pluralist, or democratic elitist, theories of power (e.g., Dahl 1966; Etzioni-Halevy 1993; see also Dogan 2003; Held 2006, 158–84; Parry 1969, 64–8). Pluralists disagree with classical elitists about elites being organised around common interests and political goals, and they refute the idea that the existence of elites is in itself antithetical to democracy. Even as societal interest groups can themselves be considered elitist in the sense of being hierarchical

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<sup>1</sup> It should also be noted that classical elite theory was developed in explicit rejection of the Marxist view that political power is ultimately subservient to economic power and a mere reflection of the dominant class interest of those who control the prevailing means of production. According to classical elite theory, it is the struggles over social domination in the political sphere that determine history, not the struggle between classes in the sphere of production (Engelstad 2007, 2; Parry 1969, 28).

and not directly accommodating ordinary citizens as participants in their decision-making, the plurality of those groups guarantees the operation of democracy, according to the pluralist position, in two ways. First, no single set of interests can dominate in society, which guarantees a balance of power and an open-ended political process characterised by endless bargaining (Held 2006, 160–1; Lukes 2005, 4–5). Second, the genuine competition between elite groups allows citizens to exert some influence on the negotiation between various interests and makes elites more responsive to citizens' demands (Etzioni-Halevy 1997, 45–6). In the view of pluralists, then, the institutions of democracy are appropriately placed to give the public power to limit the power of elites.

The pluralist argument obviously rests on two premises: that separate sector elites actively pursue competing interests, and that between them there are no significant differences in relative power. Analysing the mid-twentieth century United States, C. Wright Mills (1956; 1958) refuted both these assumptions. On the one hand, he claimed that due to the growth and centralisation of economic, administrative and military institutions, power was increasingly concentrated on a national level into three structurally essential institutional domains: the large business corporations, the executive branch of government and the military hierarchy. These three sectors occupied the top level in a three-tiered hierarchy of political power. Below them, the middle level consisted of the institutions of representative democracy, trade unions, small businesses and pressure groups, and the bottom was inhabited by citizens, largely disempowered and degenerated into “mass society”. On the other hand, Mills (1956; 1958) argued that the persons holding strategic positions in the three most powerful sectors increasingly worked in unison and towards their perceived common interests. This elite unification was manifested in the similar socio-economic backgrounds of corporate leaders, political executives and military chiefs, in their educational and career trajectories, in their socialising and network-building patterns, and in their broadly corresponding political attitudes and ideological views. Observing their cohesion on both personal and institutional levels, Mills named these interlocking circles as the “power elite” who had effectively relegated other political and social forces into the middle and bottom levels of power.<sup>2</sup>

Different outlooks on the actual concentration or dispersal of power between elites tend to lead to highly contrasting views of the oligarchic versus democratic nature of society. Where pluralists point to the processes of political bargaining and typically perceive the state as a neutral arbiter

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<sup>2</sup> It should be noted that Mills explicitly warned against reading his argument as a conspiracy theory about a small clique of people exercising unlimited control over society (see Mills 1956, 18, 27, 292). On the contrary, the notion of the power elite acquired its meaning within the framework of the different levels of power, which, while hierarchically stratified, all influence societal developments.



between competing elites, followers of the classical tradition tend to question the clear-cut separation of interest groups and emphasise the elites' tendency to identify and work towards common interests. Philosophical and ideological differences aside, the disagreements can partly be explained by differing research methodologies and scales of observation, as well as differences in the underlying conceptions of power. When observing any single policy issue, for instance, one can undoubtedly find many players and interests, and the picture of the operation of power becomes complex, whereas in a more structural and long-term analysis the prevalence of a consistent elite interest may appear more evident. Moreover, while the pluralists tend to limit themselves to a strictly empiricist methodology, studying observable instances of the official political process and adopting an individualist and behaviourist view on power (Lukes 2005, 16–9), those following the classical tradition tend to adopt a view of power as an institutional capacity and something exercised primarily outside the official political process (Dye 2002, 4–5; Mills 1956). For Mills (1956, 4, 16–7, 242–6), the pluralists' concentration on the daily political struggles within representative institutions limited their analysis to the middle level of power and led them to a false conclusion about the existence of checks and balances in society.<sup>3</sup> His own notion of the power elite was meant to overcome this shortcoming by targeting precisely the circles and cliques that exist at the top of social structure between those who occupy key positions in the institutional spheres of the economy, government and the military.

In addition to the conception of a hierarchical organisation of power in society, as opposed to a pluralist or balancing view, historical context is of central importance to any analysis of the elite's unity or fragmentation. Mills (1956, 7, 39–44, 269–76) himself underlined the historical specificity of his notion of the US power elite. Against the balancing argument of his day, which he saw overly influenced by Tocqueville's analyses of US democracy and thus clinging to a "romantic" and outdated view of America, Mills presented a historical argument according to which a small elite had come to hold a disproportionate amount of power as a result of structural and institutional changes in society. The United States of the nineteenth-century, in which economic and political life had concentrated in small towns and cities, had transformed into a society of national markets, national corporations and national administration – by the middle of the twentieth century, "local society" had turned into national society. The transformation implied that the typical institutions of society had grown dramatically in size and become more centralised, paving the way for the concentration of power into a few

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<sup>3</sup> According to Mills (1956, 245), the misperception of pluralism was not only a problem in empirical power research; the mainstream news media, too, tend to concentrate on the daily political struggles of representative politics and interest groups and hence reinforce the illusion of a balance of power in society. As a consequence, the top level is able to exercise power largely in the background.

structurally essential institutions: the large business corporations, the executive branch of government, and the military hierarchy.<sup>4</sup>

As the historical argument suggests, Mills exercised care to avoid a transhistorical interpretation of the elite as a permanent ruling class. The concept of the power elite was not meant to be a universalistic notion, and this forms the primary difference between Mills' analysis and the notion of the governing elite of the earlier classical elite theory. Mills (1956, 20) explicitly acknowledged that the role and power of elites changes historically and from one society to another. Accordingly, when Aron (1950a) outlined his purportedly universalistic conception of the elite as consisting of separate interest groups, he was, in fact, making an argument about the division of power in postwar France, where organisations representing the large masses, such as the socialist party and trade unions, exerted considerable power, and the relationship between leading social groups was one of intense competition. Mills, in contrast, analysing the mid-twentieth-century United States, saw a relatively united elite and argued that intra- or inter-elite competition had been suppressed to a minimum with the interlocked groups working towards a common interest. Consequently, the notion of the power elite should be understood as a theoretical argument about a particular social condition, which is not applicable to every society and historical circumstance. While the distribution of power in postwar America could be characterised in terms of a power elite, this could not have been applied to postwar France, at least not according to Aron's (1950b, 129) analysis.<sup>5</sup>

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<sup>4</sup> Mills' historical argument – as well as his conception of power deriving essentially from institutional positions – is a prime example of how elite theories have been influenced by Max Weber's theorisation of the importance of modern bureaucracy as a mode of organising social activities. From this point of view, the concentration of power in modern societies is enabled by bureaucratic organisation and hierarchy, which make it possible to wield power effectively in ever greater organisations and scales in capitalist enterprises, public administration and military institutions alike (Weber 1970, 214–5, 221–4, 234; see also Naím 2013, 40–1; Parry 1969, 16–7).

<sup>5</sup> On the other hand, this may also be as much a question of interpretation as of historical contingency. To demonstrate that unions and the Communists had access to power in 1940s France, Aron (1950a, 15) observed how “the boards of directors of the nationalised companies were full of Communists and trade unionists”. From Mills' point of view, rather than demonstrating a situation of genuine competition between elites, this finding could be interpreted as a form of elite interlocking and therefore as potential evidence of the existence of a united power elite.

## 1.2 Transnational elites and the global political economy

Since its inception, elite theory and its empirical application have focused almost exclusively on national contexts. Barring some recent exceptions where elites have been deliberately studied and theorised in transnational settings like the EU (Kauppi and Madsen 2013) or the world of central banking (Lebaron 2008; Marcussen 2013), the study of social and political elites has tended to reproduce methodological nationalism in taking it for granted that its objects of analysis are essentially national categories (see Beck 2002; 2004; cf. Chernilo 2006). This is surprising given the wealth of analysis written in both popular and academic literature about the internationalisation of economic and political processes in recent years and decades. Indeed, outside the remit of elite studies, claims about the increasing internationalisation of elites and the emergence of *transnational elites* have become commonplace (e.g., Faux 2006; Freeland 2012; Krysmanski 2012; Rothkopf 2008; Wedel 2009). In this regard, three broad fields of literature appear as particularly worthy for the purposes of this study: (1) studies on globalisation, whether understood as an economic phenomenon driven by the logic of capitalist accumulation or more broadly as a social and cultural phenomenon with multiple mutually reinforcing dimensions; (2) scholarship on the global political economy; and (3) research on international politics and global governance.

First, a common theme in recent literature on the social consequences of globalisation has been the perceived “disembedding” of elites from national cultures (e.g., Bauman 1998). The perceived social disconnect of political and business elites from other, less mobile social groups takes many forms and is reflected, among other things, in their respective living conditions, lifestyles and values, their education and wealth, and their use of media.<sup>6</sup> While there is nothing new in the tendency of elites to be more internationally oriented than other social groups, some argue that the postwar processes of globalisation mark a significant shift in this regard. Critical scholars of capitalism and business, in particular, often argue that economic globalisation gives rise to transnational elites who turn away from a national orientation and an interest in national development, instead focusing on an interest in global markets, production and services (e.g., Barnett and Müller 1974; Robinson 2011, 356). Elites connected to the transnational spheres of business and politics develop

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<sup>6</sup> Of course, globalisation only partly explains this perceived social “disembedding” of the upper classes in these analyses. Elite disembedding from communal life also results from their increasing use of private services instead of public ones, from residential segregation and withdrawal to gated communities with private security guards and electronic surveillance, and from the growing independence (at least in the short term) of their personal welfare and success from the level of general prosperity and social inequality (Lasch 1995, 45; Sklair 2001, 20–1).

increasingly supranational identities and adopt a set of “global” values which are not shared by other social groups, at least not to the same extent (Davidson et al. 2009; Huntington 2004). Some describe these global values and dispositions as “cosmopolitan”, referring to a feeling of belonging to larger social entities than the nation-state and to an outlook characterised by egalitarian attitudes and openness to difference (e.g., Castells 2000, 415). For others, the global nature of the elite is tied to an outlook that supports global capitalist economic institutions and free-market policies (e.g., Lasch 1995; Sklair 2001).

Second, scholars of the global political economy tend to emphasise that processes of globalisation are driven by powerful institutional actors. Globalisation, as a drive towards greater international integration of markets and liberalisation of economic activities, does not simply happen but is being actively advanced by powerful actors and groups, including corporate executives, market-liberal politicians and political parties, international bureaucrats and professionals, as well as financial market players and media professionals (e.g., Sklair 2001; van der Pijl 1998). Moreover, globalisation has been advanced within a world system consisting of states with a highly unequal distribution of power between them. After World War 2, western powers, and particularly the United States have led the drive towards increasing market integration and used their position to impose policies of liberalisation on other nations (e.g., Hoogvelt 2001; Panitch and Gindin 2012; Wood 2003). From the perspective of the global political economy, liberal globalisation represents a particular political project, objective, or even an ideology (Steger 2005), which brings together various elite actors and sectors behind a common interest (e.g., Gill 1990; van der Pijl 2012). These “globalising elites” have worked through western state apparatuses and western-led IGOs to further the liberal-internationalist project under the rubric of globalisation (Gill 1994; Robinson 2004).

Finally, the idea of elites as transnational actors is often included in studies of world politics and global governance. It is commonplace in this literature to identify supranational centres of power or institutional actors whose scope of operation and influence is not limited to the nation-state (e.g., Sklair 2001, 2–3). Various actors, from intergovernmental organisations (IGOs) and transnational corporations (TNCs), to international civil society organizations (CSOs), policy-panning networks and governments of the nation-states themselves, are involved in what is called transnational or global governance. This refers to the processes of negotiation and decision-making that aim to harmonise legislation and regulation, as well as formulate and sanction common standards and rules on an international scale (e.g., Avant et al. 2010; Keohane and Nye 2001; Pigman 2005; Stone 2008). As institutional representatives who have access to the forums of global governance, the formal directors and others occupying strategic positions in these organisations may hence be identified as members of transnational elites (cf. Richardson et al. 2011; Rothkopf 2008). However, the institutions and mechanisms of global

governance are decisively weak in comparison with state structures and their operation relies heavily on voluntary collaboration and consensus between the participating actors. In this way, it can be argued that the successful governance of the global political economy is dependent on the transnational integration of elites behind a certain ideological and policy consensus.

These ideas and arguments will be more thoroughly developed in Chapter 3 of this study. At this point, however, let us briefly discuss how the global political economy and the associated institutions that wield power on a transnational scope might be addressed from an elite-theoretical perspective. As a theoretical notion, *transnational elite* must refer to the concentration of power, in the global political economy, to a relatively small number of strategically-positioned individuals in organisations that have the capacity to wield power transnationally if not globally and have access to the processes of global governance. However, the argument between pluralists and classical elitists suggests that transnational elites can be either fragmented and exist in a relationship of mutual rivalry and conflict, or they can form a relatively coherent group that is capable of recognising the existence of mutual interests above inter-elite rivalries and acting on them. Accordingly, when discussing transnational elite formation, there is a need, first, to identify various power centres in world society and to assess to what extent they come together on a consistent basis, hence demonstrating capacities to exercise power in unison, and, second, to draw conclusions about the implications of these capabilities for the balance of power in world society. On the one hand, power can be viewed in the global context along pluralist lines and envision world society as inherently plural and multipolar. From this perspective, various transnational “interest groups”, be they states and state blocs, transnational companies, IGOs or even international CSOs compete politically, economically, ideologically and militarily on the global scene and effectively restrict each other’s power so that no one elite group comes out on top on a consistent basis. In addition, with the absence of an overarching global state apparatus, we could argue that the institutional control over world society is nowhere as comprehensive as the one provided by the centralisation of power on the national level (see Martin et al. 2006, 500). Indeed, it would seem that power is very hard both to exercise and to concentrate in a global context, and that world society would thus be inherently pluralistic.<sup>7</sup>

On the other hand, as suggested by the literature on the global political economy, it is also possible to perceive world society as a dynamic but hierarchical power structure along the lines of Mills’ analysis of the postwar United States. From this perspective, precisely the ability to make decisions with wide-ranging global impacts separates the “transnational power elite” of

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<sup>7</sup> Argument along these lines is taken to its extreme by Moises Naím (2013) who makes the bold claim that the increasing complexity of the global context and the diversity of actors capable of influencing events amounts to the “end of power”.

political leaders, TNC executives and directors of international organisations from other social forces and enables them to relegate others, whether institutional actors confined to the national level, or transnational movements without institutional decision-making access, to the middle and bottom levels of power in the global context. Therefore, even when the executive power of the globally influential institutions is partially curbed by national legislations and the public opinion of the transnational civil society – which constitute forms of regulation, pressure and public scrutiny – the very absence of a global state apparatus, and the relative weakness of representative institutions and civil society on the global scale, can be seen as empowering the already powerful institutions, which can operate relatively freely in the legal wild west of the international space. The ability to divert capital flows away from national tax authorities and to various tax havens is an example of the possibilities the transnational power elite enjoy in reinforcing their personal wealth and economic power over national authorities and the public (e.g., Shaxson 2011). World society, then, certainly lacks institutional democracy, as well as formalised checks and balances on the power of individual institutions, and could therefore be characterised as an inherently oligarchic context of power.

In addition to a global power hierarchy, the classical perspective on transnational elites would concentrate on their degree of institutional and personal integration. For Mills (1956, 7–8) this integration meant, on the one hand, that powerful institutions representing (theoretically) separate societal domains exercise influence on each other: corporations hold much sway in political decision-making, political administration increasingly affects business life, the military and intelligence agencies have access to both political and corporate decisions, and so on. On the other hand, this institutional integration was reflected in growing personal interaction of elites or what Mills (*ibid.*) referred to as the emergence of an “interlocking directorate” of elite individuals. Instead of existing in mutual rivalry and pursuing diverging aims and objectives as the pluralists would argue (see Held 2006, 171), corporate, political and bureaucratic elites could well operate in concert and recognise common interests.

The unification of elites through the integration of political, economic and administrative institutions and the simultaneously growing interconnection of individuals across these domains has so far been observed primarily in national contexts, leading to a host of critical commentaries on how especially financial and big business interests increasingly shape public policies and how elites interact and swap positions between public and private sectors (e.g., Crouch 2004; Freeland 2012; Kaufmann and Vicente 2011; Korten 1995; Krysmanski 2012). Campaign contributions to politicians and parties are one instrument in the formation of such government-business interlocks (Barnet and Müller 1974, 248), paving the way for many bankers and corporate lawyers to enter government positions and administrative agencies as well as advisory positions to state executives (Krysmanski 2012,

182–4). But states and corporations become interlocked in many other ways, too. One of the most obvious examples is state ownership in private companies, another is the establishment of “public-private partnerships” or contracts and co-operative agreements between governments and businesses. As a result, the provision of public services is increasingly contracted out to non-governmental, private and commercial actors (Crouch 2004; 44–6; Jessop 2002, 199). Moreover, government officials typically act in close contact with representatives of the private sector when making important decisions. As a result, Janine Wedel (2009, 76–7) argues that companies, consulting firms, think tanks and other non-government entities are involved in all aspects of governing, including policy formation, implementation and enforcement (also see Freeman 2000), and Bastiaan van Apeldoorn and Naná de Graaff (2014) claim that TNC networks have been highly influential in shaping the US foreign policy after the cold war. If the ties between public and private centres of power are intimate in Western societies, corporate-political interlocking is even more pronounced in such countries as Russia, China and India, where private businesses operate in close collaboration with state officials and business success is largely dependent on the establishment of personal networks inside the government (see Freeland 2012, 198–208).

Insofar as such interlocking takes place in the world’s leading economic and political powers, it has direct relevance to the operation and integration of power at the global level as well. Peter Gowan (1999, 55–6), for instance, argues that the capacity of private financial institutions to shape US policy in international monetary and economic affairs is partly rooted in the close personal connections between Wall Street and Washington. The US Treasury and the Federal Reserve have been, to a large extent, staffed and led by former bankers and speculators, and Wall Street banks have become major campaign funders in presidential and congressional elections. But the political influence of Wall Street bankers extends to the international stage also directly, without the mediating arm of the US government. Instrumental in this regard is the Financial Services Forum (FSF), an organisation consisting of the CEOs of the 18 largest financial services institutions doing business in the United States, founded to shape financial and economic policies both nationally and internationally. Another key forum for bankers is the Institute of International Finance (IIF), a global association of private financial institutions. Both the FSF and IIF have personal connections with the Financial Stability Board, an international body that monitors and makes recommendations about the global banking system (see Freeland 2012, 253–5). International banks are by no means the only corporations trying to influence political processes at the global level and decision-making in key IGOs. Regarding international trade policy, TNCs have arguably played an influential role through their aggressive lobbying of and even inclusion into national delegations that have negotiated multilateral agreements under the auspices of the GATT and the WTO (Jawara and Kwa 2004, 54–5; Kapoor 2004, 530; Korten 1995, 177–9). TNCs have also been the primary drivers of international trade disputes within the WTO

(Rothkopf 2012, 223–5), and they tend to be major beneficiaries of public-private partnerships.

Perhaps the mechanism of elite interlocking that attracts most public attention today is the “revolving door” that moves elite individuals back and forth between positions in the public and the private sector (Barnet and Müller 1974, 248–50; Crouch 2011, 168; Faux 2006, 53–4; Plender 2003, 112; Rothkopf 2012, 258–60; Wedel 2012, 105–6). The revolving door is a familiar phenomenon in much of the world (Dogan 2003; Krysmanski 2012, 182–3; Wedel 2012, 132–3), even though there is significant variation between countries concerning its prevalence and public acceptability.<sup>8</sup> As a result, administrations and government agencies tend to be populated by individuals who either have previously worked for private companies or will move to the private sector after a stint as civil servants.<sup>9</sup> Critical observers maintain that the appointment of corporate executives and lawyers in leading positions in government and government agencies attributed with functions of supervising and regulating business sectors has influence on the policies and actions of these agencies, leading to situations in which corporations have effectively been awarded the power to set rules by themselves and for themselves. Christopher Adolph (2013, 2, 311), for instance, argues that central bank policies, from interest rate decisions to the financing of bank bail-outs, cannot be understood without acknowledging “the systematic ability of private banks to influence central bankers’ future careers”. More generally, the private sector’s ability to influence political and bureaucratic decision-making is connected to its ability to affect the career paths of politicians and public sector officials: individuals in legislative or regulatory positions regularly come from the industry or entertain prospects of future careers in the private sector. The widening income gap between private and public sector employees only exacerbates the revolving door problem.

An important element in elite interlocking is the eradication of boundaries between the “private” and “public” roles of elite individuals, and

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<sup>8</sup> According to Mattei Dogan (2003, 5, 9), there is less circulation between political and business elites in Germany than in France, for instance, as German businesses prefer to recruit and socialize leaders within companies rather than recruit them from state offices. The United States, in turn, is somewhat of an exception among western countries in that, whereas elite individuals in other countries tend to primarily move from high administrative or civil service positions to managerial positions in business, in the United States the revolving door also moves in the opposite direction.

<sup>9</sup> Many politicians, of course, are close to the corporate community themselves, either due to extensive fund-raising campaigns or through their own business operations, and a political career often works as a path to lucrative private sector positions after leaving office. Almost one in two members of the US Congress, for instance, were millionaires in 2010 (Freeland 2012, 269–70).



the formulation of consistent world-views and role perceptions across these social domains. While politicians and civil servants come to see their personal future in the private sector, corporate executives and private sector professionals eye positions in administration, regulatory apparatuses and policy planning commissions. Accordingly, Chrystia Freeland (2012, 70–2, 76–7) argues that CEOs are nowadays increasingly accustomed and willing to use political power and pursue social influence: they seek to use their wealth and money in order to have “social impact”.<sup>10</sup> Moreover, instead of merely donating money to charities, the economic elite are nowadays interested in influencing much more directly, by creating their own foundations and think tanks, or even seeking political offices themselves. At the same time, the habitual and apparently effortless movement of elites, between positions in government and business, impacts the way they make sense of the relationship between the public and the private sector. What outside observers often regard as a questionable practice, compromising the autonomy and effectiveness of public authority, appears as a perfectly legitimate pursuit of common good to those using the revolving door. As Ian Richardson and colleagues (2011, 91–2) suggest, the intimate relationship between public and private has become part of everyday reality for transnational elites, with the rationale for such collaboration rarely being questioned by them.<sup>11</sup>

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<sup>10</sup> A recent survey by Capgemini and RBC Wealth Management (2014) among the world’s “high net worth individuals” (with investable financial assets worth at least 1 million dollars) indicates that 92 per cent of the world’s richest individuals consider it important to make “a social impact”, principally by investing in social causes, donating to charities or being otherwise involved in the community.

<sup>11</sup> In this naturalisation of public-private partnerships and collaboration across the domains, elites are supported by other institutions that engage in elite training and consciousness-raising. The World Economic Forum, for instance, runs two programs for the “next generation of world leaders”, Global Leadership Fellows and the Forum for Young Global Leaders, with the purpose of preparing elite individuals for leadership positions in both private and public sectors (see Chapter 2.2). What such programs suggest is that contemporary elites are educated for positions of “global leadership” in which, regardless of their formal position, they are expected to reach over the division between public and private sectors and seek pragmatic collaboration across social domains. In its statement of purpose, the Global Leadership Fellows program refers directly to the decreasing importance of a division between public and private sectors: “As the world becomes increasingly interconnected, the once well-defined line between the public and private sectors continues to blur, making it difficult for any single organization to act effectively in isolation. To succeed in such a fast-changing environment, institutions – both private and public – must bring together numerous stakeholders to approach problems more efficiently, develop strategies and capitalize on opportunities.” The Young Global Leaders program, in turn, brings together a community that is “made up of leaders from all walks of life, from every region of the world and every stakeholder group in society” and seeks “to transform the next generation of leaders through personal experiences

Personal interaction and institutional interlocking are instrumental in the blurring of boundaries and divisions between the public and private sectors in the lived experience of transnational elites. In tandem, it is to be expected that such forms of collaboration lead to growing recognition of shared interest between public and private actors (see Crouch 2004, 51–2).<sup>12</sup> Certainly, corporations and governments often share many managerial goals, including growth and stability (Barnet and Müller 1974, 74). They also tend to exist in a relationship of mutual dependency. TNCs, for instance, usually have little military power despite their extensive financial and technological resources and therefore must rely on states to maintain security and global stability. On the other hand, private corporations have become prominent arms in the operations of militaries and intelligence agencies, and the ability of states to conduct war is increasingly dependent on the provision of equipment and services by corporations. Arms manufacturers, military contractors and private intelligence firms represent a powerful sector in many economies and they remain among the most profitable businesses in the United States (Bennis 2014, 33). In these conditions, the interlocking of executives of private defence and security industry and political decision-makers is extensive (see Rothkopf 2008, 210–4). According to Phyllis Bennis (2014, 33–4), defence contractors influence political decision-making through their direct links to the Pentagon, as well as through the strategic scattering of manufacturing plants around the country, which tends to make political representatives from each Congressional district highly attentive to the interests of arms manufacturers. The influence of the defence industry translates into policies which guarantee continued military spending on new weapons projects, escalation of drone wars and the deployment of well-equipped special forces. This is one illustration of how elites, through their personal and institutional connections across political, economic and military domains come to increasingly equate private agendas with public interest.

Under these circumstances, the integration of transnational elites is characterised by their ability to combine various forms of power and to cross or transcend institutional spheres so that the domains of business and government increasingly overlap. At the same time, to argue about the existence, and consolidation, of an increasingly unified transnational elite is not only to state the (rather obvious) interdependence and mutual influence of powerful economic, political and military institutions. The notion also

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that build knowledge and engender better understanding of global, regional and industry agendas.” See <http://www.weforum.org/community/global-leadership-fellows> (accessed 7 January 2015) and <http://www.weforum.org/community/forum-young-global-leaders> (accessed 7 January 2015), respectively (see also Richardson et al. 2011, 20–1).

<sup>12</sup> It is precisely through the establishment of interlocking directorates, as Mills (1956) argued, that the leading strata may come to recognise their common interests.

argues for the significance of the more informal influence that the increasing institutional connections between these fields allow. From this perspective, transnational elites are characterised by their ability to come together across the boundaries of the nation-states, as well as those of business, politics and bureaucracy. Far from a small clique of personal acquaintances, however, the transnational elite should be characterised as a loose network of individuals who come together on the basis of sharing similar positions in the global power hierarchy and a shared sense of interests (cf. Froud et al. 2006, 12). While not necessarily explicitly coordinating decisions made by its members, the network connects elites on a transnational scale and allows them to exercise forms of collective agency.

In sum, the pluralist and classical elitist strands of elite theory allow us to make either a “weak” or “strong” claim about the transnational elite. The pluralist view would provide reason to speak of elites in the transnational sphere only in a weak sense, to merely mean the category of top persons in any interest group (see Parry 1969, 68). In contrast, the Millsian perspective on elite interlocks and a hierarchy of power in the global political economy would favour a strong interpretation of the transnational elite. This view would emphasise the capacity of transnational elites to transcend institutional domains and wield various forms of power thanks to the interlocking institutions. It would also refer to the personal networking of transnational elites across the private and public domains of society, as well as to their cultural and ideological integration behind a shared global outlook and a liberal-internationalist agenda. These institutional and personal forms of interlocking would make it possible for the transnational elite to recognise themselves as a group, interact to negotiate on political and economic interests and act collectively to further their shared goals.

Overall, any discussion on transnational elites must acknowledge the complexity of the question about the global convergence of power, and both the enabling and restrictive elements to the elites’ exercise of power in the global context must be considered. Even as this study explores and partly defends the use of the notion of the transnational elite to describe the global dynamics of power in the twenty-first century, the purpose is to avoid simplistic arguments about a small group of people dictating world events. The ability of transnational elites to exercise power in unison should not be overestimated. While the notion of the transnational elite rests on the premise about the centralisation of power in society to a relatively small number of groups, it simultaneously implies that no one group is in total command (cf. Mills 1956, 277). The world is not ruled, for instance, by business interests and owners of capital alone, and in this sense the concept of the transnational elite differs from some of the interpretations given to the notion of the transnational capitalist class (TCC) as the collective agency of global capital (see, e.g., Robinson and Harris 2000; Sklair 2001). One must instead consider the fragmentation of power along national and other political lines, and

acknowledge the, at best, partial interlocking of power on a transnational scale.

In tandem, however, this study takes the arguments of classical elite theory seriously, especially as outlined by Mills, regarding the significance of the formal and informal cliques that do exist at the top of social structures between those who occupy strategic positions in key institutional domains. Studying transnational elite interaction and interlocking from a critical perspective assumes that the connections and circles formed in the process are an essential element in the exercise of power in the world society of the early twenty-first century. As will be discussed in subsequent chapters, an essential feature of transnational elites is their capacity to both institutionally and personally come together and find common interests across purportedly separate power domains. These institutional spheres could equally be in conflict with one another, and often are – indeed, the coexistence of states in the international system is often uneasy and the perceived interests between businesses and governments are not always in alignment. Thus, the convergence of elites across states and societal domains may or may not take place as a consequence of institutional developments and personal interaction, but there is nothing inevitable or stable about the transnational elite as a unified ruling group.

### **1.3 Communication and media in transnational elite formation**

As classical elite theory suggests, the notion of the elite entails the presumption that the individuals forming an elite group need to develop a common group consciousness and sense of shared interests and goals. In this regard, elite formation is often explained in sociological terms as resulting from similar social backgrounds and educational paths leading to the adoption of largely congruent attitudes among individuals occupying similar socio-economic positions (see, e.g., Bourdieu 1996). But becoming a self-conscious group capable of collective agency also requires frequent interaction, bridging cleavages between clashing views and active negotiation over shared interests. Elite formation should therefore be regarded as an open-ended and necessarily ongoing process that is dependent on intentional efforts to integrate elite individuals and accommodate contrasting views on issues to establish elements of consensus. These aspects in elite theorisation point to the relevance of communication and communicative practices when explaining the integration of political elites and the relationships between them. Moreover, complementing the face-to-face and mediated interpersonal communication that takes place among decision-makers and interest groups, the various forms and practices of mediated mass communication in modern societies should be considered of key importance in enabling interaction, cohesion and exchange of ideas among elites.

Following these premises, this work emphasises the importance of discursive and communicative practices in the formation of elites. In this regard, it draws specifically on the American cultural studies tradition in communication and media studies in which communication is understood as a form of cultural integration and reproduction of the social world. As spelled out by James Carey (1989, 18–9), the view of communication as culture highlights the role of communication in bringing people together. From this perspective, communication is about sharing, participation and cooperation, and it involves the formulation of common understandings and beliefs with the purpose of shaping and maintaining an ordered and meaningful social world. The cultural view of communication draws attention to the ways in which communities and entire societies maintain their unity and reproduce themselves in communication despite all their inner contradictions, differences and conflicts (ibid., 110). Correspondingly, the media are viewed not so much as vehicles for the transmission of messages, news and information, but rather as forums or platforms that enable members of the community to participate in a public representation and affirmation of the social world as they know it (ibid., 20–1). Insofar as the existence of elites is premised on the successful integration of individuals, the development of common group consciousness and the alignment of various interests and social purposes behind a certain set of political goals, the cultural perspective of communication and the media can be considered essential in the study of the formation and maintenance of elites.

Such cultural considerations indicate that, besides the material and institutional ramifications and processes giving rise to transnational elites, issues of culture, consciousness and identity are important. There may, indeed, be transnational elites who do not recognise themselves as such: executives of globally influential institutions may well see themselves as rather powerless or do not understand themselves and the consequences of their actions in transnational or global terms.<sup>13</sup> They may even act towards common (objective) interests without recognising the existence of such interests. On the other hand, an individual may identify with transnational elites without necessarily being a member of them in any “objective” sense. Therefore, the institutional definition of transnational elites needs to be separated analytically from the self-identification of individuals.

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<sup>13</sup> In a scathing critique of “today’s elite”, *New York Times* columnist David Brooks (2012) makes precisely this case, arguing that contemporary elites make poor decisions and reinforce global problems because they refuse to admit that they are the ones in power and responsible for the well-being of not just themselves but of everyone else: “These people are brats; they have no sense that they are guardians for an institution the world depends on; they have no consciousness of their larger social role.” For personal accounts of the transnational elites’ sense of impotence, see Naím 2013.

The focus of this study on the cultural processes of communication in transnational elite formation is motivated by the assumption that the transnational influence and scope of operation of the institutions that contemporary elites head are reflected at least partially in their personal worldviews, beliefs and values. What unites them is a lived experience of being “elite” in terms of their personal careers and contacts. In short, transnational elites may be increasingly integrated through a common lifestyle. Many of them not only travel across the globe, but also increasingly live, work and educate their children abroad, and cities such as New York, London, Zürich, Monaco, Singapore, Hong Kong and Dubai have a reputation for hosting international elite communities (Freeland 2012, 52–3, 62–3; Hurun Report 2013, 19; Knight Frank Research 2014).<sup>14</sup> International mobility and the forming of transnational communities are likely to lead to a congruence in living conditions and consumption patterns. A common culture is certainly something that those offering services and products to transnational elites identify and promote. Credit Suisse, for instance, publishes the annual Global Wealth Report. In its 2014 edition, the report emphasises the a-national, cosmopolitan character of the bank’s customers, connected not only by similar sources of wealth, and particularly financial assets, but also by a common lifestyle and participation in a global market of luxury items (Shorrocks et al. 2014, 26; see also Knight Frank Research 2014).

There is also another sense in which the cultural element in the definition of the elite is important. To the extent that transnational elites operate in unison towards perceived common interests, as opposed to being rivals or even antagonist opponents to each other, they may be viewed as a clique or a club. The metaphor of a club implies a network of informal connections, which are actively maintained. Elite individuals do not necessarily have to know all other members in the club, but when two of them meet, they are supposed to recognise and treat each other as peers. More importantly, the club-like nature of the transnational elite implies an existence of (informal) rules of admission that have a homogenising cultural and ideological impact on its members (cf. Mills 1956, 281–3).<sup>15</sup> It presupposes a certain dominant culture among

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<sup>14</sup> A Knight Frank survey of 600 bankers and wealth advisors for the world’s UHNWIs (ultra-high-net-worth individuals, or persons with investable assets of \$30 million or more) found that one in two Asian, African, Russian, Latin American and Middle Eastern super-rich expected to send their children to an overseas university, mostly to the United States or Britain (Knight Frank Research 2014). In China, 80 per cent of millionaires plan to send their children to study overseas at high school or university age (Hurun Report 2013, 19).

<sup>15</sup> Observing the apparent unification of elite culture and values in postwar United States, Mills (1956, 281–3) wrote about the homogenising power of “the criteria of admission, of praise, of promotion” that characterised the elite clubs. While acknowledging the prevalence of WASPs in the US elite, he argued that ethnic and cultural homogeneity were not necessary preconditions for the cultural convergence of the elite, and maintained that whenever certain

transnational elites, or the sharing of certain world-views, ideas, values and interests, which are distinct from those held by those outside the group. At the same time, the club-like character of transnational elites implies strong exclusivity. Being included in the club presupposes not only the development of a consciousness of being part of the elite and a feeling of belonging, but also a considerable degree of cultural affinity and ideological unity between its members. From this perspective, certain individuals with significant institutional power, such as national leaders of “rogue” countries, or heads of organised crime, do not necessarily belong to transnational elites insofar as they do not identify as part of the group or are not recognised as such by others. This might be because they are perceived as not sharing the dominant values of transnational elites or because they are considered untrustworthy or otherwise awkward company to be seen around with.<sup>16</sup>

Transnational elite formation, in other words, presupposes the reinforcement of a common culture and criteria of admission. Elites must feel mutual trust and a certain fraternity towards each other. The club-like nature of an elite suggests that only those who are recognised as being transnational elite by other members, and willing to enter into their circle, truly belong to it.

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social criteria of admission are held within a circle, even people from diverse backgrounds can end up creating “a quite homogeneous social type”.

<sup>16</sup> This, of course, precludes neither elite individuals having connections with criminal networks and organisations (van der Pijl 1998, 135), nor the fact that elites tend to have considerable tolerance for their members crossing the line of legality in their business ventures and other activities. On the contrary, elites can often be found to be highly supportive of those they consider as peers who have run into trouble with law enforcement or with other forms of checks and balances in society (see Wedel 2009). In addition, thanks to the complexity of organisational and financial structures, those dealing with illicit goods can sometimes exercise their trade in the open and even gain public legitimacy (Naím 2006, 3). In fact, loyalty towards one’s elite peers typically overrides considerations of the public good or general morality. Conversely, however, if one violates the shared norms or trust, the institutional position of power alone may no longer guarantee one’s acceptance among the elite – and an elite individual may fail to hold the position for much longer after losing the support of peers. Loss of public reputation may also damage one’s position in the eyes of elites, at least temporarily, as other members become afraid of being stained by association; corporate crime, investment frauds and corruption scandals are cases in point. After the public outrage has subsided, the “victim” of such moral scandal may possibly reclaim the lost contacts and status among the elite. For an illustrative example, see Richardson and colleagues’ (2011, 122–32) discussion on the rise and fall of Conrad Moffat Black, former newspaper publisher and a well-connected member of a transnational elite, who became “toxic” after his conviction of fraud in the United States.

This implies an acceptance of transnational elite culture.<sup>17</sup> A common educational background serves as one mechanism in integrating elites around the world: transnational elites tend to have a background of higher education in the fields of finance, economics, law, engineering and physics, often in Western elite universities. Accordingly, the incorporation of the non-Atlantic elites of the world has partly taken place through education: many prominent emerging market economists, central bankers, finance ministers and even presidents have been educated in Western universities (Adolph 2013, 145, 157–8; Faux 2006, 170; Freeland 2012, 61–2). In addition, as will be discussed in Chapter 2, various associations, clubs and forums, most notably the World Economic Forum’s main summit in Davos, as well as its regional meetings in Africa, East Asia, Latin America and the Middle East, create spaces of interaction and offer businesspeople and high government officials opportunities to recognise members of the transnational elite and be recognised by them.

Aside from the general perspective of communication as a practice in which the culture of a particular group is reproduced, this work is informed by long-standing research traditions concerned with the complex relationship between the media and political power. On these matters, models and theories of political agenda-setting, media-state relations, framing and the mediatization of politics are among the more influential approaches in recent scholarship. A common feature in all these approaches is their either implicit acknowledgment or explicit observation that the mainstream news media tend to reproduce and legitimise elite discourses, attitudes and opinions (e.g., Bennett et al. 2007; Louw 2010; Robinson 2001). Yet the elite is typically marked by its absence as a notion informing the theoretical framework of these studies. This is partly because political communication research continues to be informed, to a great extent, by what Aeron Davis (2003) calls the “traditional mass media paradigm”, which focuses on the effects of media publicity on the general audience of the citizenry. Consequently, the role of media in the workings of politics and power is typically understood in terms of its influence in the definition and shaping of the public opinion. As an alternative approach, Davis (2003; 2007a) proposes a more explicit concentration on the communicative practices of political actors who make important decisions. Indeed, the first step in turning the theoretical focus on how the media work within the networks of power is the acknowledgement that much of the content in political journalism and the news media is actually elites communicating to other elites.

The role the media and journalism play in the establishment and maintenance of political elites and in their exercise of power can be approached from a variety of perspectives. Among these, the claim about elite

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<sup>17</sup> For a similar argument, as well as for a discussion on the criteria in the selection of Bilderberg attendees, see Richardson et al. (2011, 114–7).



dominance of the media, resulting in the mainstream media serving the ideological hegemony of dominant groups, is perhaps the most general, and for its critics an unsatisfactorily simplistic, argument. John Corner (2011, 25–6), for instance, criticises broad interpretations of elite dominance over the media for lacking analytical precision and assuming a highly unified and homogeneous ruling elite. Accordingly, a more pluralist view perceives the media and journalism as resources of power or as sites of struggle that takes place between competing elite individuals and groups (e.g., Davis 2007a, 60–1; Kunelius and Reunanen 2012). Another option is to perceive the media as a facilitator of debate and deliberation among elites, bringing them together to formulate the shared ideational and normative frameworks on which decision-making, competition and compromises are based. This has been a recurrent perspective, particularly in political studies. Maarten Hajer (2009), for instance, has described the contemporary policy process in terms of “network governance” involving various actors and characterised by often vague and shifting relationships of authority. In these circumstances, opportunities and capacities for “reasoned elaboration” between “stakeholders” turns into a crucial prerequisite for the ability to govern. From this perspective, even as much of the actual decision-making and policy-planning is removed from the view of the general public, elites make use of exclusive media outlets and publications to communicate with their peers. The associated forms of specialised journalism thus contribute to pragmatic problem-solving among elites and facilitate the establishment of a common ground between clashing interests.

The significance of inter-elite communication has been increasingly acknowledged in recent years by scholars working on constructivist international relations and the sociology of international politics who have pointed to the importance of ideational processes and practices as prerequisites for transnational forms of governing (e.g., Alasuutari 2015; Schmidt 2008). These fields of study often start with the problem of how and why nation-states or other actors with apparently conflicting interests can come together and find consensus or capacity to act in unison. In the world-societal context, which is marked by the absence of formal mechanisms of authority, this capacity relies, to a significant degree, on the argumentative processes that shape the participants’ perceptions about the nature of the situation they are in, about themselves as actors and about their interests. This “communicative action” (Risse 2000) has been identified as an elementary aspect of world politics, enabling elites to cooperate and develop a sense of solidarity across the boundaries of separate social domains. These insights from the studies of international politics and sociology suggest another possible approach to study the relationship between the media and elites. This approach would emphasise the role of the media and journalism in constructing and reproducing the social imaginaries and self-understandings of elites and elite communities (Anderson 1991; Steger 2009; Taylor 2004). Indeed, in the reproduction and dissemination of social imaginaries and

collective identities, journalism can be regarded as a key cultural practice insofar as it implicitly provides answers to some fundamental questions: who are we, what state are we in as a collective, how did we end up where we are now, what is to be expected, what is the world outside like, who are our friends and enemies, and so on (Schudson 2003, 68–9). When it comes to transnational elites, international business journalism has the potential to considerably influence the self-perceptions and societal understandings of economic, political and bureaucratic decision-makers who form its principal audience and who use it as their daily source of news and analysis on what goes on in the world (e.g., Kantola 2007; Reilly 1999; Starr 2004).

Finally, in addition to the view of communication as a cultural practice of communal integration and the various research traditions focused on questions concerning the media and political power, the present work draws inspiration from the concept and theory of the public sphere. While many have focused on the normative aspects of the concept and emphasised its critical democratic potential (e.g., Dahlgren 2005; Fraser 1990; 2007; Habermas 2006; Landes 1992), this work pays closer attention to the historical analyses and interpretations of the public sphere as a social domain and cultural form that enables a particular kind of political discourse and the organisation of self-conscious groups – or *publics* – in pursuit of common societal goals. In his historical study of the idea and practice of the public sphere, Jürgen Habermas (1989) associated the capacity of the bourgeoisie to generalise their interests and to turn state power into the service of those interests with their self-organisation through communicative practices. In this regard, Geoff Eley (1992, 290–1) and Harry Boyte (1992, 342) have suggested that the public sphere was an unintended consequence of various long-term socio-economic changes, including growth in long-distance trade and commercialisation, the development of a vibrant urban culture, a new infrastructure of information (the print media) and the proliferation of voluntary associations. At the same time, publicity became an increasingly important aspect of various social practices, including politics and business (Koivisto and Väliverronen 1996, 31). Excluded from the formal positions of political power, the bourgeoisie developed principles and practises of public reasoning to defend the private sphere of capitalist production from the state's arbitrary interventions (Habermas 1989; Warner 2002, 47).

Following these insights into the historical formation of the public sphere and its importance in the political self-organisation of the bourgeois public, the present study addresses the contemporary forms of TEC in close connection with capitalist development. Accordingly, Chapters 2 and 3 suggest that the globalisation of economic activities after World War 2 has advanced in a relationship of mutual dependence with new forms of elite communication. On the one hand, globalisation has been conditioned by simultaneous advances in global communication technologies. On the other hand, global economic integration has created increasing demand for practices, institutions and media that bring elites together in order to

coordinate and govern economic activities and policies on a transnational basis. International elite networks and clubs, such as the World Economic Forum, and specialist media, such as the *Financial Times*, are facilitators for the exchange of ideas, public reasoning and collective construction of knowledge for these purposes. Therefore they simultaneously foster the interaction and self-organisation of transnational elites. Global capitalism, in short, supplies the twenty-first century transnational public sphere with its primary actors – the international political, business and bureaucratic elites – and the main ideas and themes to be debated: the governance of the global political economy.

#### **1.4 Research problem, strategy and structure of the study**

This study explores the idea and practice of transnational elite communication and its potential in informing collective elite agency. More specifically, the study asks *how international business and policy-making elites communicate in public to each other and how this communication orders the world, fosters the self-awareness of elites as global actors and establishes shared policy ideas*. These topics are explored by combining the perspectives of elite theory, global political economy and various research fields within communication and media studies. The theoretical part of the work traces the historical development and forms of TEC and examines its relevance in global economic governance. The empirical part, in turn, focuses on the *Financial Times* coverage of the World Economic Forum in the early 2000s. It analyses some of the main features of that communication in terms of the ontological understandings, actor identities, and values and ideals that are promoted in FT journalism.

The extent to which the forms of public communication of a small group of international elite decision-makers actually matter in the exercise of their institutional power can certainly be questioned. First, as much of elite decision-making takes place behind closed doors, the very nature of elite power may be seen as rooted in secrecy instead of publicity and consisting mainly of their ability to make backroom deals outside the scope of public organisations and representative institutions (see also Mills 1956, 293–4). Second, public communication may be regarded merely as a front that, as a form of public relations management that includes justificatory, manipulative and even deceptive practices, discloses little about the genuine rationales and actual beliefs behind decisions, which are shared only privately and within smaller circles (Louw 2010; see also Wedel 2009, 40–5). Third, while public communication concentrates on the formal heads of organisations, who serve as the public representatives of these organisations, it tends to provide a misleading representation of how decisions are actually made. Institutional leaders do not make decisions in an organisational vacuum but are typically

surrounded by a tightly-knit group of people, an entourage of deputies, advisers and consultants who may have significant influence on and over those in the actual command posts (Mills 1956, 15). From this perspective, if one wants to understand the ideational factors involved in the decision-making of transnational elites, the focus should be turned from their public appearances to their private forms of interaction with their closest peers, aides and advisers.

As far as decision-making processes are concerned, such arguments against the focus on the public communication of transnational elites are certainly relevant. However, making economic and policy decisions is not the only aspect, and not necessarily even the most important one, in the actual exercise of power in the global political economy. The conception of transnational elites as consisting mainly of individuals occupying the highest formal positions in the most powerful institutions of society should not mislead us to perceive that making decisions within their respective organisations is all there is to their power. Even though elites can certainly be identified by their institutional capacity to make influential decisions, their actual exercise of power does not limit itself to executing such decisions. A key dimension of elite power is their capability of exerting more indirect forms of influence, something that could be termed *structural power*, or capacity to influence the material and ideational conditions in which other actors make decisions (see Carstensen and Schmidt 2016, 319–20; Lukes 2005). Accordingly, the premise informing this study is that, even as important facets of the operation of power are hidden from public view, the public spaces of international forums and the media are significant facilitators of the elites' exercise of power (see Chapter 3.4). International elite media, such as the FT, are not so much about making decision-makers accountable, but about catering to the ideational and cultural integration of elites, which makes the decision-making in the backrooms possible in the first place.

As an exploration into the idea and practice of TEC, this study has been carried out following a qualitative research strategy and a flexible and constantly evolving research design (see Alasuutari 1996, 372–4; Hammersley 2013, 12–4; Timmermans and Tavory 2012, 173). Accordingly, the work at hand does not aim to develop generalizable rules, models or hypotheses of TEC that could be tested in empirical observation. Instead the purpose is to shed light on the forms and practices of that communication from selected, but inevitably limited and partial, perspectives. More specifically, the aim is to use elite theory and studies of the global political economy to make interpretations concerning the dominant themes and discourses in contemporary elite communication, as well as their significance in enabling and guiding elite agency and cooperation.

Methodologically, the study moves deliberately away from a purely empiricist, or data-driven strategy to one which recognises the importance of theoretical idea development and conceptual work when trying to create new knowledge about social reality. In this sense, the research strategy may best be characterised in terms of “theorising” (e.g., Alasuutari 1996; Layder 1998,

100–32; Swedberg 2012), or as a constant interplay between theoretical ideas and “real-world” observations. The approach bridges the gap and refutes the somewhat false dichotomy between theoretical and empirical knowledge, arguing that all knowledge is created in constant interaction between the two (see Jay 1996). This is because observations concerning social reality are inevitably shaped by background (“theoretical”) knowledge and preconceptions, while all theoretical ideas are to some extent related to real-life (“empirical”) experiences. Correspondingly, both the purely literature-based, or “theoretical”, early part of the study and the data-based, or “empirical”, analysis in the latter part of the work have been guided by a set of concerns which can be characterised as theoretical or conceptual (see Timmermans and Tavory 2012, 167, 173). Yet at the same time, the concepts and theoretical propositions have been constantly tested via observations drawn from both the literature documenting and interpreting social phenomena and actors, as well as the case-specific material collected from the *Financial Times*. The literature and empirical observations have thus informed the way the original concepts guiding the study have evolved and been qualified during the process (cf. Bal 2009). The purpose of this process of theorising has been to develop the central concepts that frame the overall study and to provide an enlightened and empirically-grounded argument about their usefulness and limits to understanding social reality (cf. Sayer 1992, 79–83).

Conceptual work has therefore been omnipresent – yet it has taken distinct directions during the research process. In the literature-based, or “theoretical”, part of the study (Chapters 2 and 3), theorising concerns the scrutiny of communication as a practice connected to transnational elite formation. Chapter 2 outlines the perspective of TEC on the study of international forums and media that specialise on business and politics, and introduces the WEF and FT as particular spaces for the interaction and communication between international corporate and political elites. Chapter 3 sets these contemporary forms of TEC against the background of postwar developments in the global political economy. Drawing mostly on the work of William Robinson, Ellen Meiksins Wood, Leo Panitch, Sam Gindin, Kees van der Pijl, Leslie Sklair, Bob Jessop, David Held and Anthony McGrew, the chapter traces the dual processes of globalisation and financialization as a historical, US-led political project of market liberalisation and integration and outlines the institutional forms of global economic governance that bring together business leaders, policymakers and international officials to coordinate their decision-making and set common rules for the global political economy.

Chapter 3 argues, in this respect, that the observed developments have both been advanced by the active agency of transnational elites and reinforced their power in the global political economy. The field of global economic governance is an important context of elite power where actions, decisions, regulations and policies with regard to the global economy are carried out and

formulated with major repercussions for the institutional structures and policy models that guide policy formation also in the context of nation-states. In this way, the transnational elites of global governance exert power on a supra-national level and shape the rules and available policy alternatives of other agents in the global political economy. Subsequently, the latter part of Chapter 3 explores the forms and practices of TEC that facilitate global economic governance. Drawing on the perspectives of communication, media and the public sphere – and paying particular attention to the discussions concerning Habermas’ analysis of the importance of the public practices of political discourse in the rise of the bourgeoisie in the eighteenth and nineteenth-century Europe – we examine the relevance of the contemporary forms and practices of TEC in the formation of transnational elites.

Underlying the discussion in these early chapters is an argument about a dual conception of elites in general and transnational elites in particular. On the one hand, elites exist in an “objective” sense, irrespective of the actual self-awareness of their members. On the other hand, we can understand transnational elites in a “subjective” sense, insofar as elite individuals become aware of their status and identify with the group. In this latter sense, the existence of transnational elites remains contingent and their integration into a self-conscious group is not inevitable. Indeed, even if the institutional concentration of power in the global political economy and the institutions and practices of global governance allow us to make claims about the existence of transnational elites in an “objective” sense, their development into self-conscious historical agents is a highly contingent and context-dependent process. At the same time, a key facet in the notion of the elite as a theoretical concept, which can “explain” social processes, is their capacity to act collectively. In this regard, it is precisely the development of group consciousness that defines transnational elites as social and collective subjects. This study argues that the capacity for collective agency, and the degree thereof, is dependent on transnational elites coming together in interaction, negotiation and meaning making as well as in the discursive construction of a collective actor identity in terms of global agency. In other words, the making of a “global elite” as a collective agent is dependent on what the study calls “transnational elite communication”. In this regard, elite forums and media constitute a powerful form of self-organising and therefore contribute to the formation and reproduction of transnational elites in both objective (by reinforcing and legitimising its structural power in the global political economy) and subjective (by contributing to group integration and consciousness) senses.

In the empirical part of the study, theorising as a research strategy takes another turn. Observing the FT coverage of World Economic Forums, the analysis follows the principles of constructivist qualitative methodology (e.g., Chesebro and Borisoff 2007; Jackson et al. 2007). According to Pertti Alasuutari (1996, 382), qualitative research is characterised by its emphasis on how the people studied give meaning to their social reality and how they

reach shared understandings of the situations they are in. Yet the researcher takes a step away from the studied people's perspective by exploring how their sense making "works in constituting social realities". For Alasuutari (ibid.), theorisation in qualitative research is thus about deconstructing the way in which people construct social realities and themselves as subjects in those realities.

As will be discussed in Chapter 4, which describes the empirical methodology employed in the latter part of the study in detail, the one step away from the actual discourse of the analysed subjects takes place through concepts. When theorising with and through an empirical material, naming, conceptualising and developing typologies are central activities (Swedberg 2012, 15). This involves "the ability to think conceptually and analytically" when working with the material (Layder 1998, 100). Accordingly, in the final analysis presented in Chapters 5 to 7, the focus is on TEC as a form of transnational elite integration, or on how the transnational elite as a collective agent is "made" in communication. The chosen analytical approach observes FT journalism as a form of public "epistemic work" which involves the formation of and negotiation on shared understandings of reality, actor identities, and values and ideals (Alasuutari and Qadir 2014). The analysis explores, on the one hand, to what issues and topics this epistemic work is anchored in FT-mediated TEC and, on the other, what are the ontological assumptions (Chapter 5), actor (self-)perceptions (Chapter 6), and values, ideals and political objectives (Chapter 7) around which transnational elites potentially self-organise as collective agents. The final chapter discusses the main theoretical and empirical findings, the potential contributions of the study to relevant research fields, as well as the role of TEC and the FT in "the making of a global elite" and their potential in integrating transnational elites and directing them to particular issues, goals and ways of acting.

## 2 TRANSNATIONAL ELITE COMMUNICATION AND MEDIA

This chapter sketches the contours of transnational elite communication as the organised interpersonal and mediated interaction between members of transnational elites. The qualification “organised” is significant here in pointing out that while interactions between elite individuals constantly take place in the “natural” circumstances of work and leisure, interchanges also need to be facilitated. Recent decades have seen an increase in the number of organisations, policy-planning groups, think tanks, clubs, conferences and retreats that bring elites together on a transnational basis and across the boundaries of their professions and institutional spheres. Their participants and members consist not only of business executives and bankers but also of political leaders and of those officials in state departments and international organisations who deal with issues pertaining to the operation of the global economy.

Some of the most famous meeting places of the transnational business and policy elites include the Bilderberg, Trilateral Commission, World Economic Forum and Bohemian Grove. But there are many others, such as the World Leadership Alliance–Club de Madrid, the Munich Security Conference, the Jackson Hole economic policy symposium, the Clinton Global Initiative, the Aspen Ideas Festival, the Boao Forum, the Sun Valley conference, the Milken Institute’s Global Conference, Google’s Zeitgeist conference, the Fortune conferences and the TED conference. While the primary focus, and the leading contingency of these meetings, alternates between politics and business, what is common to all of them is that they are determined to be non-exclusive and open to elites from other walks of life. Therefore, the Club de Madrid, the world’s foremost group of former heads of state and government from every continent, “partner[s] with governments, inter-governmental organisations, civil society, scholars and the business world”,<sup>18</sup> and the Munich Security Conference, focusing on geopolitics and international conflicts and primarily connecting government representatives with heads of IGOs and military leaders, also invites representatives of defence and intelligence industries, oil companies, engineering firms, aircraft manufacturers and other businesses. At the other end of the spectrum are the likes of the Fortune Global Forum and the Sun Valley conference, which are first and foremost intended for CEOs of the largest TNCs but strive to include a host of policymakers, government officials, academics and celebrities among invited speakers and attendees.

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<sup>18</sup> See <http://www.clubmadrid.org/en/about> (accessed 18 May 2016).



In addition to exclusive meeting places, there are a variety of media outlets tuned particularly to international elite audiences. Leading US and European newspapers, such as the *Wall Street Journal*, the *New York Times* and the *Financial Times*, cater to international audiences with regional or international editions, and also a number of non-western elite newspapers, such as *Nihon Keizai Shimbun*, in Japan, and *The Economic Observer*, in China, publish English editions for their international readership. A number of western business news magazines, such as *Bloomberg Businessweek*, *Fortune*, *Forbes*, *The Economist* and the *Harvard Business Review*, have a strong international presence, and even more exclusive international audiences are reached by such titles as *Barron's*, the *CEOWorld Magazine*, the *CFO magazine* and *The International Economy*. Various 24-hour business news channels, most notably CNBC and Bloomberg, reach millions of viewers globally. Most of these outlets host popular online business news sites as well. Other notable online news sites directed at business and political elite audiences include Reuters.com, International Business Times, Business Insider and CNNmoney.com. In addition to international business and political news, transnational elites are also targeted by a variety of luxury journalism, designed to assist them in investment, consumption and travel decisions. Prominent titles include *Robb Report*, *Upscale Living*, *Dolce Vita*, *Unique Homes*, *Luxos Magazine* and the FT's monthly magazine *How to Spend It*. Some international luxury hotel chains, such as Four Seasons, also publish their own magazines.

This work interprets these various transnational forums and media outlets designed for the interchange and dissemination of ideas between business executives, investors, political leaders and top officials as platforms for *transnational elite communication* (TEC). It is characterised by the following elements:

- It takes place between international economic, political and bureaucratic elites, frequently transcending the boundaries between these traditionally separate institutional domains.
- It is “public” in the sense that it concerns matters of common interest between members of these elites and primarily focuses on issues of “global” significance. As a whole, TEC constructs the transnational elite agenda of economic, geopolitical and social matters. The notion does not refer to the kind of “private” and formal communication for the exchange of services, sharing of information or decision-making that takes place between actors in the marketplace or in a formal political body.
- It is connected to networking, group-formation and the development of collective identities. TEC takes place not so much in order to run everyday business activities but because the participants see the value in the communication of non-private matters and interests with their

peers for the benefit of some collective good (e.g., global economic growth, liberalisation of trade, curbing climate change).

- It assumes both public and private (i.e., interpersonal) forms, taking place in and at the fringes of official meetings, conferences and private clubs, as well as in public speeches and in the media that serve transnational elites.
- There is a considerable degree of exclusivity to it. The interchange of ideas in private clubs and official meetings is by definition exclusive to their participants and often governed by mutual understanding of confidentiality and rules of non-disclosure. But the more public forms of interaction, such as the mediated conversations in the newspapers and other outlets subscribed by transnational elites, also typically retain an exclusive character. These are, in effect, non-inclusive to different sectors of society. Communication in elite forums and media is primarily directed at other members of transnational elites.

In sum, the concept of transnational elite communication refers to those *interpersonal and mediated forms of interaction in which members of transnational elites address each other on issues of common concern while recognising themselves as part of the same group*. It is intra-elite or inter-elite communication on matters of global importance with an international scope.

The chapter begins with a brief historical overview of the institutional forms of TEC. In the first section, we take a glance at the most significant associations, foundations, clubs and policy-planning groups that have brought corporate and policymaking elites together internationally since the early twentieth century, and we also discuss the role of the media in facilitating and shaping international business and politics. Subsequently, the chapter turns to two prominent institutions that facilitate contemporary TEC. The second section examines the World Economic Forum as an organiser of TEC, providing a brief historical account of the foundation and its operations. We pay specific attention to the annual Davos meeting the WEF is mostly known for, describe the composition of its attendees and the formation of its agenda, and discuss its main purposes and significance, as well as its private and public nature as a space for TEC. The third and final section of the chapter describes the *Financial Times* as a newspaper and facilitator of transnational elite formation. Here, a historical account of the major phases of the publication, founded in 1888, is complemented by a discussion on the FT's status among transnational elites, on its distinctly global outlook, on its influence of elite agenda and opinion, as well as on its promotion of a liberal-internationalist political program.

## 2.1 Integrating business and political elites

Economic globalisation is essentially about human transactions, and therefore it has always had a social dimension to it. The internationalisation of trade in the early modern period corresponded with the emergence of diasporic merchant communities linked together in world-wide networks (Helleiner 1997). An instrumental early form of transnational elite formation was Freemasonry, which expanded from Britain to settler colonies and to other European nations from the early eighteenth century onwards (Berger 2010; van der Pijl 1998, 100–1). In the era of high finance of the late nineteenth century and early twentieth century, central bankers and investment bankers interacted across the industrialised world (Gill 1990, 123–4; van der Pijl 2012, 38–40). Businesspeople and professionals established international clubs, most notably Rotary International and the Lions Club, both founded in the United States, in 1905 and 1917, respectively (van der Pijl 1998, 102–3). The intensification of imperial rivalries and the World Wars undermined the establishment of transnational business networks, but international associations, societies, clubs, leagues, foundations and policy-planning groups proliferated after World War 2 (Boli and Thomas 1999b, 22).

The creation of international peer networks is therefore an intrinsic part of the globalisation of business. In tandem with the extension and intensification of the international processes of production, trade and investment, recent decades have seen a surge in corporate executive interaction on an international and global basis. This international interaction between business elites takes several forms. First, corporate directorates bring members of the transnational business elite together, and the increasingly transnational ownership of companies facilitates the internationalisation of TNC management and boards of directors. Second, international business advocacy groups and trade associations gather managers together to formulate common strategies within and across industries in order to shape international standards and push legislation and regulation towards common interests. Third, such formal and routine interaction that comes with the office is complemented by a variety of forms of more informal interaction, both private and public. Directing or participating in the activities of foundations, charities, societies, think-tanks and cultural institutions is part of the associational life of the business elite and offers them opportunities to come together with their peers (Sklair 2001, 22), while shared neighbourhoods, hotels, restaurants, resorts, sports and arts events provide the most informal venues for international elite interaction (Freeland 2012, 57–9).

Consequently, relationships between corporate managers are not characterised by competition alone; there are also elements of solidarity, fraternity and collective organisation to the interaction (cf. Faux 2006, 157). Indeed, a significant thrust behind transnational business elite networking has been the drive to establish common interests and collectively influence public policies regarding the regulation of national and international business

activities. Besides societies and clubs, the early twentieth century also saw the founding of elite groups with more explicit policy-orientation. Most notably, the International Chamber of Commerce, founded in 1919, connected industrialists, financiers and traders across major economies to formulate common interests of businesses internationally and advance these views to governments and intergovernmental organisations (ICC 2014; van der Pijl 2012, 62).<sup>19</sup> In the quarter of the century following World War 2, with the US-based TNCs and banks leading the globalisation of economic activities (see Chapter 3), US bankers and business leaders were central drivers in the formation of international business organisations. Initially, the primary focus was on the consolidation of US-European relations (see van der Pijl 2012), which manifested, for instance, in the establishment of a network of American Chambers of Commerce across Western Europe. Correspondingly, the Soviet economic blockade of Eastern Europe prompted Western European business leaders not only to increasingly turn towards the United States for export markets, but also to seek US banks and businesses for policy support for the liberalisation of national trade and investment policies (Panitch and Gindin 2012, 90, 114–5).

### **Transnational business-policy clubs and networks**

The organisational strategies for promoting international trade and investment have also included the incorporation of business leaders, policy makers, government officials, academics and professionals into common transnational networks. The secret societies and round tables founded by influential investment bankers in the late nineteenth century in the United States and within the British Empire already connected them with members of the political and administrative elites on an Anglo-Saxon basis (Gill 1990, 123–4; van der Pijl 2012, 38–40; 1998, 109–11, 117–8). After World War 2, the interests in strengthening transatlantic connections between business elites, policy makers and professionals led to the founding of various new associations, including the Atlantic Council, the Atlantic Institute and the Ditchley Foundation (Gill 1990, 124, 132).

However, perhaps the most famous and encompassing group established in the early postwar period to connect European and American business and policy elites is the Bilderberg. It was founded in 1954, bringing together political leaders, high officials, military chiefs and strategists, international bankers and business executives, trade unionists, civic and cultural leaders as well as prominent opinion leaders in the media and academia on both sides of

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<sup>19</sup> Today, the ICC/World Business Organisation engages in rule setting, dispute resolution, and policy advocacy for its hundreds of thousands of mainly corporate members in over 130 countries, having representation in such international bodies as the UN and the WTO (see <http://www.iccwbo.org/about-icc/>).

the ocean with the aim of fostering “Atlantic partnership”, open and confidential dialogue and deeper economic, political, military and cultural connections (Gill 1990, 126–9; van der Pijl 2012, 183). Today, Bilderberg continues to operate as a forum for North American and European leaders to deepen the “Atlantic alliance”, and its participants include heads of state and other leading politicians, bankers and business leaders, trade unionists, diplomats and intellectuals as well as influential representatives of the media (Richardson et al. 2011, 51–4).

Beginning in the late 1960s and early 1970s, as American and European political and business interests started to turn increasingly global, a new wave of organisation building aimed at integrating non-Western elites into the transnational networks. With the growing internationalisation of Japanese industries, both North American and European elites created new connections across the Pacific. Most notably, the Trilateral Commission, founded in 1973 by David Rockefeller and Zbigniew Brzezinski, emerged out of the perceived need within the Bilderberg circles to include Japanese business and political leaders into a common discussion with North American and European elites (Gill 1990, 137; van der Pijl 1998, 124). The stated objectives for the Trilateral Commission were very similar to those that prompted the establishment of the Bilderberg group: it was set up in order to get “significant groups of leaders from the three areas” together to discuss “matters of common concern” and to develop “shared understandings” on common issues, but also to design policy responses and to foster support for these recommendations among the governments and private sectors of the areas concerned (Gill 1990, 143). The Trilateral Commission proved to be a highly attractive forum for the top bankers, financiers and corporate executives: about two-thirds of the world’s largest 100 public companies had an affiliation with the Commission through an individual membership in the mid-1980s (Gill 1990, 157–8).

With the advancing globalisation of economic relations of finance and production, Western-led transnational associations have continued to expand and to incorporate business and policy-making elites from new countries. During the 1980s, trilateral meetings between the American, European and Japanese elites started to involve representatives from other Pacific countries (Gill 1990, 123), and in the 1990s the associations and networks extended further to include elites from the former Soviet bloc.<sup>20</sup> It was in this post-cold

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<sup>20</sup> A model case for such globalisation of elite networks is the Mont Pèlerin Society (MPS), which has been considered one of the most significant elite clubs in the twentieth century due to its influence in developing and distributing the ideology of neoliberalism among academic, business and political elites (Harvey 2005, 20–2; Mirowski 2013, 38–50; van der Pijl 1998, 129). While the majority of MPS members are economists, prominent business leaders and politicians have customarily been invited to its meetings and funded its operations, and members of the society have operated as a close policy adviser to governments ranging from Pinochet’s Chile to Thatcher’s Britain (Gill 1990, 98; van der Pijl 1998, 129). At its inception

war period that the World Economic Forum rose into prominence, celebrating the apparent completion of global economic integration with an annual gathering of TNC executives, entrepreneurs, politicians, public officials and management professionals from around the world (see the following section). Yet the WEF marks only the most conspicuous meeting place for global leaders of business and politics. Today, they interact in a plethora of private forums, foundations, clubs, councils, policy-planning groups, philanthropic associations and think tanks.<sup>21</sup>

These transnational dimensions of associational life demonstrate a strong interest among business leaders and policy makers in forging transnational connections and in engaging with issues that transcend national borders. They can be viewed as essential complements to the kind of international interaction that comes as part of the daily work of these business executives, political leaders and high officials, facilitating both transnational elite networking and the establishment of spaces for TEC. At the same time, corresponding with the centralised and regionalised nature of much of transnational economic activities (see Chapter 3.1), the truly global nature of elite forums and networks is questionable to a certain extent. Most transnational elite gatherings and associations continue to be regional rather than truly global in their membership (Richardson et al. 2011, 215). On the

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in 1947, the MPS consisted of 17 US members and 22 European members from nine Western European countries, but by 1991 it had broadened to include members from Japan, China, India, Thailand, Hong Kong, Australia, New Zealand, South Africa and eleven Latin American countries (Mirowski 2013, 47–8). In addition, a central part of the MPS's operational logic has been the spawning of think tanks, connecting academic economists with international and national policymakers and businesspeople in the English speaking world, Europe, South America and South East Asia (Mirowski 2013, 44–6). In the 1990s, the MPS increasingly incorporated members from the former Soviet bloc as well as from third world countries (van der Pijl 1998, 130).

<sup>21</sup> Prominent international clubs and forums connecting members of the corporate and political elite include the World Economic Forum, the Clinton Global Initiative, Bilderberg and the Trilateral Commission. International associations engaged in philanthropy include the Bill and Melinda Gates Foundation, one of the largest charitable foundations in the world, and the Global Philanthropists Circle, which connects some 75 families of the superrich in over 20 countries (see McConnon 2007; <http://www.synergos.org/philanthropistscircle>). The Open Society Foundation, founded by the Hungarian-American billionaire George Soros, is an example of an elite-owned foundation that engages in a broader scope of operations than mere philanthropy. The most influential international business and policy think tanks, in turn, include the Brookings Institution, Chatham House, Rand Corporation, the Carnegie Endowment for International Peace, Bruegel, Peterson Institute for International Economics, the Kiel Institute for the World Economy, and the World Resources Institute (see McGann 2013).

other hand, a distinguishing feature of many of the elite associations established in recent decades has been their increasingly global nature, not only in their organisation and membership, but also in the scope of their operation and the issues they address (Bull et al. 2004; Lechner and Boli 2005, 128–33; McGann 2002; Stone 2008). In this respect, the World Economic Forum is, again, a representative example: while having its roots in the networks of European and US business leaders, it has been largely successful in both establishing transnational non-Western elite networks and in incorporating them into a common transnational space of elite communication.

### **International business media**

While forums and associations carry an important role of bringing corporate elites and policymakers together on a transnational scope, TEC is further facilitated by means of public communication. As for the networks and associations, also the new technologies and practices of mediated communication, specialised for transnational and interregional interaction, have developed in tandem with the growing interconnectedness of the global economy and the corresponding cross-border flows of capital, commodities and people (Fairclough 2006, 3–4; Mosco 2009, 14–5). The conduct of business and politics has been facilitated by transcontinental dissemination of news at least since the early modern period, with handwritten newsletters circulating between European cities in the fifteenth century (Espejo 2011, 191). Financiers, bankers and traders held a particular interest in the dissemination of all kinds of intelligence from exchange rates, prices and bankruptcies to general events and even rumours (Williams 2011, 48). In a similar manner, the expansion of finance and commerce during the colonial period was closely associated with the growth of foreign news as an organised business in Europe, and international news agencies developed to respond to the need for rapid dissemination of reliable market information (*ibid.*, 49–52). The most recent wave of internationalisation of business and trade since the 1960s has been accompanied by the emergence of specialised business news agencies and television networks, while the increasing size and scope of global financial markets has prompted the expansion of financial coverage and the foundation of specialised financial publications (Clark et al. 2004; Madrick 2002). Accordingly, international political and business news outlets play an important role in enabling the actual processes of transnational finance, business and politics (Davis 2010, 119–23; Garnham 1992, 371).

The institutions and media of TEC also structure the informational environment of decision makers in various ways. News media, in particular, often become players in politics and markets in their own right, shaping the prevailing currents of elite opinion and affecting business and political processes (Brand 2010; Doyle 2006; Madrick 2002). Indeed, financial and business news has often been regarded as one driving factor behind business

cycles of booms and busts, including the inflation of speculative market bubbles (Clark et al. 2004; Kleinnijenhuis et al. 2013; Merrill 2012; Tambini 2010; Thompson 2013). Elites themselves are well aware of the potential of TEC to influence the behaviour of other elites (Richardson et al. 2011, 89–90), and in pursuit of their commercial or political goals, they try to take advantage of the access to the elite public that the forums and specialised media provide. In this regard, publicity offered by the elite media, in particular, is used to influence competitors in the markets, to turn public attention to particular issues and policy solutions, and to garner support for certain ideas among other members of the elite (Davis 2000; 2003; 2005; 2007b; Kunelius and Reunanen 2012). Therefore, decision makers in the fields of politics and business, in particular, are likely to take the news media into account and anticipate news coverage in several ways before and after decisions, considering their impact on other members of the elite, as well as on the general public (Kepplinger 2007; Kunelius and Reunanen 2012). Investors and fund managers, for their part, use the financial media as part of their investment strategies, but are also affected by the constant scrutiny these media exercise on their performance (Davis 2005).

However, besides providing news and instant market information, specialised media are also in place to provide platforms for the exchange of ideas between transnational elites. Many of the publications that serve TEC commit themselves exclusively to these purposes. Take, for instance, *The International Economy*, which describes itself as a “specialised quarterly magazine covering global financial policy, economic trends, and international trade”.<sup>22</sup> The magazine can best be described as a publication by and for the transnational elite of policymakers, regulators and academic experts on the global economy. Its founder, editor and publisher is David Smick, CEO of a financial market advisory firm, who describes himself as “one of Washington’s premier insiders” in economic, financial and trade policy matters,<sup>23</sup> and the magazine’s editorial advisory board includes a host of former and present central bankers, IMF officials, government leaders and finance ministers and financial services professionals as well as prominent academic economists, mostly from the United States, Germany and the UK, but also from Mexico, Peru, Korea and Japan.<sup>24</sup> Accordingly, the magazine explicitly positions itself as a medium for a small and exclusive international elite:

*The International Economy is unlike virtually any other magazine in that it is targeted almost exclusively to the financial policy elite. Today there are roughly 10,000–20,000 economic and financial opinion*

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<sup>22</sup> See <http://www.international-economy.com/AboutTIE.htm> (accessed 29 August 2016).

<sup>23</sup> See [http://www.davidsmick.com/Smick\\_Bio.html](http://www.davidsmick.com/Smick_Bio.html) (accessed 29 August 2016).

<sup>24</sup> See <http://www.international-economy.com/MastheadTIE.htm> (accessed 29 August 2016).



*leaders internationally of whom perhaps 3,000–5,000 truly impact the global economy as the prime movers in the public and private sectors. This is The International Economy’s target audience.*<sup>25</sup>

The growing number of forums and specialised media outlets suggests that corporate and policymaking elites consider it to be increasingly important to interact and communicate with their peers on a transnational basis. Both the private gatherings and the public media outlets provide spaces for interaction between elites, connecting individuals and institutions across national boundaries and facilitating the development of shared views and discourses (cf. Curran 2005, 121–2).

This intra-elite or inter-elite communication must be recognised for its integrative nature: groups come together through communicative practices (Carey 1989). TEC serves to formulate and mediate shared understandings of reality within the group, and it brings transnational elites together as an “imagined community” (Anderson 1991). Therefore, insofar as transnational elites cohere as groups in the first place, they do so through communication between elite individuals. At the same time, this culture-defining power to formulate, mediate and promulgate ideas and worldviews concentrates particularly to the most publicly visible members of the elite. Through their public functions, visible roles in international elite forums, and access to the elite media as preferred sources, the executives of the most influential banks and businesses, the directors of major international organisations, and political leaders and central bankers of the largest nations form the representative face of the transnational elite and enjoy a privileged position in communicating with other members of the elite. Transnational elite integration in communication is thus hierarchically structured.

## **2.2 World Economic Forum and transnational elite integration**

*Davos, perhaps more than any other gathering, epitomises the way political power and global governance have in recent decades been entrenched into a small corporate elite.*

*Buxton 2014.*

While the World Economic Forum is often identified as a notorious and influential institution in the critical writings of political activists, news professionals and academic researchers alike, there is little actual research on the organisation. Geoffrey Pigman’s (2007) take on the WEF as an

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<sup>25</sup> See <http://www.international-economy.com/AboutTIE.htm> (accessed 29 August 2016).

institutional form of “multi-stakeholder” global governance is the only study exclusively dedicated to the organisation and it is highly sympathetic in its approach. In his exploration of the world of the “superclass”, David Rothkopf (2008) spends much of his time at the WEF, interviews many of its attendees and includes a discussion the history and current relevance of the Davos forum. Elizabeth Friesen (2012) offers a more detailed analysis of the WEF, tracing its history and the evolution of its public agenda from the perspective of the global civil society’s struggles to challenge global finance. Jean-Christophe Graz (2003) has examined the WEF from the perspective of a “social myth”, narrating a story about the forum’s rise in notoriety and prestige among transnational elites during the late 1980s and early 1990s and about what he sees as its decline in the early 2000s. In the field of media studies, Lance Bennett and colleagues (2004) have analysed the role of the WEF in shaping the mainstream news agenda on globalisation during the height of civil society protests in critique of neoliberal globalisation. In addition to these studies, a number of scholars of more critical traditions, such as Gramscian international relations and global political economy, often emphasise the significance of the Davos forum and characterise it as a vehicle of global neoliberal governance but have neglected a more substantial analysis. Otherwise, much of what is known of the WEF has been written by journalists covering the event.

### **Organisational roots**

The World Economic Forum (WEF) is a private non-profit foundation with over 400 employees. It aims to influence the international political and business agenda by engaging corporate, political and academic leaders and by facilitating community- and network-building among them. Among its many activities, the WEF conducts research and publishes reports and policy initiatives on a variety of themes, including competitiveness, trade, environmental sustainability, security, health, agriculture and gender inequalities. The WEF also establishes transnational networks, task forces and councils to work on the reports and initiatives, and it offers educational programs to young entrepreneurs. Most notoriously, the WEF organises international conferences for executives of large corporations, investors, bankers, top politicians, and high-ranking officials of intergovernmental organisations, as well as editors and columnists of international media. In addition to its flagship conference held annually at the end of January in Davos, Switzerland, the WEF organises regional meetings in East Asia, Latin America, Africa and the Middle East, as well as conferences on more specific issues or with a more restricted scope of participants. One of these is the Annual Meeting of the New Champions, which is held in China and includes some 1,500 business representatives of what the organisation classifies as “global growth companies”, primarily from emerging markets. The range of meetings also includes the Summit on the Global agenda, which seeks to

prepare agendas and bring more focus to the debates of the annual conference.<sup>26</sup>

The WEF has its roots in the Centre d'Etudes Industrielles (CEI) of Geneva, a business school founded in 1946 by a Canadian aluminium firm Alcan as a training centre for its international managers (Graz 2003, 328–9). For the 25th anniversary of the school, Klaus Schwab, a German-born academic who had joined the CEI staff in 1969, was charged to lead the organisation of a professional conference. Thanks to his personal and family connections, the international reputation of the CEI, and the support by the European Commission as well as European industrial associations, Schwab succeeded in attracting a number of high profile European industrialists and academics from American business schools to participate. Ultimately some 440 European business leaders convened in the European Management Symposium in Davos in 1971.<sup>27</sup> Schwab, operating as the chair of the meeting, went on to establish the European Management Forum to organise subsequent events and activities (Pigman 2007, 6–9).

Having studied at the Harvard Business School in the 1960s, Schwab perceived the foundation as a vehicle to introduce US management techniques and practices to European companies at a time when European managers saw the need to respond to the perceived threats posed by the increasingly competitive challenge of US companies (Pigman 2007, 7–8, 93; Sassen 2001). However, in subsequent years, the scope of the meeting's agenda quickly expanded to include more general economic, social and international issues: besides mere management techniques, the United States provided European executives another model for the structuring of the relationships between business, government and labour. At the same time, European businesses' international scope of operation created an interest to extend personal networks beyond Europe, and already since the mid-1970s the forum has invited non-European business leaders as well as policymakers and officials to its annual meeting. Besides the flagship Davos meeting, the foundation also rapidly extended its activities, organising business roundtables and international symposia in various locations in and outside Europe and publishing reports and studies on the relevant topics.

Both the activities of the foundation and the international scope of attendants to its annual meeting continued to expand in the 1980s, culminating in the renaming of the foundation as the World Economic Forum in 1987. Managers of large TNCs were invited to become members and lifted to the directing board of the WEF, increasing its prestige and international reach (Graz 2003, 330). In the 1990s and 2000s, the WEF continued to extend

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<sup>26</sup> See WEF (2014) and <http://www.weforum.org/world-economic-forum> (accessed 4 November 2014).

<sup>27</sup> See <http://www.weforum.org/history> (accessed 4 November 2014).

its operations and to include corporate managers from different parts of the world as well as to incorporate internationally oriented professionals from the fields of media, culture, religion, politics and civil society to its network.<sup>28</sup> Cooperation with other international organisations, including many UN agencies and IFIs, has tied the foundation closer to international political processes. The WEF has also increasingly focused on enhancing the networking opportunities and “knowledge creation” among its members by designing new communication channels and platforms, by establishing industry- and issue-specific sub-groups of its members, and by connecting them with experts from private, public and third sectors (Pigman 2007, 16–8, 139).

Since 1976, the WEF has been a membership organisation with strict criteria of admission. Members are essentially large TNCs, described by the WEF as “global enterprises usually with more than US\$ 5 billion in turnover”. They are “top companies within their industry and play a leading role in shaping the future of their industry and region”.<sup>29</sup> Only representatives of these member firms, in addition to individuals specifically invited by the WEF, may attend the annual forum. Member firms, the number of which the WEF has limited to 1000 since 1994, are divided into several categories with distinct membership fees and privileges.<sup>30</sup> Strategic Partners, for instance, are an elite group of top 100 companies, selected by the managing board and participating in the organisation and planning of the annual and regional conferences. Other membership categories include Industry Partners, Regional Partners, Global Growth Companies, and Technology Pioneers. In addition to involving paying corporate members, the WEF has formed several “multi-stakeholder communities”, which bring corporate managers together with political leaders, academics, media representatives and cultural leaders. These communities and networks carry such labels as the Global Shapers Community, the Forum of Young Global Leaders, Global Agenda Councils, the Schwab Foundation for Social Entrepreneurs and Community of Chairmen, which is a peer group of corporate chairs working on issues of corporate governance (WEF 2014a). The Centre for the Global Agenda and the Centre for Global Strategies are coordinating bodies for the planning work in these several working groups, networks and communities (ibid.).

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<sup>28</sup> See also <http://www.weforum.org/history> (accessed 4 November 2014).

<sup>29</sup> See <http://www.weforum.org/our-members> (accessed 4 November 2014).

<sup>30</sup> The annual membership in the WEF cost to companies between 45,000 US dollars (lowest level of membership) to 530,000 US dollars (Strategic Partnership) in 2013 (Becker 2013; Walsh 2012). As a rule, the more a member pays, the more say it has on the WEF’s agenda, the more attendees it can send to the annual meeting in Davos, and the more visibility it gains in the panels and working groups set up by the foundation (see Pigman 2007, 23–30; Graz 2009, 1181).

The WEF's size, organisational structure and scope of operation suggest that the organisation has grown to be a significant facilitator of transnational networks and interaction between business, political, bureaucratic and academic elites. Accordingly, the rationale behind the WEF has evolved far beyond the original aim of disseminating American business management techniques to European firms. From being trained by business school educators, corporate executives have become central engines of the foundation's operation, allowing them to create connections and to share their own world-views with business-minded political leaders, high-ranking officials and academic scholars, as well as editors and columnists of international media (Graz 2003, 330–1; Rothkopf 2008, 267).

### **The Davos forum**

Nowhere has the purpose of the WEF to create international elite networks been more visibly manifested than in the annual Davos forum. It brings some 1500 of the most powerful investors, bankers and corporate executives together with a host of political leaders, ministers, central bank governors and high-ranking officials of IGOs and research foundations from nearly one hundred countries. The Davos guest list also includes media leaders, trade union representatives, corporate and independent economists, heads of non-governmental organisations and prominent academics, as well as religious leaders and cultural celebrities. The number of invited participants has grown over the years, presently standing around 2500.<sup>31</sup> The Davos program consists of some 250 events over the four-day conference, including plenary sessions, panel discussions, workshops, keynote addresses, interviews and press conferences (WEF 2014b).

In addition to the official program of the annual forum, a number of businesses typically organise invitation-only lunch events, dinners and cocktail parties. The Davos conference is also a venue for a number of informal and secretive meetings behind closed doors. An entity named the International Business Council, for instance, is said to be a group of some 100 leaders of the biggest global TNCs from different areas of business who convene at the fringes of the Davos forum (Rothkopf 2008, 274). The Informal Gathering of World Economic Leaders and the Governors' Meetings, in turn, are openly recognised by the WEF itself. The former is a closed-door meeting among senior ministers, presidents and prime ministers, discussing informally and without the presence of their entourages, while the latter are a series of gatherings among executives of particular sectors who get together to discuss their industry-specific issues (Friesen 2012, 95–6).

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<sup>31</sup> With spouses, personal assistants and media crews covering the event for the international business and political media, the WEF hosts over 4,000 guests during the annual conference (Pigman 2007, 47).

The conference is designed particularly to allow informal interaction and exchange of ideas between its participants. The multitude of private meetings, parties, dinners and other informal events outside the official forum program offer many opportunities and spaces for people to mingle and meet (Rothkopf 2008, 269). In these off-program meetings, as well as in the panel discussions held at the actual Congress Centre, the intention is to offer an opportunity for participants to meet on an individual and personal level, get familiar with each other's backgrounds and to gain a greater understanding of the views they hold on issues of common concern (Pigman 2007, 47–8). This requires that attendees speak their minds directly, without the presence of their aides and assistants, and avoid expressing “official” positions and talking points. In other words, the WEF, like many other elite gatherings, aims to set an agenda, and turn the focus of its attendees, on broad and long-term issues concerning the economy and politics, so as to encourage participants to transcend their own immediate material interests (see also Gill 1990, 202). The Davos forum also joins other elite gatherings in their promotion of a certain behavioural code or mode of discourse, which dictates that participants must demonstrate an ability to transcend the “conceptual limitations of their office and constituencies”, drop the liturgy and official agenda of their institution, address each other as individuals, present their views directly, disagree in a respectful manner, and be open to other points of view (Richardson et al. 2011, 55, 120, 143–4). The behavioural code is facilitated by the strict restrictions that the WEF imposes on the publicity of the proceedings. Indeed, while much of the Davos debates are open to the news media and nowadays even livestreamed on the internet, the forum has also retained its private character. Only part of the official program is open to the media, and many of the discussions are held under the Chatham House rules or take place entirely behind closed doors.

Even with such restrictions on the publicity of the proceedings, the WEF also engages willingly with the international media in order to shape the public agenda (Bennett et al. 2004). Despite being a private non-profit organisation without legal obligations for public disclosure of its activities, the WEF attempts to give an impression of itself as transparent and promotes international media attention for the Davos meeting. To these ends, the WEF streams forum debates online, facilitates press and television coverage of events, provides reports on the discussions, publishes a weblog and encourages social media use by the delegates.<sup>32</sup> The Davos forum is of

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<sup>32</sup> Media activities are carefully managed by the WEF in order to achieve a positive public image for the forum and its participants. Media accreditation allows for the selection of desired outlets to cover the forum, reporters gain access to only certain events outside the official program of public panels, and filming crews and photographers are escorted by the organisation staff. Detailed media guidelines set rules for the reporting on off-the-record discussions, and even photography is tightly controlled (WEF 2013a; Coy 2014). Moreover,

particular interest to those sections of the media that presumably interest the Davos elite the most, including both general elite newspapers and specialised business media, such as *The Wall Street Journal*, *International Business Times*, Bloomberg, CNBC, and the FT. Overall, the WEF's PR efforts have been rather successful, and the Davos forum can be regarded not only the biggest but also the most visible and publicised gathering of international corporate and policymaking elites (see Rothkopf 2008, 266). As such the Davos forum includes both public and private forms of elite communication, offering delegates opportunities both to have private and confidential discussions as well as to gain easy access to the international elite media should they desire to make public announcements (Pigman 2007, 70, 78).

From this perspective, the Davos forum not only facilitates elite networking and exchange of ideas – as a major news event for the international media, it also serves as a platform for the building of public recognition and prestige to its participants. The celebrity status of Davos attendees is reinforced by the attending media corps who tend to focus on the executives of the largest corporations and the most well-known names in the international policy community (cf. Doyle 2006; Davis 2007a, 177). From the forum, the news media typically cover the keynote addresses by national leaders, as well as the occasional press conferences by celebrity philanthropists and investors, and business journalists publish reports on the public panels which include the top CEOs, central bankers and most well-known economists. Reporters also take advantage of their access to the influential individuals in the corporate elite community by conducting personal interviews for some important background knowledge on developing events in the world of business. Consequently, media focus in Davos is highly unevenly distributed among the over 2,000 participants to the forum, serving to direct attention only to a small number of individuals and increasing their public importance and prestige.<sup>33</sup>

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the reports provided by the WEF itself often merely summarise the main talking points and moods of the discussions and do not directly cite speakers without their consent (Friesen 2012, 97).

<sup>33</sup> Accordingly, the publicity of the annual Davos forum is dominated by a selection of elite “celebrities”. They fall into several categories. First, there are heads of state with generally acknowledged global clout, such as Angela Merkel, Wen Jiabao, Vladimir Putin and Nicolas Sarkozy, who typically give a keynote speech at the forum. A second group of Davos celebrities, who normally feature at reports on industry-specific panel discussions, consists of CEOs and presidents of Wall Street and the City, such as Lloyd Blankfein, Jamie Dimon and Peter Sutherland, as well as of managers of large TNCs. Debates on more general economic matters, particularly those concerning the global economy, are typically featured by directors and governors of major IGOs and central banks, such as Christine Lagarde and Mario Draghi, who constitute the category of international “celebrity bureaucrats”. They are often joined in the debates by influential economists, particularly chief economists of investment banks, such as

As it comes to its public profile, the WEF went through a challenging period at the turn of the millennium. With its rising popularity among global business and political elites in the 1990s, the Davos forum started to attract increased international media attention (Pigman 2007, 17–8). At the same time, it became subject to more serious social scrutiny and critique. On the one hand, the transnational civil society critical of neoliberal globalisation identified the Davos forum as one of their primary targets of dissent and protest (Graz 2003, 333; Pigman 2007, 125–8; see also Chapter 6.3). On the other hand, the rapid growth and success of the organisation attracted the interest of some critical journalists in the international elite media. Ahead of the Davos meeting in 2000, *The Wall Street Journal* ran an investigative report on the WEF's lack of transparency, on the apparently for-profit business activities of the purportedly non-profit foundation, and on Schwab's personal dealings with private companies, implying personal conflicts of interest (see Flynn and Stecklow 2000). The story was picked up by other elite outlets, including *The Washington Post* and the *New York Times* (Pigman 2007, 133; Graz 2003, 332). Moreover, reporters covering the proceeding in Davos started to publish more critical stories and commentaries about the forum and its celebrity-filled parties (Pigman 2007, 76–7). Amid this rising public critique and negative publicity, some members and reporters raised doubts as to whether the Davos forum would continue to attract high-level interest among major global businesses (Graz 2003, 333). In retrospect, however, damages to the WEF's public reputation remained limited, and the perceived decline in the Davos forum's popularity turned out to be temporary if not non-existent. Executives from global investment banks and TNCs continue to flock into Davos each year, being joined by several heads of state, government ministers and high-ranking officials from international organisations. And if anything, the annual meeting attracts even more attention in the mainstream media today compared to the turn of the millennium, summoning several hundreds of journalists from leading news providers from all over the world to Davos each January.

While the WEF has introduced more dynamic working practices among the participants to its networks and communities since the early 2000s, producing a series of initiatives and reports on various public-private partnerships to tackle a multitude of global issues, the annual Davos forum essentially remains a site for networking, dialogue and discussion as well as a venue for making private deals among its business participants. Accordingly,

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Jim O'Neill and Stephen Roach, who form the group of "celebrity experts". The fifth group consist of "celebrity investors and philanthropists", such as George Soros, Bill Gates and Bill Clinton. Besides participating in panels, they sometimes use the Davos forum to launch a particular fund-raising campaign or initiative in support of their philanthropic causes. Similar aims are occasionally pursued by the cultural celebrities who get invited at Davos, including Bono and Angelina Jolie. They form the sixth and the final category of Davos celebrities.



one of the principal attractions of the Davos forum is the networking opportunities it offers to its participants. The WEF has been successful in involving many of the largest global companies with its activities, and TNC managers pay for the membership in the WEF to take advantage of the network the foundation connects them with (Graz 2003, 330; Pigman 2007, 96; Rothkopf 2008, 274–5). With numerous prominent CEOs, bankers and investors in one place at the same time, business managers and state representatives find the WEF an ideal venue for meeting with possible lenders, and lenders on the other hand can look for new investment opportunities (see also Friesen 2012, 100).

### **Setting the global agenda**

The continued popularity of the Davos forum among business and political elites is often attributed to its special club-like atmosphere (Graz 2009): the small ski resort town in a remote location forms a venue which reinforces the sense of exclusiveness to the meeting and camaraderie among its participants. By concentrating on incumbent business leaders, politicians and international officials, and not usually inviting senior politicians and executives who no longer hold office, the WEF, unlike many smaller and more exclusive elite clubs, prevents the Davos forum from becoming an “old-boy network” and maintains a sense of freshness to its image (Richardson et al. 2011, 182–3). As such, the Davos forum has been able to sustain a “social myth” of itself as an important meeting-place for powerful people (Graz 2003), which is why a sizable proportion of the most powerful business leaders attend the conference every year.<sup>34</sup> Attendees also often refer to the opportunity at Davos to gain a general sense of important global events and developing trends that influence the business and political environment (Faux 2006, 164; Friesen 2012, 100): they come to Davos keep up to date with the current conversation among their peers and to gauge the zeitgeist of the moment. The forum does not so much provide business leaders with concrete advice on management, but instead offers them greater understanding of the environment in which they are running their businesses.

As for the broader significance of such inter-elite conferring, organisers and observers alike often point to its political and economic agenda setting power (Faux 2006, 179–80; Pigman 2007, 151; Rothkopf 2008, 276, 303; Friesen 2012, 105–7): without any formal decision-making mechanisms, the impact of Davos debates remains indirect in nature and related to the setting of the agenda and the construction of consensus on and common understanding of global issues among its participants. Thus, the Davos forum

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<sup>34</sup> Rothkopf (2008, 275) estimates that up to 1,000 members of what he calls the “global superclass” of the 6,000 most powerful individuals in the world attend the Davos forum every year, being the largest gathering of that class.

defines key issues, identifies major trends and outlines relevant perspectives in the international political and business debate. The impact of the debates extends beyond Davos as global investors, corporate executives and heads of public institutions as central agents in the global economy use these insights as part of their daily activities to make sense of political and market events and respond accordingly. The forum's impact carries even further because, as a big media event, Davos debates attract the attention of international news media, and their reporting on the discussions at the forum serve to disseminate some of the issues discussed and increase the perceived importance of the debates among the broader business and political community.

When it comes to the formulation of the agenda for and in the Davos conference, the WEF's directing board and managerial staff have a key role, and Klaus Schwab himself is often considered as the primary shaper of the Davos program (Pigman 2007, 134–5; Friesen 2012, 106). Under his leadership, the staff design the event program, invite guests and allot participants into the various panels and discussion groups. The selection of forum participants and the allocation of individual speakers in the various panels obviously largely determines the scope of different views represented at the debates and decisively shapes and limits the agenda. As for the themes discussed at the forum, since 2008 the WEF has tasked its network of more than 80 issue-specific expert groups, or Global Agenda Councils, to identify “the global trends, regional challenges, leadership crises, and emerging issues which will shape the next 12-18 months”.<sup>35</sup> The annual Global Agenda Summit, held in each November in Dubai, brings these groups together to provide recommendations and set specific issues for the Davos forum. The councils involve more than 900 individuals from business, academia, government and civil society, again exemplifying the “multi-stakeholder” approach to international politics the WEF purports to advance. In practice, however, as Friesen (2012, 98) points out, the WEF essentially remains an organisation of the business community, and its corporate members hold considerable sway on the proceedings (Friesen 2012, 98; Rothkopf 2008, 303). Particularly significant, due to their close involvement in the activities of the WEF, are the Strategic Partners, the one hundred most privileged and highest-paying corporate members. Not only can they exert influence in designing the program and nominating panellists of the annual forum, they also tend to have a highly visible presence at the meeting. While ordinary corporate members are permitted to register one representative to the annual forum, the highest-paying companies often send fleets of five to eight executives and board members to the conference.

The roster of Davos attendees, therefore, has the ultimate impact on the Davos agenda as the discussions shape during the actual conference. The list

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<sup>35</sup> See <http://www.weforum.org/community/global-agenda-councils> (accessed 7 November 2016).

of attendees changes yearly, and from year to year companies hold varying interest in decreasing or increasing their presence at the forum. However, big western banks and financial institutions have typically sent sizable delegations to the meeting, as have consulting and other professional services firms.<sup>36</sup> A number of leading companies from the IT and media sectors also tend to be well represented. As for the geographical distribution of participants, European and North American executives tend to dominate the debates (Pigman 2007, 64–6; Schmitt 2014). While several non-western TNCs also send multiple representatives to participate in the discussions,<sup>37</sup> they remain in the minority. Consequently, the WEF and the Davos forum have often been considered instrumental in promoting and disseminating the agenda and interests of European and US banks and TNCs (e.g., Pigman 2007, 94; Sassen 2001).

While most attendees are representatives of business, many governments also send sizable delegations to the Davos forum.<sup>38</sup> Together with central bankers and officials from international organisations, governments are important shapers of the Davos agenda. As the incorporation of non-business elites has progressed, both the range of topics and the

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<sup>36</sup> Quartz, an online business magazine of the Atlantic Media Group, has published searchable lists of the participants to the 2013 and 2014 Davos forums (Yanofsky 2013 and Yanofsky 2014a, respectively), and the 2013 list of participants can also be downloaded from the WEF website (WEF 2013b). According to the 2014 data, Goldman Sachs led the financial institutions with eight top managers attending Davos, followed by Citi and HSBC with seven representatives each. Barclays, JPMorgan, Lazard, Morgan Stanley and Standard Chartered sent six managers each, while Bank of America, Deutsche Bank, Itaú Unibanco, UBS, Zurich Insurance Group and Abraaj Group had five representatives each at the conference. Among professional services firms, Boston Consulting Group (11 representatives), Bain & Company (9), PwC (8), Deloitte (7), Accenture (7), KPMG (6), Ernst&Young (5), McKinsey (5), HIS (5) and Wipro (5) all had sizable delegations at Davos. Among highly-represented IT and internet companies were Cisco, Google, Huawei, Microsoft, Qualcomm, Salesforce.com and Yahoo! with 5 delegates each. Among other companies with big Davos delegations were Dow Chemical Company, DuPont, Nestlé, Novartis, PepsiCo, Renault, Takeda Pharmaceutical and Volkswagen.

<sup>37</sup> At the 2014 forum, non-western TNCs and conglomerates with five or more representatives at Davos included Huawei, Mitsubishi, Takeda Pharmaceutical, the Abraaj Group, the Hanwha Group and the Olayan Group (Yanofsky 2014a).

<sup>38</sup> With political leaders, ministers and high government officials from up to a hundred countries, the overall number of government representatives at the 2014 meeting reached 288 (Schmitt 2014). The largest governmental delegations came from the United States (with 21 government representatives), Switzerland (20), Russia (12), South Africa (12), India (9), Japan (9), Nigeria (9), UAE (8), UK (8), Mexico (7), Brazil (6), Indonesia (6) and Ukraine (6) (Yanofsky 2014b).

diversity of perspectives present at the Davos forum have presumably broadened. This implies not only that the political decision-making of major economies, including fiscal policy, monetary policy and regulatory measures, are typically at the centre of attention in Davos discussions. It also means that the talks frequently touch upon broader questions concerning international economic relations and global problems. Based on an analysis of newspaper reports and WEF documents, Friesen (2012) argues that the WEF debates evolved from a meeting focused on the “needs and interests of the business community in the developed world” in the 1970s and 1980s, to more globally oriented forum in the 1990s and 2000s in which “the business agenda, while still important shared space with a substantial social and ethical focus” (ibid., 101). Since the mid-to-late 1990s, the Davos agenda has increasingly involved development issues and other social problems around the world, probing the respective roles of the public sector and business in responding to them.<sup>39</sup> Schwab himself has described the purpose of the foundation in terms of engaging transnational companies in the solution of global issues through the creation of various public-private partnership initiatives (see Rothkopf 2008, 270–2). According to Schwab’s rationale, the foundation’s relevance lies in the broader transformation taking place in world society whereby national institutions and structures are increasingly inadequate in responding to contemporary global problems. This creates the need for incorporating both state and non-state agents into global networks of “multi-stakeholder governance”, which is the foundation’s principle reason of existence and forms a central part of the agenda that the Davos forum promotes (Pigman 2007, 9–10, 55–6, 93–4).

Aside from its perceived influence in the setting of the contemporary agenda among the corporate and political elite, observers have attributed the Davos forum and the WEF with more long-term relevance. Since its inception as a forum for western European managers, it has served to generate transnational connections and exchange of ideas among its participants. From early stages, non-European and non-western executives and professionals were invited to the meetings, and this expansion and internationalisation of

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<sup>39</sup> The direct influence of such elite debates on businesses, governments and IGOs concerning the actual policies, practices and rules of the global economy and society is obviously all but impossible to pinpoint. Discussing the relevance of the Davos discussions on third world debt, Friesen (2012, 151–2) suggests that shifts in conventional wisdom and elite opinion, which were observable at the Davos forum in the early 2000s, may have influenced heads of state and regulators in international financial institutions and, together with the pressure exercised by CSOs, prompted political leaders to become more favourable to the idea and policy of debt amnesty. Friesen argues that the Davos forum operated as one of the important venues to channel that pressure on central decision-makers.

the network has continued ever since.<sup>40</sup> The regional conferences organised since the 1990s in South America, Africa, the Middle East and East Asia have been particularly important in this respect, serving to incorporate non-western business leaders and officials into the network (Graz 2003, 331; van der Pijl 1998, 133–4). As for the annual forum, the 1990s saw the rising prominence of US managers (Graz 2003, 331; Sassen 2001), constituting by the end of the decade the second major contingency at the meeting alongside Europeans. The 2000s, in turn, has seen an increase in the Asian presence at Davos. Accordingly, while less than 8 per cent of the little less than 2000 forum participants came from Asia in 2002, they represented 24 per cent of all 2600 Davos attendees in 2014.<sup>41</sup>

Through the years, European business and political leaders have maintained their position as the biggest geographical contingency in Davos and with the high number of US participants, western elites remain at the core of the activities. European and North American executives and professionals still constitute two thirds of all the participants at the annual meeting (down from 75 per cent in 2002), and they continue to prevail in the various councils and planning groups, as well as in the managing and directing boards of the WEF. But the decline in their proportional representation manifests the intention and success of the forum to incorporate corporate and professional elites from major non-western economic powers to their activities and networks, especially after the fall of the Socialist bloc. Accordingly, van der Pijl (1998, 132–3) considers the WEF to be unprecedented in its scope and “the most comprehensive transnational planning body” of the business elite in the post-cold war world.

Finally, the significance of the Davos forum can be understood in terms of its impact on the general worldviews and self-perception of its participants: the WEF as an organisation has historically been instrumental in shaping and strengthening the sense of belonging among transnational elites (Pigman 2007, 98). On the one hand, Davos meetings encourage participants to develop a broader understanding of the global nature of capitalism and its challenges while bolstering their sense of being proud and conscientious members of a global community (Friesen 2012, 153). In the words of Saskia Sassen (2001), the forum “brings together corporate, government and media elites in a denationalized space where national passions can be put on the back burner for a few days and global issues can be confronted”. On the other hand, the Davos meeting may reinforce the group consciousness of the delegates as

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<sup>40</sup> To the 2002 annual forum, exceptionally organised in New York City, participants came from 95 countries (Public Citizen 2002). In 2014, the delegates included over a hundred nationalities (Yanofsky 2014a).

<sup>41</sup> For the geographical break-down of Davos attendees’ region of origin in 2002 and 2014 see Public Citizen (2002) and Yanofsky (2014b), respectively.

members of a transnational elite. The notion of the “Davos Man” was coined already in 1996 by Samuel Huntington in direct reference to the gathering, which he saw as emblematic of a particular community of the business and political elite that share certain political and cultural beliefs and values characterised by market-liberal, cosmopolitan, neoliberal and globalising tendencies (Huntington 1996; 2004). Moreover, Gramscian scholars have described the Davos forum and other elite clubs as spaces in which business managers can transcend their inter-capitalist rivalries, to bring state and non-state actors together and to develop a consciousness of themselves as a group (Graz 2003, 323–4). For these purposes, the WEF, according to Graz’s (2003, 326) interpretation, builds on a “social myth” of itself as a meeting for individuals “vested with the capacity to bring about change in society at large”. The WEF, for its part, habitually addresses its constituent members and participants to its various networks by such labels as “global leaders”, “global shapers” and “leading global companies”, promoting the idea and ethos of “leadership” among them and reinforcing their self-perception as “select” members of world society.

### **2.3 *Financial Times* as a transnational elite publication**

The *Financial Times* is a UK daily newspaper founded in 1888 with an emphasis on international business and financial news. In addition to the specialised coverage of international companies and markets, the paper reports extensively on international politics and the global economy. Other focus areas include management and technology, as well as sections on lifestyle and the arts. Today, the FT claims to be a “global publication” (Barber 2013), distributed all over the world and published in print and online in separate UK, Europe, US and Asia editions which share some of their contents.

The FT can be considered as one of the most prestigious and widely known media brands among transnational elites. The global circulation of the printed FT in October 2014 was 220,000, of which the UK edition covered some 71,000, the European edition a little over 70,000, the US edition 45,000 and the Asian edition 32,000 (ABC 2014). The readership of the printed editions has diminished considerably in recent years; statistics provided by the International Federation of Audit Bureaux of Circulations indicate that the paper lost some 80,000 paying readers between 2008 and 2011 (IFABC 2013), and a further 15 per cent of its circulation from January 2013 to January 2014 (Sweeney 2014). Despite these setbacks, the FT is boasting record figures and claims to have increased its paid digital subscriptions dramatically in recent years, totalling a circulation of 677,000 across print and online in July 2014 (Greenslade 2014). Altogether, the FT claims to reach 1.8 million unique readers each day across the print and digital platforms (FT 2013).

More than the number, however, the FT likes to emphasise the quality of its readership. The paper is primarily targeted to international corporate

managers and financiers as well as politicians and government officials, reaching out to those “who make or seek to influence decisions in business, finance and public affairs around the world” (Barber 2013). It has also tried to make the most out of this focus group when seeking corporate funders. By touting its “quality readership”, the FT has always been able to attract advertisers of luxury services and items, but especially after World War 2, the FT managed to broaden its advertiser base, selling itself to industrial companies as a prime medium for their advertising and claiming that the paper successfully reached the “top management” who authorise corporate expenditure (Kynaston 1988, 62, 195, 212). Contemporary slogans are no less grandiose. Today, the FT markets its readership to potential advertisers as “the global elite making the biggest decisions in the political and corporate world, and high-net-worth, discerning consumers who seek out the best life has to offer”.<sup>42</sup>

Due to its prestige, the FT often enjoys a privileged position among international news media in terms of access to powerful institutions, which helps it to break exclusive stories and to shape the international policy agenda. Particularly in Europe the FT has been able to build on its status and secure preferential treatment by EU officials (Raeymaeckers et al. 2007). European policymakers tend to favour the FT when giving interviews or leaking new information precisely because they see the paper as a vehicle through which to reach a wider and more influential international audience than through other media (Corcoran and Fahy 2009, 105). In addition, journalists of other national and international media often rely on the FT in their reporting as a source of important background information and significant topics. As a result the FT is generally regarded among the EU press corps as the most influential newspaper, having considerable impact on the overall press agenda of the EU (Raeymaeckers et al. 2007, 115–6; Corcoran and Fahy 2009, 108).

### **From national to international relevance**

The FT can be regarded simultaneously as a characteristically UK, European and global newspaper. Its roots lie in the golden age of the British Empire, and it is owned by Pearson, a UK-based transnational publishing company. In his history of the first hundred years of the FT, David Kynaston (1988, 1) points out that the very founding of the FT coincided with the growing trading power of Britain, the development of integrated financial markets within the empire, and the adoption of the gold standard in many parts of the world after 1870,

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<sup>42</sup> See <http://fttoolkit.co.uk/d/> (accessed 25 November 2014). At least according to FT’s own surveys, there is some support to the claim: of its readers, over two thirds report to work for an international company, over 40 per cent in a company of more than a thousand employees, and one third are highest-level executives in senior management. See <http://fttoolkit.co.uk/d/#nav-audience/1> (accessed 25 November 2014).

with London being the largest market for gold. All of these developments contributed to the rise in importance of the City as an imperial and global financial centre (Barber 2013). To respond to the increasing demand of bankers and investors for information on local, national and international markets, the FT emerged as a newspaper of choice for the financial community of the City of London, competing with the Financial News until 1945, when the two papers merged. After the merger, the FT grew to national prominence, helped by its essentially monopolistic position in financial and business news during a period marked by two decades of almost continued economic growth, as well as by a cultural shift that gave increasing value to economic expertise in public and political affairs (Kynaston 1988, 193, 207, 302). As a result, the FT became an authoritative voice in the national policy debate of the UK.

Despite its close proximity to the City community and the imperial project, the FT has never remained a purely local or national item. Since its conception, it reached far beyond the perimeters of the City and the British Empire, and issues of the paper were sighted in clubs from China to Shanghai and Turkey to Siberia already in the first years of the twentieth century (Kynaston 1988, 61). A more significant geographical expansion of readership began in the late 1960s. Having experienced nationwide success in the UK, the FT's leadership now adopted an increasingly global vision to become, in the words of Charles Moore, the then managing director, an international paper "read widely by the leading businesses throughout the world" (cited in Kynaston 1988, 373). To increase international circulation and to appeal to US, Japanese and Swiss advertisers, which were already providing a notable share of total revenues, the FT further expanded its international business and market coverage. It also established co-operative ventures with foreign newspapers in the publication of country- and industry-specific surveys, opened a number of foreign offices and extended its network of foreign correspondents. By the mid-1970s the FT boasted a total of one hundred stringers and almost 30 full-time foreign correspondents, more than any other paper at the time with the exception of the *New York Times*. (Ibid., 261, 332, 373–6, 395, 451.) This strategy culminated in 1979 with the launch of an international edition, printed in Frankfurt and shipped across Europe, as well as to the United States and Asia (ibid., 441–3). A separate US edition was launched in 1997, and an Asia edition followed in 2003. Despite notable setbacks, such as the failed experiment with the German-language *Financial Times Deutschland*,<sup>43</sup> the FT's strategy of internationalisation may be considered relatively successful. Since 1998, the paper's international circulation sales have superseded UK sales (FT 2014), and in 2009 the FT

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<sup>43</sup> *Financial Times Deutschland*, launched in 2000, was a joint venture by Pearson with the German publishing firm Gruner + Jahr. After failed attempts to make the paper profitable, Pearson sold its 50 per cent share to its German partner in 2008. The paper was eventually terminated in 2012. (Wiesmann 2012.)



claimed to have the largest editorial staff of any international newspaper, employing a network of 400 journalists in more than 50 locations worldwide.<sup>44</sup>

Even as the worldwide audience has grown, the paper seems to have built a reputation as a distinctly European newspaper and gained influence particularly among European elites. The FT had recognised, early on, the significance of continental Europe as a source of both readers and advertisers and started to serve this market in 1950 with a special edition (Kynaston 1988, 210–3). Consequently, as the strategy to internationalise was pursued in the 1970s, the initial focus was on gaining more readers and advertisers in Europe. To achieve this goal, successive editors in the 1970s and 1980s acknowledged the need not only to extend the coverage of European businesses and markets, but also to detach from a narrow national focus and to adopt an increasingly European point of view in the reporting of financial, economic, political and social matters (*ibid.*, 378–9, 483–4). The FT even adopted a new marketing slogan for continental use, billing itself as “Europe’s business newspaper” (*ibid.*, 374–5). These efforts to Europeanise the FT have been met with notable results. Already in 1968, a British Market Research Bureau concluded that almost 40 per cent of the surveyed European (non-UK) chairmen and managing directors read the FT, making it the most popular English language publication among them (*ibid.*, 375). Similarly, the FT has scored high in successive European Opinion Leaders Surveys in the 2000s. In the 2011 survey, the FT was considered the most “influential” and “respected” of all international media titles, reaching 40 per cent of this highly selective “opinion leader” population across the continent (FT 2011; see also Kantola 2007, 194). In studies assessing the media-related practices of both the City and the EU political apparatus, the FT has been found to be a practically ubiquitous item on the desks of the central office-holders (see Davis 2007a, 156; Corcoran and Fahy 2009). In Brussels, the FT is considered by EU officials and correspondents alike as a daily that simply must be read (Corcoran and Fahy 2009, 103).

The international focus of the FT has not derived solely from opportunistic marketing strategies. Since its inception, the FT realised that the world is the context in which investors and bankers in highly integrated financial markets operate. Thus, the FT’s very first issues included not only daily information about transactions at the London Stock Exchange and local shipping news, but also reports and analyses of Russia’s political diplomacy concerning the Balkans, of the industrial utilisation of Niagara Falls and of the nitrate mining companies in South America (Kynaston 1988, 18, 23). These were all matters of crucial importance to “a City man” which the paper purported to serve (*ibid.*, 37). Through its reporting and commentary, the FT

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<sup>44</sup> See <https://www.financialtimes.net/cgi-bin/eudev.cgi/fess/dummyHtmlPage?pagecode=FAQS> (accessed 14 August 2014).

thus presented the world as the natural sphere of operation to its readers, but it also made them aware of how distant events might have impact on their own activities and opportunities at home. Such a global outlook developed into a more conscious journalistic strategy in the 1980s under the foreign editorship of Nicholas Colchester who outlined the task of the FT's foreign correspondents and regional specialists as one of bringing an international perspective to practically all topics covered by the newspaper (*ibid.*, 486–7). Such practice of bringing together alternative points of view from various locations in the world and demonstrating the interconnectedness between local and distant phenomena can be regarded as a particular reporting style, “global journalism” (Berglez 2013; Ojala 2011). Today, as the readership has extended beyond the City, the FT increasingly distances itself from any local or national point of view. This applies also to its European coverage (see Preston 2009, 153–4). Instead of covering the “internal machinations” of the EU apparatus to the officials, politicians and lobbyists of Brussels, FT's EU correspondence sees itself in the business of distilling a broad range of issues that are relevant in EU politics for “the international business elite” (Corcoran and Fahy 2009, 105). It is a global, yet a highly particular and even parochial, point of view.

All these characteristics, from the highly exclusive readership to its stated rationale and international scope, make the FT an ideal platform for elite-to-elite communication and one that in many ways contributes to transnational elite formation. As such, the FT establishes an international public space inhabited by leading politicians, high officials of governments and international organisations, senior executives in public and private corporations, investors and fund managers, as well as a host of corporate consultants, economists, market analysts and other professionals servicing finance and industry.<sup>45</sup> The FT not only serves to inform globally-oriented elites, mediate debates between them and reflect their views on the world, but it also plays the crucial role of facilitating the transnational dissemination of this inter-elite discourse. The extensive network of stringers and foreign correspondents integrate elite voices from all corners of the world, and the overlapping contents between the four regional editions help to incorporate both western and non-western audiences into the same transnational agenda.

### **FT and the international business and policy agenda**

As a medium for the dissemination of information and as a space for TEC, the FT has facilitated many key processes and activities that elites engage in,

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<sup>45</sup> While mainstream news media generally (and by definition) tend to favour official sources (e.g., Schudson 2003; Bennett et al. 2007), the FT is particularly exclusive in this regard: in its pages one does not even accidentally bump into a private citizen, consumer or man-on-the-street.

including the operation of markets and their governance. Provision of accurate, actual and relevant market information has, obviously, been at the core of the FT's mission as a newspaper serving the financial community, complemented by the publishing of prospectuses and government bond issues out of which the paper drew most of its advertisement revenue in the early decades (Kynaston 1988, 62, 257). Another key feature of the paper has been the regular surveys focusing on a particular industry, market sector, country or region, with the purpose of helping investors develop a general overview of the markets and key developments in the global economy. Accordingly, the FT's financial coverage has evolved over the years with the shifts in the economy and changes in the financial markets. The rapid growth of the Eurodollar and Eurobond markets, for instance, prompted extensive coverage of European financial markets in the early 1970s and contributed to the FT's decision to internationalise and transform into an increasingly "European" paper (*ibid.*, 377–9). The FT has also published stock market indices since 1945 to help investors monitor the performance of stock portfolios. Such innovations as the FT 500 surveys on the largest publicly listed European companies in 1982, as well as the FT Actuaries World Share Index in 1986 as a benchmark against which fund manager performance could be judged (*ibid.*, 454, 508), further highlight the paper's role as part of the information apparatus that supports the operation of financial markets.

At the same time, the FT has facilitated elite communication for the management of markets and the economy. Particularly after World War 2, the FT broadened its agenda to increasingly cover macro-economic matters as it sought to increase its appeal beyond the traditional readership consisting of bankers and investors to include corporate managers, professional advisers and public officials (Kynaston 1988, 151–3, 234). At a time when the "prevailing spirit of the age" put detailed economic planning by state institutions into the heart of political and public life, the FT embraced this broader economic policy agenda (*ibid.*, 302) and thus provided a public space for elites to get informed and debate over questions of labour, employment, inflation, foreign trade, interest rates and monetary and finance policies. Significantly, the FT did not limit this idea and practice of economic management to the national level. On the contrary, international markets and the global economy, as a whole, became focuses of increasing concern in the paper. Accordingly, in the 1980s the FT frequently called for international macro-economic coordination between governments (*ibid.*, 515–6). With its global scope of coverage and the ability to incorporate international elites into the same public space through its various editions and extensive foreign correspondence networks, the FT evolved to facilitate elite communication on global economic governance.

Being one of the most important and widely used international media for the business and political elites around the world, and one that is also closely followed by other elite media, gives the FT considerable sway to influence the transnational elite agenda. In addition to having the capacity to break

exclusive stories due to a privileged access to influential sources, the FT can both bring up new issues or raise or quell existing topics in TEC thus playing a part in regulating what enters and gains prominence the elite consciousness. An historical example of the FT's active role as an international agenda-setter was the way it promoted the rise of management techniques as a trend in the international business discourse. Early on in the 1960s the FT recognised the importance of business education and welcomed the fledgling boom of management consulting and computer experts, and to promote this more "professional" outlook on management practices, the FT started running a regular column on management, "World of Management", in 1965 (Kynaston 1988, 330–1). The FT also sponsored a conference on "New Techniques in Management" in London in December 1964, featuring lectures mostly by American business leaders (ibid.). More than six years before the first European Management Symposium out of which grew the World Economic Forum, the symposium can be regarded as an early example of the active promotion of US management practices in Europe.<sup>46</sup>

In addition to a role in the setting of international business and political agenda, the FT also features prominent voices that have sway over elite opinion. By using the FT as a megaphone, these individual contributors can impose their political views and opinions on the elite public discourse in an effort to affect a certain policy process or the elite opinion on a particular issue. The potential of individual journalists to act as international opinion leaders is supported by the tendency of members of the political and business elite to closely follow the writings of journalists and columnists that they consider to be of key importance (see Davis 2007a, 175–6; 2007b, 192). In this regard, the FT has been home to a host of authoritative writers commenting on economics and economic policy, including Paul Einzig, Samuel Brittan and Martin Wolf, as well as the Lex column which has grown into a legendary daily feature of the paper commenting on corporate and financial matters.<sup>47</sup> Especially

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<sup>46</sup> As another clear precursor to the kind of transatlantic business and political networking later professed by the WEF, the FT organised a symposium on the "Challenge of Europe" in the Waldorf-Astoria hotel in New York in December 1970. The conference gathered 600 representatives of US finance and industry who attended to hear speeches of a host of European industrial and political leaders. (Kynaston 1988, 374–5.)

<sup>47</sup> In addition to explicit commentary, FT journalists may also intentionally seek to influence the political agenda through their news reporting. In the aftermath of the 2007–9 financial crisis, for instance, Gillian Tett, the then finance editor of the paper, expressed her concerns about the damaging practices on Wall Street in a book (see Tett 2009). At the same time, in her reporting for the FT, she quite aggressively promoted the idea that there was a need for more substantial regulation of the financial markets than what was being pursued by politicians and officials across the western world and that the influence of Wall Street and City banks were blocking meaningful reforms. In highlighting the banks' lobbying efforts, for

Brittan's influence in popularising and legitimising neoclassical economic models among policymakers and business executives should not be underestimated. Since the late 1960s, and throughout the 1970s, Brittan used his "Economic Viewpoint" column for disseminating Milton Friedman's ideas, which underpinned increasingly popular neoliberal economic policy doctrines, and did much "to lay the intellectual groundwork for the market approach of Thatcherism" (Kynaston 1988, 368, 457).

Nevertheless, the role of the FT as an elite agenda setter and opinion shaper should not be exaggerated. On the one hand, the FT's centrality as a source of news and market information for the international business and policy community is compromised not only by the competition it faces from other legacy media such as the *Wall Street Journal* and the *New York Times*, but also increasingly because of the emergence of new specialist subscription news services and information terminals, such as those offered by Thomson Reuters and Bloomberg (Williams 2011, 80–1). On the other hand, one may question the amount of independent distance that the FT is willing and able to take from the agendas and views driven by those the paper's journalists report on. Certainly, as Gillian Doyle (2006, 445) argues, financial and business journalists do not simply act in the interests of businesses, and there are critical elements to financial journalism. Reporters know that investors expect them to monitor the performance of companies critically and pride themselves for doing a good job at that. Furthermore, these publications frequently publish weighty stories on such matters as corporate governance and environmental issues. FT journalists, in particular, are helped in their critical reporting by the paper's high status in business and financial journalism, which renders it a space of strategic significance to many market players. Thus, while financial and business journalists generally tend to be highly dependent on their sources (Grünberg and Pallas 2013), the FT's journalists have considerable leverage in their relations with sources (Manning 2013, 181). At the same time, however, the FT does not differ from other news media in that its ability to create critical distance from the corporations and financial institutions it reports on is seriously undermined by the difficulty of getting information of the private operations of businesses, as well as by the ability of large TNCs to raise extended legal campaigns by, for instance, appealing to defamation legislation (Tambini 2010, 170; Tett 2012). Moreover, FT reporters are no different from other journalists in that they habitually rely on private sector analysts for information on, and interpretation of, market and political developments, and are therefore likely to reproduce the agendas, points-of-view and discourses of market agents in their reporting on businesses and the economy (see Doyle 2006; Thompson 2013, 214). FT journalists, in other words, tend to reflect the views of market players back to

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instance, in her reporting from the 2010 Davos forum (see Chapter 5.2), Tett may well have attempted to turn elite opinion in favour of more fundamental regulatory reform.

them rather than acting as independent shapers of the agenda or showing actual opinion leadership (see Kynaston 1988, 516). In fact, as Davis (2007a, 176) points out, policymakers and business executives typically pay attention to select columnists of the elite press, not for the individual opinion of these authors, but precisely because they are considered to be reflective of a certain consensus within a broader community: journalists of elite publications act as “crystallisers of elite opinion” rather being the ones who lead it.

### **Ideological commitments**

Yet, regarding opinions and attitudes, it is obvious that elites are not of a single mould and they hold many and varied viewpoints on matters of policy and the global economy. Both intentionally and inadvertently, the FT like any other publication is bound to take sides, frame debates from a particular viewpoint, lend support to a particular political program and represent only a handful of policy alternatives in its reporting and commentary. Historically, its double position of being both a UK paper and the medium of choice for the City’s financial community has been reflected in its simultaneously national and purportedly global perspective. On the one hand, since its inception the FT has identified closely with the national interests of Britain. It has, for instance, hailed the Empire’s cause openly in the Second Boer War at the turn of the twentieth century and supported the government’s position during the Falklands conflict in 1982 (Kynaston 1988, 49–50, 463–6). Therefore, while in the domestically controversial decision to enter the Iraq war in 2003 the paper “firmly opposed” the military campaign (Barber 2013), it is evident that the adoption of a British and/or western point-of-view on geopolitical matters is hardly questioned by the FT’s editors, despite their claim of being a “global publication” (*ibid.*).

On the other hand, perhaps more significant than the partisan and nationalistic approach to geopolitics, has been the FT’s editorial policy on matters of business and economics, which tend to manifest apparently more non-patriotic and even global perspectives. Indeed, the paper is a self-declared defender of a “liberal international outlook” (Barber 2013), consisting of principles and ideas that favour the internationalisation of business and trade, the opening of national economies to foreign investments and opposition to all forms of economic nationalism.<sup>48</sup> But as Frank Durham (2007) demonstrates in his analysis of the FT coverage of the Thai currency crisis in 1997, such an apparently liberal and global outlook has nothing to do with impartiality. On the contrary, by endorsing IMF-led reforms in its editorials

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<sup>48</sup> The FT has also been a traditional supporter of European integration generally, and Britain’s accession to the European Economic Community particularly (Kynaston 1988, 287, 321–2, 403), even though the paper has adopted much more sceptical views on further economic and political integration in recent years (Barber 2013).

and lending authority and credibility in its reporting to the free-market liberalisation program advocated by the international financial community, the FT effectively affirmed its position among the global financial elite vis-à-vis the small emerging state and the national sovereignty of Thailand. This tendency of the FT to adopt the views and side with the interests of global investors, as opposed to defending the popular self-determination expressed in democratic elections, was also discovered by Kantola (2007) who analysed the FT's coverage of national elections in 26 countries between 2000 and 2005. More often than not, the FT's "liberal international outlook" has proven out to be rather parochial and biased in favour of a particular interest group in the global economy. Indeed, the FT has for decades been regarded by critical observers as subservient to the City, being "not in the business of upsetting its readers" (Kynaston 1988, 396, 516).

Finally, in addition to the more general ideological outlooks, the FT can similarly be regarded as both an autonomous shaper and careful follower of elite opinion on more concrete economic policies. After World War 2, the FT gradually softened its initially rigid resistance to the expansion of public expenditure and adapted itself to the emerging elite consensus in the UK regarding the "mixed economy", consisting of both private and state-owned enterprises and a sizable welfare state (Kynaston 1988, 176-7, 189, 229). In the late 1950s and early 1960s, the FT lent support to the ideas and institutions of economic planning, full employment and labour standards as modernisation, rationalisation and technological advance became the basic tenets in FT's progressive credo (*ibid.*, 266-7, 284-5, 316). In the late 1960s, however, the tide started to shift against Keynesian notions of demand management, and by the 1970s, the FT had turned into a vocal proponent of non-inflationary fiscal and monetary policies (*ibid.*, 368, 385-6, 429-34). As ardent supporters of neoliberal economic policies, and with little regard to the social pain they caused, the FT's commentators generally commended the Thatcher governments' programs of reducing taxes, cutting public expenditure and loosening regulations in the 1980s (*ibid.*, 404-5, 437, 456-7). Perhaps tellingly, the absence of "social welfare" issues in the FT's editorial agenda was spotted already in 1974 by the statistical comparison of the British national newspapers' editorial content by the third postwar Royal Commission (*ibid.*, 397-8).

Rather than manifesting a straightforward adherence to neoliberal orthodoxy, however, the FT's outlook on the global economy has traditionally implied a more complex economic policy line. The (slow) growth of the global economy has been a routine staple of the FT's editorial agenda at least since the 1980s, and this has prompted concerned analysis and commentary on the prospects and conditions of global economic growth ever since. In line with its acceptance, in principle, of economic planning, the FT has realised that the stability and sustainable growth of the global economy requires international macro-economic coordination. Therefore, the FT supported the IMF's role as the stabiliser of the exchange rate system, and supported the project of trade

liberalisation under GATT in the 1980s. But it also criticised West Germany for its beggar-thy-neighbour policies and urged it to adopt a more expansionary macro-economic stance. (Kynaston 1988, 515.) More significantly, the adoption of a global outlook on the economy led the FT to realise, already in 1986, that “supply-side structural reforms”, while “necessary and beneficial”, are not necessarily enough to address unemployment, global poverty and “external imbalances”. To respond to such problems may require measures to increase demand in the rich creditor countries. (Ibid., 516.) This combination of calling for both neoliberal and Keynesian prescriptions to boost economic growth is today echoed, almost word for word, by Martin Wolf, the FT’s leading economic policy commentator. From this perspective, the FT could be seen as one precursor to the “neo-Keynesian” consensus that prevails in the economics community as demonstrated by conspicuous expert commentators such as Paul Krugman of the *New York Times*.



### 3 GLOBAL ECONOMIC GOVERNANCE AND TRANSNATIONAL ELITE FORMATION

From an elite-theoretical perspective that focuses on institutional positions of leadership (see Chapter 1.1), the existence of transnational elites in the global political economy is premised upon the historical emergence of organisations capable of wielding political and economic power over large areas. In this sense, elites with transnational reach have certainly existed for a long time. Political relations and trade between city-states, empires and nations have been conducted for millennia, and since at least the great trading companies of the sixteenth century, merchants have established worldwide operations. More recently, banks and oil companies have operated internationally at least since the early twentieth century. What this study intends to explore, however, is a slightly more ambitious proposition: that there has been a significant extension and integration of powerful institutions in the global political economy over the past decades, hence meriting us to speak of transnational elites in the more Millsian sense, referring to the concentration of institutional power on a global level and the simultaneous rapprochement of those at the top.<sup>49</sup> From this perspective, the emergence of an increasingly united transnational elite capable of collective agency becomes a historical possibility – but not inevitability – only with the expansion of the power and organisational effectiveness of modern institutions.

What reasons are there to speak about transnational elite integration particularly in the twenty-first century? What makes the contemporary elites in the global political economy more transnational and powerful than they were previously? To appreciate the growing power and integration of elites after World War 2, we must pay attention to major developments that have

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<sup>49</sup> In this respect, Mills (1956, 274–6) outlined three structural and cultural trends that paved the way for the emergence and consolidation of an interlocked national elite in the postwar United States: the rise of “the permanent war economy” that characterised the economic order of the cold war and aligned corporate, political and military interests; the deepening involvement of business with politics particularly in the executive branch, which consolidated power in elite cliques and relegated representative institutions into the middle-levels of power; and the domination of a certain cultural and discursive order in which “virtually all political and economic actions [were] judged in terms of military definitions of reality”. Besides these shifts, Mills (*ibid.*, 278–9) also emphasised that the national integration of the elite rested on the similarities of socioeconomic backgrounds and cultural practices of these individuals, with most of them having an upper class, white, Protestant and – with the exception of the military academies – Ivy League education. This, in turn, produced psychological and ideological affinities between them.

taken place in the global economy and that relate to international elite interaction. These can be summarised in terms of globalisation and financialization which have largely proceeded under US leadership. With the incorporation of ever new countries and regions into the liberal economic order of global markets, these processes have paved the way to an increasingly integrated global economy and the rise of institutions whose operations and outlooks are increasingly global. In tandem with the growth and integration of the global economy, the postwar period has seen the coming together of transnational corporations and financial institutions with governments, central banks and inter-governmental organisations in order to manage and regulate economic activities. Resulting from this institutional rapprochement is the field of global economic governance in which business and politics become increasingly enmeshed and where the executives of large TNCs, institutional investors, government leaders, central bankers and IGO directors are active players.

The coming together of these transnational elites to address major issues concerning the global economy and markets, as well as other global phenomena, such as climate change, does not mean that other societal actors are stripped of power to shape world-societal processes. However, the highly exclusive nature of global economic governance implies that non-elites are not included in the interaction and policy-formation regarding the global political economy and therefore their influence on these issues tends to remain marginal. Moreover, insofar as the setting of global agendas disciplines all actors of the global political economy, the elite players of global governance have significant power over everyone else.

This chapter presents a brief account of the important structural and institutional trends since World War 2 that have not only increased and extended the power of elite individuals on a transnational scale, but also brought them closer together as a group. The first section argues that behind the rise of transnational elites, we need to appreciate the significance of the global integration and financialization of the economy under US leadership. These processes are closely associated with the greater empowerment of market-dominant TNCs, which along with the United States and other major states have emerged as key actors in the global political economy. The second section discusses how the need to manage transnational economic activities in the increasingly integrated global markets has given rise to global economic governance as a field of co-operation, coordination and power in which political representatives of major states, central bankers, international officials and TNC professionals interact, largely informally, across institutional domains while relegating national representative institutions into second-tier powers. Accordingly, postwar advances in globalisation and global economic governance have paved the way to greater transnational elite integration.

The final three sections of the chapter adopt the perspective of communication and media studies on these developments in the global

political economy by highlighting how transnational elite formation is dependent on their cultural integration. Instrumental in this regard has been the multiplication of the kind of elite communicative spaces, or associations, networks and media that were introduced in Chapter 2. Here the discussion moves to the significance, nature and purpose of these forms of elite communication for both global governance and the integration of elites, and in doing so it draws various analogies with the historical accounts of the European bourgeois press and associational life (e.g., Calhoun 1992; Eley 1992; Habermas 1989). Accordingly, the third section of the chapter observes how the forums and media of TEC facilitate global governance by providing “private” spaces for elites to deliberation on “public” issues concerning the global economy. The subsequent section discusses the structural, ideological or agency-constitutive power of TEC, arguing that both the forums and media are closely involved in shaping the ideational environment in which transnational elites make decisions. The final section of the chapter discusses TEC as a practice of self-organisation of the elites, its potential for developing group consciousness among its participants, as well as the practical problems of transnational elite formation from a communicative point of view.

### **3.1 Globalisation and the concentration of power in the global political economy**

Global economic integration, or globalisation, should be understood as the re-organisation of activities and institutions in the global economy (Dicken 2011, 14; Robinson 2004, 2, 10). The notion of the global economy refers to the totality of economic activities and institutions which can be organised in various ways. In globalisation, organisation based on national economies is loosened: the share and importance of cross-border transactions and supranational institutions grows in relation to economic and regulatory activities that take place within a nationally bordered economy. Concrete manifestations of globalisation include the extension of business operations which increase economic exchange flows between localities and regions across national borders, the formation and extension of institutional forms of international economic governance and regional economic blocs, as well as the adoption of global standards and norms (Jessop 2002, 115–6).

There is a long history to economic globalisation, and no self-evident starting point to the phenomenon (see McGrew 2003, 342). Certainly, cross-border trade and financial transactions, as well as political coordination of economic relations, are as old as the international system of states itself. Already the earliest merchant banks in Europe engaged in international lending (Graeber 2011), and private corporations have established transnational business networks at least since the creation of the first trading companies in the fifteenth century (Dicken 1998, 20). The final decades of the nineteenth century witnessed the rapid growth of international finance and, in

more modest proportions, of production (Bairoch and Kozul-Wright 1996). The two world wars in the early part of the twentieth century, however, halted this process, and it was only after the 1950s that companies have built extensive transnational production networks (Hoogvelt 2001, 46, 132; Jessop 2002, 97–9; Sklair 2002a, 69–70). Indeed, with the internationalisation of their business operations, companies started to make a growing share of their profits outside their country of origin (Jessop 2002, 81). In addition, hand in hand with manufacturing industries, banks have rapidly extended their global operations since the 1960s (Dicken 2011, 383–4). Indicators of this business-led globalisation include the almost continuous growth, between 1960 and 2008, of international trade (mostly at a faster rate than the global GDP), of foreign direct investments (FDI) and of international capital flows other than FDI (see Dicken 2011, 17–22; Hoogvelt 2001, 68–70, 77–83; UNCTAD 2014a; 2014b).

For the past three decades, finance has played a major part in economic globalisation and developed arguably into the most globalised sphere of economic activity. The most conspicuous indication of the role of finance in globalisation is the enormous growth of the world's financial markets: in early 2012, global financial assets were 19 times as large as in 1980 (McKinsey Global Institute 2013, 2). Whereas global financial markets grew mostly at a similar rate to the overall economy for the first eight decades of the twentieth century, since 1980 they have far outpaced GDP growth (Hoogvelt 2001, 83; McKinsey Global Institute 2009, 8).<sup>50</sup> However, besides their sheer growth, the composition and role of financial markets in the global economy has also changed significantly since the 1970s. According to Gowan (1999, 23), the demise of the Bretton Woods system of managed currencies, the inflation of global financial markets and the liberation of private banking from strict controls has had the effect of lifting private banks to a newly influential position in the global monetary order. Indeed, for Sklair (2002a, 45), the fundamental difference in the post-1960s era in comparison to the preceding period in the global economy is to be found in the dominant position of finance. In recent years, the recognition of the increasing importance of finance has been captured by the notion of *financialization*, referring to the involvement of financial markets, financial institutions and financial actors in practically every aspect of the global economy and its governance (see Epstein 2005, 3).

The extending scope of finance is deeply intertwined with the globalisation of TNC and banking activities. Since the 1980s, large TNCs have

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<sup>50</sup> According to McKinsey Global Institute (2013, 2), the value of global financial assets relative to global GDP was 120 percent in 1980. By 1990, it had risen to 263 percent, and in 2000 to 310 percent. In 2007, just before the financial crisis, global financial assets stood at 355 percent relative to global GDP. However, since the financial crisis, the growth rate of the financial markets has fallen below that of the global economy, so that in early 2012 the value of global assets relative to global GDP was back at 312 percent.

increasingly funded their operations by no longer borrowing from banks but by employing their own revenues or by issuing their own debt obligations in the financial markets (Sinclair 1994, 136–7; Plender 2003, 59; Locke 2014). At the same time, engaging in financial ventures has become a popular way of boosting profits for companies besides making productive investments (Toporowski 2010; van der Pijl 2012, 264). Meanwhile, banks, losing much of their business of lending to companies, have turned to private households and extended lending through the practice of securitisation, or the packaging of loans as new kinds of financial products to be sold to investors (Hoogvelt 2001, 87; Varoufakis 2013, 127–31). Banks and investment funds have also developed other types of financial assets, including derivatives, the markets of which ballooned after the late 1980s (Plender 2003, 59; Crouch 2011; 98–9; Dicken 2011, 375–6). Moreover, new types of financial institutions have emerged to take advantage of the new profit opportunities, further inflating securities markets.<sup>51</sup> These include pension funds, which have emerged since the 1970s as several countries have moved from pay-as-you-go pension schemes to funded pensions (Plender 2003, 142; Toporowski 2010). Other significant financial players are hedge funds, which are typically off-shoots of the largest investment banks and mutual funds and specialise in particularly high-risk and short-term speculative investments, aimed at taking advantage of price differences between markets, as well as price movements over time (Gowan 1999, 54).<sup>52</sup> All these shifts have contributed to the expansion of global financial markets, and the new investment opportunities partly explain why investors often regard speculative investment as more attractive than investments in productive businesses. As a result, the proportion of financial and other services out of all international investment has grown substantially since the 1970s (Dicken 1998, 50–3).

Financialization also entails several important changes in the way agents in the global economy operate. One of them is the rising importance of the trade in securities, or speculation, as a form of doing business. The growth of securities markets has created huge opportunities for creating profits out of interest-seeking and speculation, and trade in securities has become an increasingly prominent way of maintaining high rates of return on investment (Shutt 1998, 124). Rather than making earnings out of investments in the form of dividends or interest, financial institutions have increasingly turned towards risk-taking and risk-creating transactions (Gowan 1999, 11–2). The

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<sup>51</sup> These are markets for the trading of stocks and bonds, as well as futures, derivatives and various other securitised instruments.

<sup>52</sup> Many financial institutions specialising in speculative investments, such as hedge funds, venture capital and private equity businesses, were introduced already in the 1940s and 1950s (Freeland 2012, 120). However, they have radically grown only in the past three decades in tandem with the overall process of financial globalisation.

rise of securities markets as a source of profits, in turn, have signalled significant changes to business managers. Companies and their shares have become one of the principal items to be traded and speculated on in financial markets by professional fund managers who often engage in aggressive short-term trading in the service of institutional investors (Locke 2014, 75). At the same time, stock options have become more prominent as a form of executive compensation: CEOs increasingly make their personal earnings not so much through salaries but through holdings of shares in their corporations (Barnet and Müller 1974, 246; Brennan 2016, 20–1; Plender 2003, 150–1). As a result, the attention of managers has partly shifted away from producing and selling products and non-financial services towards seeking returns from such financial activities that tend to raise the short-term profitability and share value of the company, such as corporate takeovers and spending cuts (Locke 2014, 74; Plender 2003, 150–2). According to John Plender (2003, 232–4), corporate decision-makers have increasingly defined their task as one in the service of investment bankers instead of concentrating on the core performance of their companies. Therefore, financialization marks a shift from regarding a company as a vehicle for earning “returns on investment ... based on the value created by productive enterprise” to viewing a business “as assets to be bought and sold for maximising profits through financial strategies” (Batt and Appelbaum 2013, 3).

### **The power of big business**

Globalisation and financialization have marked the rise of TNCs in the past four decades: due to the integration of markets and advances in technology, the transnational company has become an ever more prevalent institution in the global economy.<sup>53</sup> But the proliferation of TNCs has not necessarily meant that global markets have become increasingly competitive. On the contrary, studies of transnational corporate networks suggest that a very small number of corporations control directly, or indirectly through share ownership in other companies, major parts of global wealth (see Vitali et al. 2011; George 2014).<sup>54</sup>

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<sup>53</sup> The number of TNCs in the world grew from 7000 in 1970 to 35,000 in 1990, 65,000 in 2000 and 82,000 in 2009 (UNCTAD 2002; Dicken 2011, 20).

<sup>54</sup> In their network analysis of 43,060 TNCs in 2007, Vitali and colleagues (2011) found that 1318 of them had interlocking ownerships, being connected on average to twenty other companies. Collectively these 1318 companies represented 20 percent of global revenues, and through their share ownerships in other companies they controlled about 60 percent of global revenues. Moreover, within this core there were 147 tightly interconnected TNCs, the ownership of which was totally held by the other 146 companies. These core 147 companies controlled a whopping 40 percent of the total wealth in the network of the 1318 companies. Of

Brian Roach (2005, 27–8, 32–3) assessed in 2005 that, while global market concentration has not progressed linearly, the concentration of productive assets in the hands of a small number of the largest TNCs had been the general trend over the past fifty years, and was particularly significant between 1983 and 2001. During the 1990s and early 2000s, the largest TNCs in the world gained a growing proportion of the global economy in terms of output and share of productive assets. In many market sectors, a small number of companies control major shares of global markets.<sup>55</sup>

The distinction between large, market-dominating TNCs and the rest is important, because, due to the accumulation of assets, the largest companies and banks operating on a transnational scope exert ever more economic and political power in world society. The largest TNCs control sizable resources including capital, land, technology and infrastructure. Therefore, they have a potential impact on a great number of people and institutions, including their (and their suppliers' and distributors') employees, customers, shareholders and competitors, as well as the communities in which they have operations (Rothkopf 2012, 309–10). Besides the obvious economies of scale, large TNCs hold the capacity to raise capital in financial markets, acquire other companies, sustain losses, and invest in research and development.

Large TNCs typically create complex networks between research and development, production and finance operations. These networks are founded both within different divisions of the TNC and with other businesses. Indeed, for the purposes of research, finance, manufacturing, distribution, marketing, risk sharing and other activities, TNCs often engage in joint ventures, strategic alliances and other forms of collaboration with firms that may even sometimes be their direct competitors (Dicken 2011, 155–7). These “strategic alliances” tend to strengthen the power of a small number of TNCs over the global markets while limiting competition between them and driving out smaller competitors (Held 1995, 130–1; Sklair 2002a, 65). Richard Barnet and Ronald Müller (1974, 233–8) describe how particularly the largest banks, due to their capacity to manage great financial resources and move them rapidly, have been successful in the creation of such strategic alliances and networks across

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the top fifty most interconnected companies, 48 were banks, hedge funds or other companies offering financial services.

<sup>55</sup> In the oil industry, for instance, the biggest ten companies accounted for around 40 percent of total oil production in the world in 2007, and the ten largest metal mining companies produced around one-third of the total output. Similarly, a small number of TNCs have risen to dominate in several agricultural and food industries, including seeds, pesticides and food and beverage manufacture. Concentration is high also in many business services including banking, accountancy and recruitment services. (See Dicken 2011, 260, 262, 289–90, 380–1.) The same applies for the global military industry: a dozen leading firms control most of the revenues (Rothkopf 2008, 205–7).

various business sectors. Bankers exert control over the banking and nonbanking sectors through the ownership of stocks, which they translate into positions of decision-making in other banks, manufacturing, communications, transportation and services companies, thus creating extensive and powerful corporate interlocks which they can use for mutual benefit and to repress competition. The establishment of bank holding companies further consolidates the ability of banks to own companies in various sectors of the economy, achieve economies of scale and drive smaller enterprises out of business.

The power of today's giant firms is rather different from their historical predecessors due to their improved transnational mobility. It grants them increased ability to move globally in search of cheaper materials and lower costs of production (Held 1995, 128; Roach 2005, 19), circumvent "harmful" regulations (Richardson et al. 2011, 44) and use transfer pricing to minimise tax liabilities (Dicken 2011, 229–31). Moving to escape national regulations is one way for large TNCs to take advantage of their global production networks (Barnet and Müller 1974, 214; Crouch 2004, 32–3), cutting deals with governments is another: as TNCs have grown bigger and gained more capacities to move capital and operations across the globe, they have become increasingly capable of negotiating concessions with governments to the obligations that bind companies to certain social and environmental standards (Korten 1995, 75–7, 91–2, 128–30). As a result, instead of being reflected in the prices of the products that corporations manufacture, social and environmental costs have increasingly become "externalities" that the public sector is intended to take care of (Jessop 2002, 82). Large TNCs may even use their access to governments to gain legislative and regulative protections from foreign competition. Accordingly, Plender (2003, 109–12) notes how Wall Street banks, despite their free market rhetoric, are in many ways shielded from international competition and foreign takeovers.<sup>56</sup>

Therefore, while their power over markets is significant, large TNCs also increasingly exert political influence to shape the legislative and regulative environment in their favour. This political influence takes place in various

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<sup>56</sup> Not only do TNCs enjoy special privileges, such as the ability to negotiate over competition-rigging subsidies with governments in secret, when these practices are exposed, they are being defended by the very same governments. A recent debacle over the European Commission's taxation inquiry targeting major TNCs is an illustrative case (see, e.g., Traynor 2014). Faced with investigations on the tax deals with individual European governments, Amazon, Apple and Starbucks, have not only been backed by their "home country" (with a US government official raising "concerns" about the fact that the majority of scrutinised companies are US-based), but also by the governments suspected of granting these companies hidden subsidies: Luxembourg, the Netherlands and Ireland, the three countries in question, are expected to challenge the possible ruling by the Commission, even if by being found guilty they would benefit financially in the form of delayed tax payments from these companies.



ways and through multiple channels. On the one hand, large TNCs employ their financial resources by spending vast amounts of money in lobbying, campaign contributions, grants for think tanks, fellowships in universities and newspapers, and other purposes (Faux 2006, 55–7). On the other hand, TNCs also establish industry groups, councils and associations which typically inform and advise governmental agencies (George 2014). Daniel Kaufmann and Pedro Vicente (2011) have described these TNC practices as forms of “legal corruption”, referring to the abuse of political power for private gain. In addition to illegal corruption, as would be the case of a company paying direct bribes to gain contracts or a permit for doing business abroad, big TNCs may also try to secure government contracts by promising future employment for public officials. Such activities constitute legal forms of corrupting political and bureaucratic decision-making. With the extending scope of their business operations, it is likely that TNCs engage in both illegal and legal activities to influence public officials and politicians increasingly on a transnational basis (see Freeland 2012, 226–8). One such example is the manner in which Western oil companies, including Shell, ExxonMobil, Chevron, Texaco and Total, have used their influence in Nigeria to thwart legislation that would impose a higher tax on their profits in order to distribute part of the wealth created to local communities (Oxfam 2016, 22).

The power of large TNCs may extend beyond the realms of markets and politics to security and intelligence matters and even to the use of military force. Large firms specialising in online services often collaborate with national intelligence agencies (Greenwald 2014), and particularly the US banks and corporations have been intimately involved in many US military operations since World War 2 (Barnet and Müller 1974, 81–3, 142). Today, approximately half of the annual expenditure of the US Defence Department, which governs the world’s largest military budget, is channelled to private contractors (including non-military services) (SIPRI 2011), and military technology is highly dependent on TNCs and their transnational circuits of production (Held 2006, 299–300). But TNCs operating outside the military sector can also command coercive power. Especially TNCs operating in extractive industries, often doing business in hot conflict zones, are known to hire private forces and members of the local military in defence of their assets and interests. There have been many controversies and law suits surrounding the alleged human rights abuses by private armies in service of TNCs (see UNCTAD 2007, 152–3; Rothkopf 2012, 315).

In sum, economic globalisation and financialization are associated with the growing power of TNCs and their top managers.<sup>57</sup> The rise of giant TNCs,

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<sup>57</sup> Modern firms can be seen as quintessential cases of a hierarchical organisation in which power is heavily concentrated on a small number of top managers (Weber 1970, 214–5; see also Mills 1956, 126). In this regard, Crouch (2004, 43) argues that the Anglo-American model of capitalism grants centrality to the firm as an organisational model that concentrates “all

particularly since the 1970s, has manifested itself in the concentration of capital, economic assets and the increased capacity of these corporations to influence markets. In step with the increasingly global scope of their operation, large TNCs have been active in policy-making, promoting policies that have advanced liberalisation, labour market reform, free trade and the creation of more integrated transnational markets (Crouch 2011, 67–8; Sklair 2002a, 67; van Apeldoorn 2000). Such policies have obviously coincided with the interests of TNCs looking to minimise the operation costs of their global production networks and to open new markets for their products. More generally, the policies have helped the further growth of TNCs and their power over markets and economies. Moreover, their increasingly central role as providers of funding through donations and sponsorships has extended the influence of big business on a diverse range of sectors in world society from medical research to social services (Crouch 2004, 44–5).

### **States and globalisation**

Due to the impact of their operations on the financial and material flows in the global economy, executives and directors of large corporations and financial institutions can be regarded as key drivers of globalisation and financialization. But the growth of international trade, transnational

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power on the chief executive responsible only to shareholders”. Thus, the power of executives as managers of capital grows as the Anglo-American model of firms is adopted around the world. Certainly, a constant theme in the debates on corporate governance for decades has been the “managerial revolution”, or the purportedly growing independence and power of managers vis-à-vis corporate boards and owners (see Mills 1956, 118–9; cf. Chandler 1977; Shaner 2010). In principle, the two instances are of course meant to fulfil different roles in the company. The board of directors, elected by shareholders, is tasked with corporate governance, investor relations, corporate planning and development, or guiding the business strategically, whereas the managerial level takes care of the day-to-day operations. The CEO needs the board’s acceptance in major decisions, and her position is dependent on the board’s satisfaction in the CEO’s job performance. In this sense, the directorate have power over the CEO. In practice, however, the balance of power between the top management and the board of directors varies widely from company to company, and it is also influenced by the patterns of ownership and financial market structure within the overall economy (see Scott 2003, 160–1). The chair of the board, for instance, may be active and highly involved running the company, thus becoming the actual decision-maker, side-lining the CEO. Most CEOs, however, have quite a lot of leeway in their operations, and in many cases they can also affect the composition of the board of directors which is supposed to oversee them (Plender 2003, 138). Ultimately, a strict separation between the managerial and directorate level may not be that relevant. Not altogether uncommonly, the Chairman of Board and the CEO in large businesses is the same person (Schwartz 2012), which of course further blurs the line between management and directorate.

production networks and global finance also results from international agreements by governments to lower barriers to cross-border trade, investment and capital flows (see Hoogvelt 2001, 68–70, 132). Accordingly, the postwar globalisation of production and finance is intimately connected to gradual shifts in economic policies around the world. If the first two decades after World War 2 were characterised by the prevalence of policy models which emphasised the continuous expansion of domestic markets with such means as Keynesian demand management policies (see Crouch 2011, 11–5; Jessop 2002, 71–6), the 1970s marked a turn towards the active internationalisation of markets (Simmons and Elkins 2004). The new economic policy model consisted largely of opening trade, liberalising cross-border investment and adopting other measures that made it easier for foreign companies to enter domestic markets, including the reduction of support for domestic companies against foreign competitors. According to this logic, states attempt to attract FDI by creating institutional conditions for the accumulation of capital and adopting non-discriminatory legislation and regulation with regard to investments, ownership and production.

Similarly, the liberalisation of cross-border capital flows by governments since the 1970s is one of the central factors behind the global integration of financial markets. Financial markets and institutions had been under strict state supervision in much of the world after the great crash of the New York Stock Exchange in 1929, and the Bretton Woods system of international regulation had been put in place in the wake of World War 2 (Dicken 2011, 538–9; Gowan 1999, 16–7; Helleiner 2011, 218–24). These regulations not only limited the scope of operation of individual financial institutions to only certain services, but they also restricted the entry of foreign firms into domestic financial markets, as well as enabled state control over cross-border capital movements. During the 1970s and 1980s, however, governments in North America, Europe and East Asia started to loosen capital controls and other regulations,<sup>58</sup> gradually liberating financial markets and promoting their internationalisation (Dicken 2011, 377–9; Gowan 1999, 40). The international wave of liberalisation of cross-border capital flows continued in the 1990s (see Plender 2003), turning separate national financial systems into an increasingly integrated and borderless whole.

Governments have supported the globalisation of finance simply by ceasing to intervene in cross-border transactions; but further, they have also been active in the establishment of new international regulatory regimes designed to prevent insider trading, standardise accounting practices, and enhance transparency and disclosure (Levy 2006, 379). Thus lawmakers and

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<sup>58</sup> The US government abandoned capital controls in 1974, and the UK followed suit in 1979. Holland removed controls on cross-border financial movements in 1981 and Germany in 1982, with Denmark, Italy and France joining the liberalisation wave in the late 1980s. Japan also took measures to free financial flows during the 1980s. (Gowan 1999, 40.)

regulators are supporting investors to make international investments with confidence. Concurrently, governments have created “offshore economies” for the operation of transnational finance, or spaces outside the common law in which financial flows can move independent of state control (Cameron and Palan 2004, 98–100). Finally, states have obviously contributed to the growth of global financial markets with particular economic policies. These include the creation of large pension funds which invest in equity markets (Shutt 1998, 127–8; Toporowski 2010), as well as various tax breaks and other incentives to those who invest in shares and other securities (Shutt 1998, 128–9). By providing a safety net to investors and banks by acting as the lender of last resort, and by bailing out failed banks, states have further contributed to the expansion of investors’ and bankers’ activities.

The globalisation and financialization of the economy, in other words, results from corporate decisions of resource allocation and re-organisation of business activities, but, crucially, these decisions are dependent on the liberalisation of cross-border economic activities and flows. This makes globalisation both a process that follows a certain “market logic”, resulting from decisions market actors make based on their perception of profitable activities, and a highly policy-dependent phenomenon, tied to the experience among policymakers about the powerful economic and political incentives to liberalise cross-border economic activities.

If globalisation and financialization have paved the way for the growth of TNCs and their power in the global political economy, these developments have often been associated with the simultaneous decline in state power. The very problem of economic globalisation in social sciences has largely to do with the idea that the internationalisation of material and financial flows transforms the nation-state as a site of sovereign power (see Amoore et al. 2000). According to the argument, national sovereignty is being eroded because of the diminishing capacities of states to fulfil some of their central economic functions, including the regulation of the national economy through macroeconomic policies and the efficient collection of taxes (Jessop 2002, 82, 175–6; see also Pensky in Habermas 2001). The ability of states to control interest and exchange rates, for instance, or to maintain economic stability have been compromised by the concentration of vast amounts of capital into the hands of financial market speculators and by the pace with which they can move capital around the world (Strange 1996, 73–6).

Some of this alleged loss of state capacities can be directly attributed to the growth of TNCs and financial institutions. Their increased size and complex organisational structures, for instance, make it difficult for state agencies to obtain sufficient and reliable information for macroeconomic management, and their ability to shift locations and circumvent national laws and regulations undermine the efficiency of economic policy instruments (Barnet and Müller 1974, 256, 262–4). Moreover, TNCs and banks are often seen to be able to set countries in a position of competition for the most favourable regulatory and taxing environment (Roach 2005, 35), which strips

governments from independent regulatory and fiscal policy power. Moreover, as financial markets expand, as companies and banks move capital across borders, and as financial instruments grow increasingly complex, the impact of state monetary policies is compromised and central banks lose much of their supervisory capacity over financial institutions (Jessop 2002, 106; Plender 2003, 59–60). In conditions of freely floating cross-border capital, the sovereignty of states to set independent policy objects and to implement economic and social policies of their own choosing is further compromised by the constant disciplining power of financial markets. Such commentary has been widespread since the early 1990s in the wake of large speculative attacks on major national currencies such as the British pound, the French franc, the Italian lira and the Mexican peso. The fluctuations of government bonds yields of many eurozone member states in the early 2010s can be read as a similar indication of the power of investors and speculators over states and the diminished capacity of individual governments to control key dimensions of the economy.

These readings, however, represent only one side of the story. The global financial crisis demonstrated the dependence of the largest financial institutions on governments and central banks. And far from having withdrawn from the economic sphere, governments are constantly intervening in it. To appreciate the significant role of the state, we must first consider the ways in which it is directly involved in shaping global economic processes and transactions. Government leaders and central bankers direct markets by controlling interest rates, money supply, taxes, resource allocation, prices and wages, and by making decisions to rescue businesses. They also set tariffs and non-tariff barriers on imported goods, subsidise export industries, sign international trade agreements and design regulations for capital movements (see Barnett and Müller 1974, 74; Dicken 2011, 179–86). More generally, states perform functions that are necessary for the very operability of markets and the global economy: by building and maintaining infrastructure, educating workers, enforcing property rights, overseeing contracts, stabilising currencies, providing safe investment opportunities to financial markets and managing capital flows, governments and central bankers perform the reproductive, administrative, regulative and coercive functions required to sustain private property and operative markets (Dicken 2011, 223–4; Panitch and Gindin 2012, 1–3; Plender 2003, 69–70; Streeck 2011, 22; Wood 2003, 16–7, 141). In addition, governments engage in large-scale steering of the economy by, for instance, developing industrial strategies, entering wars, blockading other nations or signing multilateral agreements on reducing carbon dioxide emissions. Historically, the state has been a key site of action in transforming entire economies in the shift from Fordism to more flexible and globalised mode of accumulation, facilitating not just the acceleration of cross-border movements of capital but also the growth of the “knowledge-based” economy, including the ICT sector, biotechnology and electronics (Jessop 2002, 126–31).

More direct ways for governments to influence the economy and market are investment and production. States are prominent owners and investors in the global economy in their own right: today, state-owned or state-controlled enterprises (SOEs and SCEs, respectively) are expanding in major industries (see Chavez 2014). In the Forbes 2000 list of the largest public companies, more than one in ten companies are either entirely state-owned or a state controls 50 percent or more of its shares (Kowalski et al. 2013).<sup>59</sup> For instance, six of the world's ten largest oil companies in terms of production in 2012 were SOEs or SCEs (Forbes 2013). At the same time, state-controlled investment funds, also known as sovereign wealth funds (SWFs), have become major players in global financial markets.<sup>60</sup> Through their transnational investments in sectors such as financial services, natural resources, real estate and infrastructure, states are key contributors to the processes of financialization and creating deep linkages with financial and non-financial corporations (Chavez 2014; Hall 2014).

There are thus several ways in which states exercise economic agency, and the projection of their economic power is also not confined to their own national territory. Through such practices as financial aid and loan programs, as well as ownership in TNCs, governments shape economies and markets beyond their borders, thereby resembling transnational organisations in the way they penetrate societies (see Huntington 1973). Foreign economic policy shifts in such areas as foreign trade, cross-border capital flows and monetary policy in one nation alter the international environment in which economic agents make decisions and often induce similar policy shifts in other states (Simmons and Elkins 2004). What these examples indicate is that, despite increased difficulties to centrally control economies and markets, the power of states over economic processes remains strong and there is little reason to think that it has overall been declining. It is therefore simplistic to argue that the growing power of TNCs in the conditions of globalisation and financialization is matched by a simultaneous decline in state power (see

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<sup>59</sup> In France, for instance, the State Assets Agency (Agence des Participations de l'Etat, APE) manages a large portfolio of strategic companies in such areas as defence, infrastructure, transport, energy, real estate and financial services. In Latin America, five of the ten largest firms in the region are SOEs or SCEs, all of them major oil companies: Brazil's Petrobras and Petrobras Distribuidora, Venezuela's PDVSA, Mexico's Pemex and Colombia's Ecopetrol. Most notably, China's central government owns or controls some of the biggest companies in the world. (Chavez 2014.)

<sup>60</sup> Among the world's largest SWFs are the China Investment Corporation, the Norwegian Government Pension Fund Global, and those managed by several oil- and gas-rich Gulf states. The Abu Dhabi Investment Authority, for instance, was founded in 1976 by the government of the United Arab Emirates, and commanded an estimated 773 billion dollars in assets in January 2015 (SWFI 2015).

Gowan 1999, 5). TNCs and other private actors remain deeply dependent on states to provide them with labour, stability, regularity and predictability, as well as infrastructural and legal order; all essential requirements for the operation of markets. However, while capitalism in general, and TNCs in particular, are essentially dependent on the state, state autonomy is also limited by its dependence on capital accumulation, and the TNCs embody the promise to create wealth and employment within the economy (Dicken 2011, 223; Held 2006, 176–7; Panitch and Gindin 2012, 3–4). In this way, private institutions and the state exist in a relationship of mutual dependency in the global economy.

### **Uneven globalisation**

Even with the apparent successes of globalisation, global economic integration is far from complete. A major part of international trade, for instance, takes place between companies in neighbouring countries or countries within the same region, and, rather than creating truly global networks of production, TNCs mostly tend to regionalise them (Dicken 2011, 18–9, 164–6). Similarly, the sharp decline of cross-border equity purchases and bank lending, and the large-scale repatriation of funds all over the world in the wake of the global financial crisis of 2007–2009 demonstrated the tendency of investors and bankers to favour local markets over foreign ones (McKinsey Global Institute 2009, 15–7). More generally, as Wood (2003, 135–6) points out, global economic integration in terms of the harmonisation of markets into a single global market with homogeneous production conditions and costs all over the globe has not progressed very far: markets and economies remain still very much separated from one another. In fact, the division of the global economy into markets and economies with price differences is the very condition for the ability of global capital to seek greater profits through re-allocation and speculation.

The incomplete nature of economic globalisation is also reflected in the geographical unevenness of global capitalism. Even as practically the whole world has been integrated into the camp of capitalist market economies since the collapse of communism, much of the world's economic activities, including manufacturing, trade and FDI, are highly concentrated into a small number of countries (see Dicken 2011, 15–6, 25). Almost half of global manufacturing production, for instance, took place in just five countries in 2007 – the United States, China, Japan, Germany, and the UK – and a further 25 per cent in the next ten countries – Italy, France, Korea, Russia, Brazil, Canada, Spain, Mexico, India and Turkey (see Dicken 2011, 36). Global services production was even more concentrated, with almost 30 per cent located in the United States, and in agriculture, 80 per cent of global production takes place in the

top 15 countries (*ibid.*, 37–8).<sup>61</sup> Similarly, financial services have concentrated in a small number of global finance capitals, particularly London and New York, but also Paris, Frankfurt, Zürich and Tokyo. They are complemented by a series of “offshore” financial centres, including Cayman Islands, Jersey, Singapore, Luxembourg, Liechtenstein, Bahrain and Virgin Islands, the significance of which has increased with the growing interest of TNCs and investors in taking advantage of the low tax level and lax regulation they provide (Dicken 2011, 396; Shaxson 2011).

On par with the national shares of production, the headquarters of the world’s largest corporations are distributed across national economies in a highly uneven fashion. Sean Starrs’ (2014) analysis based on the Forbes Global 2000 annual list of the world’s top 2000 publicly traded companies shows that, together, US-based TNCs held leading market shares in 18 out of 25 major market sectors in 2013, including retail, financial services, insurance, media, computer hardware and software, aerospace and defence, food and beverages, and pharmaceuticals. Of the remaining seven sectors analysed by Starrs, Chinese TNCs held a leading position in three sectors (banking, construction, forestry and mining), Hong Kongese in two (real estate, telecommunications), and German (auto industry) and Japanese (trading companies) TNCs in one each. Other countries that have headquarters of a significant number of major TNCs in individual sectors include France, the UK, Russia, South Korea, the Netherlands, Switzerland and Australia.

The various dimensions of the geographic concentration of contemporary capitalism reflects the historical conditions and path dependencies of globalisation. In the wake of World War 2, US corporations were in a privileged position to take advantage of opportunities in new markets. The war itself had been beneficial to their global position: it not only made US banks the world’s principal creditors (Varoufakis 2013, 57), it also helped US companies to emerge out of the Great Depression, whereas their major international competitors, most notably in Germany and Britain, had collapsed or weakened considerably (Anderson 2013, 22, 42). In these circumstances, powerful factions in the US corporate elite succeeded in shaping US foreign policy establishment to support their international aspirations and assume the role as the primary driver of globalisation. Working actively both with the federal administration, as well as in the Council of Foreign Relations (CFR) and other influential policy-planning groups, prominent corporate leaders were instrumental in shaping this new foreign policy consensus among the business and policy-making elite (Anderson 2013,

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<sup>61</sup> Besides differences between countries and regions, within them TNCs also operate in a highly-concentrated manner, producing primarily in urban centres and special economic zones deliberately set up by governments for the purposes of attracting FDI (Dicken 2011, 192–3). China is a good example of a government’s widespread use of special economic zones in the direction of FDI into selected locations (*ibid.*, 197–8).



42; Panitch and Gindin 2012, 67–8; van der Pijl 2012, 111–2). This postwar liberal-internationalist doctrine posited that the national interests of the United States as the dominant superpower would best be served by forging a global economic order that would be as open as possible to international trade and capital flows. In the decades after World War 2, the primary objective of the liberal internationalists among the US corporate and political establishment was to persuade other parts of the capitalist world to embrace the project of global economic integration.

Yet, while the liberalisation of international trade and investment was an underlying policy goal for US banks and businesses, the more immediate aim for US foreign policy after the war was to support the reconstruction and economic development of the war-torn capitalist world in the hopes of shielding these them from the threat of communism and rendering them into lucrative markets for US products and services. Thus, even as Western European states and Japan protected their national industries with high trade barriers and practiced strong forms of central planning and government intervention in the markets (Anderson 2013, 44–6, 109–10), the US government actively aided these countries to develop industries and large corporations that could compete internationally with US companies, extending cheap loans, facilitating the transfer of US technology and managerial knowhow, and providing these countries with a market for exports (Panitch and Gindin 2012, 98–102, 106–7). Thus, by the time US TNCs began to rapidly expand their production networks overseas in the 1960s, Western European, Japanese and South Korean corporations had already had time to grow without being undermined by their US competitors and were soon able to enter international markets and to compete with US TNCs. The same holds true for China, which gradually integrated into the global capitalist economy after 1978 but developed its industries under strong state protection. The rise of Chinese TNCs to the top of several global market sectors has been the most dramatic geographical shift in corporate power in the 2000s (Starrs 2014).

### **The United States as the dominant state power**

Just as is the case with giant TNCs having significantly more power than smaller companies to shape markets and the political economy in general, the international system of nation-states is not a level playing field. Despite the formal sovereignty of each nation state, some states have more capacities than others to exert power both internally and internationally (Jessop 2002, 195; Keohane and Nye 2001, 269–70).<sup>62</sup> After World War 2, the United States, in

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<sup>62</sup> Some states also have more sovereignty than others. Many states have surrendered their monetary sovereignty, for instance. This is the case particularly with the euro area member states, as well as with those nations that have pegged their currency to the US dollar or even

particular, has been in a primary position among states to project global power economically, politically and militarily (Anderson 2013; Panitch and Gindin 2012; Wood 2003). The position is partly based on military dominance with the US defence expenditure far outnumbering other nations and its armed forces being the single most active and capable military force in the world. The role of the military in the projection of US power differs in significant ways from the British-led era of European empires. The US policy of the “informal empire” has not typically sought territorial expansion but to secure the maintenance of open borders for capital accumulation and the removal of barriers to global capital flows (Panitch and Gindin 2012, 11). Yet the capacity to exercise “unrestricted and open-ended” military power has been a key dimension in this policy as the US has increasingly taken the role of the world’s police (Wood 2003, 159–66), securing naval routes and energy infrastructure and intervening militarily where the global economy is threatened with disintegration. The war on terrorism, declared by Bush in 2001 and continued by the Obama administration can be considered an indispensable dimension in this project as the US military and intelligence agencies have pursued their surveillance programs and military operations on a global scale (Scahill 2013).

In addition to securing the international political and economic order with coercive power, much of the US state’s power in the global economy has focused on shaping the institutions and infrastructures regulating global economic activities in a way that maximises its political control. Accordingly, in the Bretton Woods conference in 1944, the US government secured the privileged status of the US dollar as the basis of the international exchange change regime (the “Bretton Woods system”) and as the primary reserve currency used in international trade (Mozaffari 2002, 44–7; Varoufakis 2013, 60). Later, as the US economy was threatened by the rapidly rising trade and public deficits, caused by the Vietnam war and US industries being increasingly outcompeted by Western European and Japanese companies, as well as growing speculation on the US dollar, the US government used its power to reshape the global financial architecture. In 1971, the Nixon administration suspended the dollar’s convertibility into gold, unilaterally abolishing the Bretton Woods system of interlinked currencies. The Nixon shock had the effect of giving the US Federal Reserve and the federal government increasing space for designing economic policy: with the link to gold abolished, the US government was free to take advantage of the privileged role of the dollar as the dominant currency of international trade so as to create as much currency as it saw fit to finance its public and private consumption (Agnew 2009, 228; Anderson 2013, 69; Gowan 1999, 24–5; van der Pijl 2012, 257–8). In addition, the decision institutionalised an asymmetry of power between the United States and the rest of the world and helped maintain the

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using the dollar as their currency. Such Latin American and Pacific countries as Ecuador, El Salvador and East Timor are cases in point.

dominant position of the US government and financial institutions in the international monetary system (Vermeiren 2013). Other economies were now deeply tied to a currency the control of which was solely in the hands of US institutions (Gowan 1999, 19–24; Varoufakis 2013, 101–2).

In addition to shaping the global financial and economic infrastructure, the US elite has used its influence to promote its preferred economic models throughout the capitalist world. After World War 2, the Fordist model of mass production and consumption and Keynesian macroeconomic policies focused on national demand management and full employment suited the interests of US financial and industrial community and were actively promoted throughout the capitalist world (Hirschman 1989; Hoogvelt 2001, 147). After the 1970s, however, the US elite has pushed a completely different economic model, based on the conception of efficient and self-regulated markets and focused on deregulation, privatisation and competition for foreign investments, as well as the overall preference of policies that favoured financial institutions and investor interests at the cost of productive sectors (e.g., Crouch 2011; Gowan 1999; Martinelli 2011). Meanwhile, the US elite's drive to unite the world under a global capitalist order was, to a certain extent, completed after the collapse of the Soviet Union. Yet the US-led project of securing an integrated area of liberalised trade and investment has not stopped in its tracks. Accordingly, the subsequent US administrations from Clinton to Obama have been active drivers of international free trade agreements and the opening of financial markets (e.g., Anderson 2013, 85, 105–6; van Apeldoorn and de Graaff 2014; Madrick 2002, 250).

In sum, as the most dynamic economy and predominant military might in the postwar period, the United States works as a primary example of how a single state may project power globally. Indeed, the popular notions in both political and academic discourse of an American empire and a unipolar world order suggest that the United States has been able to relegate all other states to a secondary position when it comes to influencing world affairs, and indeed, is the only state in the world with global interests and operational capacity. Still, the ability of the United States to exert control over other states is limited in many ways. While the project of US foreign policy to integrate practically all regions in the world into a global capitalist economy has been largely successful (Anderson 2013), it has depended on the active agency and capacity of the globalising fractions of corporate and political elites in each of the other states to turn their governments onto the path of liberalisation (Gill 1990; van der Pijl 2012). Similarly, while the United States has been able, to a great extent, to shape the institutional structure of the global political economy and promote the overall financialization of the economy around the world (Panitch and Gindin 2012), not all countries have wholly embraced the Anglo-American model of capitalism. Instead, many countries have retained much of their national characteristics, thus expressing multiple “varieties” of capitalism and forms of capitalist governance (Buzan and Lawson 2014; Hall and Soskice 2001; Held 1995, 132–3; Rothkopf 2012, 349–60). In this respect, a small

number of major economic powers, including China, Germany, Japan and the UK, as well as certain associations of states, such as the EU, OPEC and BRIC, have considerable autonomy in policy formulation and may be regarded as influential shapers of the global political economy, as their monetary and fiscal policies, regulations and the setting of standards, wages and prices potentially carries significant impacts for producers, investors, workers and consumers in the rest of the world. In comparison, smaller states tend to have both less autonomy in economic policy and smaller global impact.

Overall, then, while not necessarily marking a decline of the state, globalisation and financialization have certainly transformed both the institutions and hierarchy of power in the global economy. Corporate power and political power have been increasingly concentrated in the hands of a small number of players, which can project their influence across the three central power domains in the global political economy. Just as the governments and central banks of the most powerful states can shape the playing field for globally operating banks and TNCs, giant TNCs are often able to exert strong pressure on individual states: when large companies seek to influence national economic policies and regulations, small states in particular tend to be in a weak bargaining position (see Held 1995, 131; Dicken 2011, 233). In the case of poor countries, governments often have few resources at their disposal to enforce standards and laws; hence a large TNC, in the words of Crouch (2011, 133), is likely to be able, to a large degree, “to pick and choose which local laws it obeys and which it ignores”.

### **3.2 Global economic governance**

As the global economy grows more integrated and economic activities increasingly transcend state borders, it has become increasingly difficult to secure stable conditions for markets and the overall global economy. The stability of the global economy requires that the reach of “extra-economic” powers, traditionally commanded by the state, extends beyond the national context: governing power needs to be projected globally to secure stability. With its assumption of the roles of “the world’s police”, the issuer of the most widely-used international reserve currency, and the “consumer of last resort”, the United States has contributed to the sustainability of global capitalism since World War 2 (Panitch and Gindin 2012; Varoufakis 2013; Wood 2003). On the whole, however, the capacity of any individual government to provide the necessary stability and predictability required by economic accumulation has become increasingly dependent on its ability coordinate its actions with other actors, both private and public, in the global economy (see Jessop 2002, 232–5).

The need for mechanisms and institutions to manage an integrated global economy dawned on the US foreign policy elite already before World War 2. The Wall Street crash in 1929 and the subsequent banking crisis in both

the United States and Europe revealed the deep interconnections between banks operating in global financial markets (Anderson 2013, 11–2). Accordingly, the liberalisation of economic activities would have to be embedded in international institutions (*ibid.*, 17). The Bretton Woods system responded to the perceived risks of global financial flows by establishing strict capital controls and fixed currency exchange rates (Gowan 1999, 16–7; Dicken 2011, 538–9). When the system collapsed in 1971, the United States convened the heads of major economies to coordinate their monetary and fiscal policies in order to prevent another global financial meltdown in the order of magnitude of the 1930s (Panitch and Gindin 2012, 153–5).

The globalisation of economic activities, in other words, creates the need for forms of global economic governance, or the establishment of practices, institutions and organisations of international coordination of state functions that are necessary for the operation of global economic activities (Held and McGrew 2002, 8; Robinson 2011, 357–8). On one level, governments of major states form the core of global governance, and they organise themselves into various international groupings, including the G7, G20, EU, APEC and ASEAN (see Dicken 2011, 55–6). On another level, global economic integration has been accompanied by a dramatic growth in the number of IGOs (Volgy et al. 2008). Among the most notable IGOs are the World Bank, the IMF, the WTO, and the UN. These and other international institutions, such as the Bank for International Settlements (BIS), increasingly engage in regulatory activities, make decisions and set standards, rules and conventions concerning, for instance, private property and resource allocation (Crouch 2011, 128; Dicken 2011, 55–6; Held 1995, 108–9). They are complemented by bilateral and multilateral government networks and international parliamentary assemblies and associations, the number of which has grown considerably since the mid-1970s (Šabic 2008; Slaughter 2004).

Instead of signalling a diminishing power of the state as such, the multiplication of international forums and organisations has marked a reordering of the state and its role within this emergent global governance regime. According to Jessop (2002, 202–3, 253), the state continues to act as an all-important “nodal point” in the expanding network of intergovernmental and inter-parliamentary organisations and associations, regulating and overseeing the fulfilment of governance tasks. However, it is the supranational institutions and bodies, such as the EU, the G7 or the OECD, that increasingly design and coordinate these policies (see Robinson 2004, 88). Moreover, the strengthening global governance regime impacts the way power is distributed within the state. Cox (1996, 302) argues that, as a result of the “internationalisation of the state”, “power within the state has been concentrated in those agencies in closest touch with the global economy”. These include, most notably, the private offices of prime ministers or presidents, finance and economic ministries, as well as central banks. Meanwhile, state agencies “more closely identified with domestic clients”, including ministries of labour, welfare and industry, are subordinated (see also

Gill 1990, 94). As the planning and formulation of economic policies is increasingly conditioned by the needs of global economic governance and takes place in close coordination with other government and IGO leaders, the power of key government executives tends to grow in relation to other agencies and institutions of the state. The continuous growth of executive power at the cost of representative institutions has been marked, for instance, in the United States. The dramatic growth of White House staff, the enlargement of the National Security Council, the exponential growth of the CIA and its operation as “a private army at the disposal of the president”, as well as the president’s increased capacities to use unilateral power in defiance of the congress and federal law, are all reflections of the increasing power of the US president since World War 2 (Anderson 2013, 99, 107–8).

However, even as international forums of major states and IGOs constitute the two key levels of global governance, political and bureaucratic elites are not the only actors involved in transnational policy-formation. Since the 1980s, global governance has been increasingly guided by a “multi-stakeholder” paradigm, according to which a legitimate and efficient way to formulate and implement policies is to ensure that various societal interest groups are represented (see Gleckman 2012). Within this paradigm, IGOs and their agencies typically incorporate various civil society representatives, including trade and labour organisations, environmental, development and human rights organisations, scientists and other professionals, into policy-formulation processes (Dicken 2011, 537–8; ILO 2004, 77). Perhaps the most notable non-governmental constituency in global governance, however, comprises the TNCs and other private sector institutions. Business representatives have an increasing presence in intergovernmental and IGO-led processes of global governance, operating alongside government and IGO officials in setting international standards for the operation of the global economy (Bull et al. 2004; Crouch 2011, 130; Levy and Prakash 2003).<sup>63</sup> The multi-stakeholder paradigm has also given rise to what might be termed as the

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<sup>63</sup> There are many ways for TNC leaders to get involved in the processes of global governance. One is the creation of transnational industry groups (Levy and Prakash 2003). Transatlantic Business Dialogue, for instance, is an industrial advisory group comprising US and European business executives. It formulates joint policy recommendations to US and European governments and advises officials on standards and regulatory issues, trade, investment, and international relations. Another way to include TNC executives in processes of global governance is the establishment of transnational public-private groups that design common standards for industries and thus promote international trade. One such commission is Codex Alimentarius, which negotiates international standards for nutrition, sanitation and consumer safety. Founded by the FAO, the various Codex working committees bring together representatives from food and agribusiness industries, including both industry associations and TNCs alongside representatives of governments, IGOs, NGOs and academic organisations (Sklair 2002b).

third level of global governance, consisting of a plurality of forums, networks, planning groups and committees that bring together public and private agents on specific issues but work outside the auspices of the intergovernmental forums and organisations. Moreover, within the global governance regime, the overall tendency has been towards forms of self-regulation and self-organisation by market actors in various sectors of the economy (Held and McGrew 2002, 10; Jessop 2002, 229, 236, 252; ILO 2004, 77). Many government tasks have thus been reallocated in the past few decades to non-governmental, private and commercial actors, effectively granting large corporations powers to regulate, set standards and formulate policies largely by themselves (Sogge 2014; Jessop 2002, 199; Mayer and Gereffi 2010). In addition to large TNCs, consultancies, law firms and credit rating agencies are key actors in designing and establishing such private regulatory systems (Sinclair 1994; van der Pijl 1998, 162).

As pointed out by Jessop (2002, 196–7, 235; see also Jessop 2012), while this field of global political and economic governance signals a partial delegation of power from states to international and transnational institutions, it does not mark the creation of a world state. State functions in the global economy have been reorganised into a supranational system which comprises international, transnational and regional organisations whose number and functions are increasing. Instead of an integrated system, global governance is characterised by a certain networked and informal nature (Held 2006, 304; Slaughter 2004; Stone 2008): various bodies and groupings that typically lack any formal authority over their participants interact with one another to enhance the coordination of policies and activities (Dicken 2011, 539). As a result, the field of global governance is complex, and its processes and institutions are strengthened only to a certain extent: instead of enforceable laws and binding agreements, multi-stakeholder governance is mostly premised on voluntarism, codes of conduct and other kinds of “soft law” (Keohane and Nye 2001, 266; Sogge 2014, 16–7). This relative weakness of the institutions, forms and practices of global governance results partly from governments’ unwillingness to devolve formal powers to supranational organisations (see Rothkopf 2008, 171–2). But TNC leaders also face a dilemma with regard to global governance: while they have an interest in setting global rules for the promotion of corporate and financial activities, they simultaneously look to secure maximised “corporate investor freedom” (Faux 2006, 169–70).<sup>64</sup>

At the heart of global governance, therefore, is a contradiction between the perceived need for enhanced global coordination of policies and the establishment of a stable and predictable playing field to support cross-border

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<sup>64</sup> Such approach is evident, for instance, in the management of global financial markets: big banks have not wanted the governments to implement strict regulations on financial operations and instead have successfully pleaded for self-regulation (Rothkopf 2008, 171).

economic activities, on the one hand, and the interests of keeping such arrangements decisively weak and making agreements only on a voluntary basis, on the other. Accordingly, there is considerable ambivalence towards global governance among TNC leaders: while being deeply involved in many of these processes, they have often opposed the institution of strong coordinative institutions on a transnational or global level and instead tended to support state-based regulation (Levy and Prakash 2003; Gleckman 2012). For Dicken (2011, 225), this is due to the perceived advantages that such a fragmented regulatory landscape brings to TNCs, allowing them to play states against each other and negotiate privileged treatment for themselves (see also Jessop 2012, 210).<sup>65</sup> Such fragmentation, however, reduces the likelihood that the stability that capitalism requires can be maintained in the global economy (see Rosenau 2002).

### **The club model of governance**

In the relative absence of formal structures and protocols, global governance is largely characterised by informal exchanges, coordination and collaboration between groups and institutions engaged in economic and monetary matters from both public and private sectors. On the one hand, some of the institutions that are nowadays considered central in global governance, particularly the G7/G8 and G20 meetings of government leaders, are nothing more than unofficial elite get-togethers lacking formal statutes or charters to govern their operations (see Richardson et al. 2011, 38–9; Slaughter 2015, 385–6). On the other hand, even in those institutions which officially have formal structures, such as the OECD, World Bank and the IMF, decision-making is typically preconditioned by informal backroom conversations (van der Pijl 1998, 77). These informal practices of elite interaction are often considered important precisely because of the perceived weakness, inefficiency and incapability of the international institutional framework for global governance (Cox 1996, 301; Rothkopf 2008, 171, 315–6). But the emphasis on informality in global governance may also be a deliberate policy preference by those engaged in global rule setting and policy formation. Whereas the elite tend to be suspicious of supra-national authority structures associated with loss of sovereignty and burdened by formal (and uncomfortable) mechanisms of transparency and accountability, informal gatherings, in contrast, are regarded as flexible and efficient as they allow private negotiation and deal-making without the need to “lock positions” that comes with publicity and transparency (Richardson et al. 2011, 19). The “weakness” of the institutions of global governance can thus be regarded as an outcome of transnational

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<sup>65</sup> The growth of the global business service industry is partly due to the increased need for legal, accountancy and other services by TNCs operating within the context of differing national rules and regulations (Dicken 2011, 372).



elites' preferred manner of conducting policy making. As the principal driver of the institutionalisation of the international order since World War 2, the US foreign policy establishment, in particular, has been seen to favour a secretive nature of international agreements and decision-making dependent on informal policy preparation instead of pushing towards more transparent and public procedures (see van der Pijl 1998, 77).

Governance can thus be understood as a way to coordinate action among participants on the basis of traditional norms and habits, informal agreements and shared premises that lead actors to comply with the rulings (Rosenau 2002, 72). One example of such a networked and informal nature is the way that global financial markets are governed. With no central political authority that could regulate financial markets globally, the governance of global financial markets relies on the collaboration of various governmental and intergovernmental bodies, including finance ministries, treasuries, regulatory agencies, central banks and multilateral financial institutions, most notably the IMF. Several international forums, such as the Financial Stability Board, the International Organization of Securities Commissions and the International Accounting Standards Board, have been founded to facilitate and institutionalise this collaboration. One key element in this global financial architecture is the Bank for International Settlements (BIS), in itself a prime example of the networked and informal character of global governance. Designed to "foster international cooperation" between central banks "in their pursuit of monetary and financial stability", the BIS organises regular meetings between world's top central bankers. Without any formal authority over central banks the BIS's capacity in coordinating central bank policies across the world is restricted to facilitating discussion among central bankers as well as "supporting dialogue with other authorities" which are key to global financial stability.

In this way, the stability of the global financial system rests, to a significant degree, on the informal coordination and voluntary cooperation among central bankers, national regulators and finance ministries of major economies, and on their ability to monitor and supervise the conduct of large institutional investors, represented by such bodies as the Global Financial Forum and Institute of International Finance. In his interview with Timothy Geithner, former US treasury secretary, Rothkopf (2008, 174–5) provides an interesting illustration of this informal and networked nature of global financial governance. Geithner, also former president of the Federal Reserve Bank of New York, describes the importance of BIS meetings between the world's foremost central bankers and the strong personal interconnections between them (for an analysis of central bankers as a closely-knit club, see Marcussen 2013). In the same interview, Geithner also suggests that the management of financial markets relies heavily on work done "in conjunction" with leading corporate executives. He particularly recounts a crisis situation in derivatives markets, when he, as the president of New York's Federal Reserve, invited the heads of fourteen major financial firms from the US and

Europe to work out a plan to get out of the crisis. Together with officials from the US Federal Reserve, the Securities and Exchange Commission (SEC) and Britain's Financial Services Authority (FSA), the bankers ran a series of conference calls over the following months. In this "borderless, collaborative process", there was "nothing written, no guidance, no regulation, no formal process", Geithner notes.

As Geithner's account suggests, global governance processes often rely on informal networks which transcend institutional and national boundaries, bringing together actors from public and private sectors. What has also been referred to as "club governance" (Tsingou 2015; see also Keohane and Nye 2001), the institutional interlocking of elites across societal domains and national boundaries can be considered to be a concrete manifestation of this relationship of mutual dependence between states and transnational businesses. Rather than being based on competition and bargaining between the state and the private corporations, issues of global governance brings them together to discuss and solve "common problems" in a club-like atmosphere of confidentiality.

But while there is a certain networked and horizontal nature to global governance, this interaction is also hierarchically structured: power is very unevenly distributed in this field of global political and economic governance characterised by "elite rule and lack of participation" (Stone 2008, 22). As noted in a 2004 ILO report by an international commission consisting of representatives from government, business, trade unions, civil society and academia, power in global governance is very unequally distributed among nation-states with the economically most powerful countries being in a dominant position to define the rules of global governance (ILO 2004, 76–8, 88): in addition to creating exclusive institutions, such as the various G groupings and the OECD, major economic powers also tend to dominate in the more multilateral IGOs, and especially in the international financial institutions (IFIs). Smaller and poorer countries have not only been largely excluded or marginalised when defining common rules, they have also been subjected to the imposition of those rules by the IMF, World Bank and other IGOs (Held 1995, 110–1). As result, while all states are important in the regulation and ordering of the global economy, most governments have little say in designing the rules governing the global political economy and little leeway in pursuing autonomous policies. Oftentimes, IGOs have considerable power in dictating policy decisions over ostensibly sovereign governments, with debt typically serving as the disciplinary mechanism to enforce conformity to the dictates of supranational rule.<sup>66</sup>

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<sup>66</sup> The case has often been made of how the World Bank and the IMF, in the 1980s, set strict policy reform conditions on indebted non-western low-income countries (see Dicken 2011, 539–40; Hoogvelt 2001, 152–3; Wood 2003, 21–2). However, in the wake of the global financial crisis, which dramatically increased the public indebtedness of many countries,

In addition to the economically most powerful states, large TNCs and banks have a powerful position in this system of self-regulative and multi-stakeholder governance. TNCs are often capable of harnessing IGOs to further their individual and collective goals, and particularly the WTO has been an organisation that has served the interests of TNCs in liberalising trade and lowering barriers to new markets (see Keohane and Nye 2001, 268). In addition, the WTO plays an important role in international trade disputes. While only countries can bring trade disputes to the WTO, most cases are driven by corporations: corporations hire law firms to persuade a government to bring a new dispute to the WTO, and they also work with governments at every stage of the legal process (Rothkopf 2012, 223–5). The rise of large TNCs as power-holders in global governance has taken place, on the one hand, at the expense of smaller TNCs and domestic companies which compete against foreign imports. Giant firms increasingly use political power and influence policies directly as representatives of large TNCs often sit in the tables of global governance driving the agenda. Meanwhile, smaller companies remain dependent on business associations to further their interests and can mainly try to externally exert political pressure on governments (Crouch 2011, 131–3; Keohane and Nye 2001, 268). Nonetheless, due to their greater resources and access, large TNCs are often in a better position to shape international policy processes than small and low-income states. While the bargaining power of developing countries has grown in some respects since the 1990s, thanks to their increasing ability to form alliances and collectively challenge the western powers, small states still tend to have less power than many TNCs in effecting outcomes of global governance (Keohane and Nye 2001).<sup>67</sup>

In the elite sphere of global governance, the traditional division between the state and corporations, or public and private spheres, is losing its relevance. The active involvement of TNC executives, consultants and other representatives of the corporate sector in transnational political processes alongside government leaders and IGO officials implies that economic power and political power are increasingly enmeshed (see Crouch 2011, 68–70). Globalisation and financialization, in other words, advance the evolution and

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similar conditions have also been imposed on a number of western governments. At the same time, it has become evident how crucial public debt is as a disciplining mechanism in global governance. In the case of Ireland, for instance, the IMF, ECB and the European Commission not only conditioned their loans for the country on heavy austerity measures, they also exerted strong pressure on the Irish government to make it consent to the multilateral bail-out to prevent it from defaulting on its debt (Richardson et al. 2011, 189–93).

<sup>67</sup> In this regard, Rothkopf (2012, 31) presents illuminating rhetorical questions: “Whom would you pick in one-on-one contest to influence, say, global climate talks—ExxonMobil or Morocco? Who has more clout in an effort to impact global financial markets—JPMorgan Chase or the Central Bank of Thailand?”

significance of the global political economy as a domain in which private and public actors co-operate in various “public-private partnerships” for the governance of economic processes (Bull et al. 2004; Rothkopf 2008, 171). The domain brings together a particular transnational elite composed of three types of actors: government leaders, regulators and other public sector officials; international civil servants working for IGOs; and private sector professionals, including business leaders, foundation officers, consultants and scientific experts, and individuals may increasingly build their careers by moving between the three realms (Stone 2008, 30–1).

Whereas a focus on institutional arrangements and authority structures may lead to a misleading understanding about the “weakness” (and thus practical irrelevance) of global governance, a perspective on agency in the global political economy points to the ability of elites to wield power on a transnational level. In global economic governance, transnational elites establish a particular field of planning, coordination and power (cf. Levy and Prakash 2003). Without formal authorities and mechanisms of public representation and accountability, the agencies, informal planning groups and networks engaged in global governance enable elites to design policies and make joint decisions over which citizens have practically no control (Held 1995, 139). At the same time, the involvement of a plurality of actors makes it obvious that global governance is involved with issues that have significant consequences for all actors in the global economy and is therefore a matter of great economic and political interest. Far from dealing simply with supposedly technical matters enhancing global economic integration and stability, such as setting market standards, regulating financial flows or coordinating monetary policies, global economic governance is about exerting power over fundamental aspects of the global political economy. Transnational elites can thus be understood as “global governors” who “exercise power across borders for purposes of affecting policy [...] and create issues, set agendas, establish and implement rules or programs, and evaluate and/or adjudicate outcomes” (Avant et al. 2010, 2).

### **Global economic governance and communicative agency**

The coming together of corporate, political and bureaucratic elites for global economic governance signals a relatively explicit acknowledgment of their common interests in managing global capitalism and protecting it from its destabilising tendencies. Yet this partial recognition in no way precludes the existence of deep disagreements over the management of the global economy, the power to shape its outcomes, or clashes of institutional cultures and interests between transnational elites. Nor does it rule out that, on specific issues, elite groups constantly try to gain advantage over other elites and institutions. Times of crises, in particular, tend to bring out differences between elites and elite institutions. In his discussion of central bankers as a specific transnational elite group with its own distinct culture, Martin

Marcussen (2013, 27–8) offers an illuminating example. In 2009, in the midst of the global financial crisis, the German chancellor Angela Merkel gave a conference speech in which she criticised central banks of their policy of pumping the financial markets with liquidity (see Benoit and Atkins 2009a; 2009b). This was consistent with the private views of many German politicians at the time who saw such unorthodox measures as threatening, potentially leading sooner or later to another financial market bubble. Yet the remarks, picked up by the FT online and from there spreading quickly in the international business media, stirred considerable interest not so much due to their content but because Merkel broke an unwritten rule in the German political culture about top politicians not presenting critique against European monetary authorities *publicly*. Two days later, Jean-Claude Trichet, the ECB governor, called Merkel personally to ensure that the German government was not about to challenge or threaten the ECB’s “independence” (Atkins 2009).

There are three important insights we should draw from the event recounted by Marcussen. First, the global political economy with its complex processes, relations of interdependence and feedback loops is recognised by transnational elites as a key environment in which they operate. This environment is constantly altered by various kinds of institutional activities, from investment decisions and financial speculation to regulative measures and monetary policy. Most of these elite activities are either intentionally focused on or have the non-intended effect of shaping the rules, regulations, policies and structural conditions that affect how all agents in the global political economy operate. Following the argument of Avant and colleagues (2010), all these efforts can be understood as agency in global economic governance. Irrespective of the purported weakness of the actual institutions global governance, the actor perspective emphasises that actual efforts to formulate and implement rules and policies for the global economy take place all the time, and in this sense, transnational elites can be described as global governors.

Second, various actors with different institutional resources, mandates and objectives are involved in the process of governing the global economy. Thus, there is a need for transnational elites to try to influence each others’ actions and to establish collective practices and principles. Yet there are constant differences on matters of policy, and these contradictions are likely to both grow and surface during global economic crises, when something has gone wrong and there is less consensus on what to do next. With no central authority and formal decision-making structures, constant negotiations and efforts to build consent and consensus are needed between transnational elites, which makes intra- or inter-elite communication of utmost importance for global economic governance (see Avant et al. 2010, 2; Hajer 2009, 180).

Third, the example illustrates how, to interact with other members and groups, elites use both interpersonal and public forms of communication. Merkel, obviously, could have followed the unwritten rules of the German political culture and presented her critique in private or otherwise let the ECB

and other central bankers know about her views on proper monetary policy. Instead, she decided to air the critique in a public manner, speaking at an economic policy conference in Berlin. The motive behind such a move may well have been to let the public know that the central bankers' common global policy was not unquestioned by all international policymakers at the time. The intervention may even have been an effort to mobilise broader international support on her views in order to indirectly apply pressure on central bankers to rethink their monetary policy.<sup>68</sup> However, the act only became consequential after the critical remarks were picked up by FT reporters and disseminated to international elite audiences.<sup>69</sup> Mediated communication therefore plays an important role in global governance (cf. Hajer 2009), and the specialised media catering transnational elite audiences often influence these processes, mediating various views, highlighting conflicts and prompting reactions from decision-makers.

### **3.3 Economic governance and private-public communication**

Evidently, much of the TEC in both forums and media are aimed at informing and influencing key decision-makers in the global political economy. For their part, staying on top of the discussions and currents of thought among their peers is an essential motivation for transnational elites to attend elite forums and clubs (Richardson et al. 2011, 89–90; Tsingou 2015, 237). Getting a sense of what their fellow business leaders, regulators and legislators have in mind helps them understand their own environment and make inferences of likely future developments. Clubs, conferences and the elite media allow them to both get a reading of the political and business climate and communicate their ideas and intentions to the elite public, thus affecting and potentially directing the market and policy behaviour of others.

TEC, therefore, facilitates the daily decision making of transnational elites by contributing an essential element to the cognitive environment in which they exercise power. This ideational landscape consists of detailed market data, official communiqués and political news, but it also includes general beliefs about the ontology of the global economy, ideas about the nature of markets, states and other institutional spheres affecting the

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<sup>68</sup> In this sense, central bank independence from political authorities as stated in the national legislations of the majority of western countries exists only *de jure* and is always challenged in practice, albeit to varying degrees (Marcussen 2013).

<sup>69</sup> Apparently, the German newspapers that were present at the conference did not even mention Merkel's critique of central bank policies in their news coverage (see Eurointelligence 2009).

economy, theoretical and practical conceptions about policy alternatives, as well as values and normative premises concerning the governance of the global economy and the role of various actors participating in economic processes.

Indeed, TEC has not merely to do with the facilitation of everyday decision-making. It is also an essential part of the solution to the problem of the governance of the global economy. As the public, private and public-private institutions and agents of global governance have proliferated, the forums and media of TEC emerge partly in response to these needs to facilitate improved coordination of activities for the governance of the global economy (Garnham 1992, 361–2). Accordingly, scholars often make sense of the various elite clubs, associations and planning groups in terms of their contribution to global governance (e.g., Richardson et al. 2011; Rothkopf 2008; Sogge 2014; Tsingou 2015). International macroeconomic coordination and other problems of global economic governance have been found to form a central part of the agenda of such groups as the Trilateral Commission and World Economic Forum (Friesen 2012, 108, 134; Gill 1990, 174–9, 188–97; Pigman 2007, 68–72).

Similarly, elite news media, and particularly international business and political journalism facilitate international policy coordination in various ways, thus playing a key role in the governance of businesses and the overall economy (Madrack 2002; Tambini 2010). First, public reporting on banks, businesses and government activities serves not simply investors in their daily decisions, but also other agents, such as regulators, legislators and the courts which have a role in supervising the activities of businesses and the operation of markets. Second, elite media and journalism reproduce and disseminate common ideas and interpretative frameworks, contributing to the reproduction of a “transnational language” on which global policy coordination depends (Blichner 2007). From this perspective, what makes global governance possible in the first place is the development of concepts and ideas that transcend linguistic borders.

Third, the media directed to transnational business and political elites provide spaces for the horizontal discourse between elites, connecting individuals and institutions across national boundaries (cf. Curran 2005, 121–2). This purpose is explicitly recognised by the aforementioned *The International Economy*, which describes itself as a “specialised quarterly magazine covering global financial policy, economic trends, and international trade” and uses the notion of “international economic statecraft” to epitomise its mission.<sup>70</sup> Rather than presenting itself in traditional journalistic terms of acting as a watchdog of the powerful, or facilitating all-inclusive democratic debate by informing a predetermined constituency of citizens, the magazine explains its purpose and objective in terms of being part of and supporting the

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<sup>70</sup> See <http://www.international-economy.com/AboutTIE.htm> (accessed 29 August 2016).

emergent global economic governance apparatus, established and directed by “the international community” of mostly unelected elites:

*One reason the publication has endured is that the international community has seen over the last two decades the emergence of an international economic statecraft of sorts. This statecraft now sits side by side with the statecraft long established during the Cold War in the field of foreign policy and defense. That latter statecraft of course enjoys the benefit of important publications such as Foreign Affairs and Foreign Policy. After more than twenty years of existence, The International Economy finds itself in a uniquely exclusive role as part of the new international economic statecraft.<sup>71</sup>*

Whether taking place in forum debates or being disseminated by the media, the practices of TEC are thus at the heart of global governance. As Richardson and colleagues (2011, 10, 70–3) argue, in the absence of formal procedures and authorities at the international level, the legitimacy (and thus success) of a policy initiative in world politics rests on the perception of the collaboration and consensus that has produced it. Informal elite interactions, and the various institutions, associations and forums that facilitate it, represent just the kind of cooperation and search for consensus needed to reach collective rules and decisions, and thereby they become essential sources of authority and legitimacy of decisions and the contemporary international order in general. This is also why elite gatherings, such as the Bilderberg and the World Economic Forum, are often understood by critical observers and many participants alike in terms of engaging in consensus formation (e.g., Korten 1995, 133–4; Richardson et al. 2011, 101–4; Sassen 2001). The significance of TEC thus derives from its impact on the actual decisions and policies it gives rise to. For Richardson and colleagues (2011, 7) the consensus that are formed and disseminated by elite forums, clubs and networks “are a critical mechanism for resisting and facilitating change in world politics”.

### **Private spaces for deliberation**

A notable trait of elite associations, forums and exclusive media outlets is their capacity to facilitate “public” deliberation in a “private” space. In this sense, the emergence of transnational forums and media can be viewed as part of a more general transformation of the public sphere since the early twentieth century, which has seen the formation of exclusive expert publics in tandem with the degeneration of an inclusive general public sphere (Habermas 1989; see also Eriksen 2005). With the establishment of exclusive platforms for TEC, there is a move away from general public spaces and the limits of mass democracy and mass publics by those who exert power on a global level, and a

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<sup>71</sup> See <http://www.international-economy.com/AboutTIE.htm> (accessed 29 August 2016).



simultaneous attempt to confine the all-important political discussions to small circles of learned and influential elites.

Privacy, in the sense of non-publicness and non-transparency, is obviously a core characteristic of much of the activities in international business, politics and administration. The “informal” interaction in elite clubs and forums is essentially private in nature, even when it involves public officials, political representatives and touches upon matters of global public interest. Many elite gatherings, such as Bilderberg and the Trilateral Commission, are held in almost total media blackout, while others tend to combine meetings behind closed doors with carefully managed press conferences and public panel discussions. The privacy and confidentiality of many of these meetings with their rules of non-disclosure of the issues discussed is typically regarded by the participants as designed to allow open debates and an earnest exchange of ideas and opinions (Richardson et al. 2011, 151–2). Members of transnational elites come together in the private spaces to discuss matters of public interest to avoid being constrained in their expression by the constant media attention and public scrutiny their offices are accompanied by. Accordingly, what characterises these debates, by many participant accounts, is their openness, frankness, lack of posturing and the more personal nature of interactions (Gill 1990, 148; Richardson et al. 2011, 171–3).

There is more to the private nature of TEC, however, than just non-transparency and confidentiality. The favourable characterisations of openness and frankness of the debates in elite clubs and forums suggest that, in addition to limiting what the politicians, executives and central bankers can safely utter without risking negative publicity – let alone political scandals and market turmoil –, the elites perceive the general public sphere as a space in which serious, open and constructive deliberation is all but impossible. Indeed, given the conditions whereby public debate appears to be beset by a whole range of problems, including the media’s short attention span and incoherent agenda, as well as the prevalence of populist rhetoric and participation of laypeople with little understanding of complex issues, the rationale behind the flight of elites into enclosed communicative spaces consists not only of a desire to make important decisions in secrecy. Limiting the scope of participants to those that “truly matter” in the world of politics and the economy can also be understood as an attempt to improve the quality of debate. Educated expert elites seek spaces in which focused, serious discussion in an informed and “civilised” manner becomes possible without the limitations and distractions of the mass media and their tendencies to “dumb down” arguments. Private clubs and forums, as well as the specialised media, effectively serve these goals of insulating transnational elites from distractive noise and an endless range of opinions and perspectives that inhabit the broader public sphere. They also allow the focusing of the agenda and limitation of perspectives on those issues of global political economy that the owners and managers of private capital, as

well as the heads of international organisations and political institutions, consider relevant (cf. Tsingou 2015, 231).

To enhance the quality and relevance of debate, TEC is typically regulated by implicit norms and criteria. While being carefully vetted on the basis of wealth, institutional position, perceived influence, the soundness of political attitudes and views and other such criteria, participants of elite forums are encouraged to transcend the “conceptual limitations of their office and constituencies” (Richardson et al. 2011, 55, 119–20). Discourse, in other words, is not meant to degenerate into bargaining or arguments between competing interests with each participant representing only themselves or their interest group. Instead, discussants are expected to present more general arguments and justify their positions by resorting to goals and values relating to the general good. These implicit norms thus echo the Kantian principles of enlightened public deliberation, in which participants are expected to enter the debate on public matters as “private” persons, presenting arguments independent of their occupations, professions or positions in the relations of production (Kant 1991 [1784]; see also Koivisto and Väliverronen 1996, 21). Moreover, demonstration of respect despite differences in opinion is one of the key norms in the behavioural code of these forums, as is the ability to present one’s views in a constructive, non-confrontational manner (Richardson et al. 2011, 55, 118). As a result, differences in views are being openly explored and confronted rather than swept under the carpet, which paves the way for, if not necessarily consensus, then at least mutual understanding of the grounds for disagreement (Gill 1990, 148). In this way, elite forums and media can be regarded as institutional forms of TEC that promote practices of “rational-critical debate” in which arguments are supposed to rise above particular interests and avoid the kind of promotional language of the public relations strategies by which the organisations seek to legitimise their private interests in the general public sphere (Habermas 1989).<sup>72</sup>

### **Mediated elite communication**

Yet, in addition to the various ways in which exclusivity and privacy characterises TEC, it also has various “public” dimensions. Both the forums and the elite media operate as platforms of communication that serve to

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<sup>72</sup> As Fraser (1990) has pointed out, the setting of norms on communication, which effectively serve to delimit participation, is a key element in the ideological function of any public sphere. Accordingly, participation in transnational elite communication is restricted not only by wealth, institutional position and status, but also by communicative norms that privilege certain cultural groups and socioeconomic classes. In this respect, the ideological nature of TEC is particularly evident in the (self-)representation of transnational elites at the World Economic Forum, as will be discussed in Chapter 6.

establish a common, or public, agenda among the elite concerning the management and control of the global economy. The shaping of the cognitive environment of the decision making in the global political economy takes place through such processes as agenda setting and framing (cf. Sassen 2001). Elite forums and media are spaces in which elites negotiate and develop shared views, which not only are likely to be introduced in the businesses, governments and other institutions they control but which also tend to become disseminated in the media of the general public and affect the agendas of those who compete with them or try to emulate them (cf. Rothkopf 2008, 303). The issues brought up and defined in elite interaction increase in salience in the minds of decision-makers and may consequently emerge, and carry the same framing, into more formal political and business agendas (Richardson et al. 2011, 103). Through their ability to formulate policy agendas and disseminate them through the international media, transnational elites can therefore shape the meaning of central political concepts in the political debates around the management of the global economy and, increasingly, national economies (Robinson 2011). In tandem, elite individuals compete for influence and authority in the discussions over the global economy, attempting to take advantage of the higher visibility and credibility offered by the media outlets in order to gain acceptance for their views on policy measures and to control the political and economic agenda.

The inevitable consequence of the use of elite media as a means of communication is heightened public exposure. Indeed, those belonging to the transnational elite are the focus of attention for reporters, journalists and editors in the international media. Besides the reinforcement of a hierarchy of visibility among elites, the publicity generated by international business and political journalism also creates a form of elite accountability (Tambini 2010). Indeed, much of TEC is directed at selected elite groups or institutions that are recognised as “authorities” in the field of global governance (Crack 2007, 349). Elite journalism provides a medium, or a platform, that can be used not just by journalists themselves but also by other elites to present justifications for certain policies or to question their legitimacy, as well as to make normative claims and demands on decision-makers. In this way, despite the absence of formal mechanisms of accountability in much of international politics, publicity generated by the elite media influences elite activities by creating a sense that “someone is paying attention” (Ettema 2007, 145–6).

There is a consequent tension between the elites’ interest in the use of public channels of communication, and their preference to interact privately or to keep operations shrouded in secrecy. As Mills (1956, 91) pointed out, much of the exercise of power takes place behind closed doors, and those in power often see it convenient to keep out of the limelight.<sup>73</sup> However, instead

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<sup>73</sup> Corporations, for instance, have been happy to exert their influence on the negotiations over regional trade agreements without any public exposure. This partly explains why information

of being content with quiet networking, backroom lobbying and gatherings in exclusive private clubs, transnational elites also get together in the open at places like Davos, and they employ the international elite media to gain visibility for their operations and political claims. One explanation to these apparently contradicting interests may lie in the way that prestige, reputation and status relate to power and authority and serve elite interests. As Mills (1956, 83–9) noted, media publicity not only increases the visibility of the message, but it also tends to increase personal status and build reputation. Elites often seek wide recognition and try to build a favourable reputation, not necessarily among the general public, but more so in the eyes of their peers. When successful, they gain status or prestige among elites, which often serves to increase their authority and influence. Therefore, the interest in turning power into authority by way of status and prestige is one way to understand why business executives, central bankers, officials and politicians seek global media attention and public recognition in the platforms of TEC.

### **3.4 Elite communication and collective agency**

Transnational elite forums and media are not formal policy-making or decision-making institutions endowed with legislative, executive, regulatory or juridical powers. Their primary purpose is to participate in the processes of transnational policy formation and influence the eventual decision making in governments, central banks, inter-governmental organisations and TNCs.<sup>74</sup> Through associations and the media, transnational elites thus exert in the political economy a particular form of what Steven Lukes (2005) has called structural power, referring to an actor's capacity to shape the parameters

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on highly secretive trade negotiation processes, including the TPP and TTIP, have largely been gained through leaks (see, e.g., Carter 2012; EurActiv 2014).

<sup>74</sup> Elite forums and media can be located within a complex process of policy-formation in which the actual legislation, implementation, regulation and judicial proceedings represent only the final phase. Gill (1990, 162–3, based on Dye 1979, 212) has described the institutional matrix of the US policy-making process in which the activities of formal state institutions are preceded and complemented by a diverse combination of government commissions, councils and policy-planning groups but also by foundations, universities, corporations and influential individuals, as well as the media. This institutional nexus creates a complex web of influences, contacts, grants, endowments, interlocking directorates, contracts, policy recommendations, research reports and news items, all aiming at influencing the formal institutions of decision-making. Within this assemblage, transnational elite forums and media can be seen as occupying key positions in the way they create connections between corporate, financial, university, civic, intellectual, and political leaders on matters of economic policy and international relations, both within and between nation-states.

within which others make decisions. Transnational elites obviously can wield structural power in various ways, including their financial, productive, legislative and military decisions (Pigman 2005; Rothkopf 2008, 304; Strange 1996). The structural power exerted in TEC is analytically distinct from these other forms as it relates to the capacity of an actor to shape the normative and cognitive beliefs of other actors and thus the ideational terms on which political and economic decisions are made (cf. Carstensen and Schmidt 2016). In this sense, TEC is at the heart of global governance, insofar the latter is understood as a “transformational and innovative” practice that consists of “offering attractive new ideas, formulating new strategies, and persuading people of the importance of new social goals” (Avant et al. 2010, 9). Yet this communicative form of power also contributes to the capacity of political and business leaders to maintain their financial, productive and military forms of power at national and global levels (cf. Carstensen and Schmidt 2016, 326; Corcoran and Fahy 2009, 100).

As Sassen (2001) has argued, the almost ubiquitous turn of governments all over the world towards the opening of markets and the liberalisation of trade in the 1990s can be regarded as one of the most dramatic consequences of the ability of transnational elites to exert power through ideas:

*[I]n the past decade many of the world's governments turned 180 degrees in their policies regarding foreign investors, privatization, deregulation and opening up to global markets. We cannot simply assume that they all suddenly decided the global market is better [...] or that it is the result of the United States and the IMF exercising raw power. It entailed persuasion and resocialisation of government officials, an education about what it meant to adequately run a national economy. A whole new culture of government had to be produced, one that drastically redefined the desirable relation between states, global firms and global markets. In brief, it took “cultural work.”*

*Sassen 2001.*

In the quote, Sassen refers specifically to the World Economic Forum, describing it as one of the spaces in which such persuasive and socialising “cultural work” gets done. But the same case can be made of other informal forums, as well as the media, that reproduced, shaped and disseminated the views of transnational elites and thus facilitated the international turn to a liberalising agenda of globalisation in the 1990s.<sup>75</sup> In a similar manner,

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<sup>75</sup> Obviously, the influence transnational elites exert through forums and the media should not be solely credited with the almost universal turn towards policies of market liberalisation in the 1980s and 1990s. It was surely a result of a complex set of converging forces, including the capacity of the United States government, the IMF and other creditor institutions to impose

Robinson (2011) argues that transnational elites connected to the capitalist global economy have been instrumental in shifting political and economic discourse in the past three decades. TEC, in other words, is considered to be closely connected to the interests of the globalising elite who seek new avenues to move and allocate capital and look to bring down the boundaries that hinder the free movement of commodities and capital. What happens in the global economy is of central importance to investors, managers of TNCs, international officials and political leaders, and much of the agenda of transnational elite forums and media revolves around the issues of economic governance and the global markets. For their part, business and financial journalists, particularly in those media outlets not directed to general audiences, tend to position themselves in the service of investors and other parties that need market relevant information (Allen and Savigny 2012, 281; Tambini 2010, 160; Doyle 2006; Davis 2007a, 64–5).

Elite forums and media, obviously, do not dictate any collective will that their members and audiences adopt. Instead, the influence that these groups and media exert is more subtle, relating to the way they promote certain ideas, values and ways of seeing the world among the elite. (Cf. Richardson et al. 2011, 204–5.) Accordingly, as much as it integrates transnational elites into common communicative spaces (see Chapter 2.1), TEC also contributes to the shaping of the discursive forces that structure their decisions and actions as individuals and groups, as well as their relations with non-elite groups in society (cf. Carstensen and Schmidt 2016, 329–31). It is, in other words, deeply connected to the operation of ideology as a key element in the transnational elites' exercise of power in world society.

### **Ideology and elite agency**

Regarding the ideological dimensions of communication in the exercise of power, we can roughly distinguish between two relevant perspectives. The first relates to the relationship between the elite and subordinate groups and to ideology's function as a way of maintaining relations of domination. From this perspective, ideology refers to those ideas and beliefs that are held by a "dominant social power", that promote and legitimize this power's interests and that help it sustain a certain political and social order in the face of opposing interests by "securing the complicity of subordinated classes and groups" (Eagleton 2007, 29–30). Due to the institutional power of

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the Washington Consensus on debtor countries of the developing world (e.g., Panitch and Gindin 2012), as well as the demise of opposing political ideologies after the collapse of the socialist countries. Yet the capacity of transnational elite forums and media to incorporate business and political elites from the non-Western world and to disseminate the liberal internationalist agenda among them was arguably a key element in the concerted move towards a more integrated global economy, especially in the decade after the cold war.

transnational elites in world society, the ideology formulated in TEC, and enacted in their actions and practices, shapes and reproduces the hegemonic order of social relations in the global economy and world society. However, as Lukes (2005, 7–9) points out, such elite hegemony is based not only on an ideological basis of ideas, values and beliefs, but also on a “material basis” in the sense that elites secure their position through compromises with the interests of other groups. The idea of hegemony as a constant need for appeal, negotiation and compromise to secure legitimacy of a particular order serves as an important reminder about the limits of the elites’ power. Even as transnational elites make and coordinate decisions, which may have global consequences, they do not form a clique that has control over historical events (cf. Mills 1956, 20–2). To maintain their position of power and exert their influence over the global economy, elites need to both develop shared meanings, ideas, beliefs and values, which justify their position and interests, and to seek compromises with other groups. Other social forces and groups may thus always challenge transnational elites and force them to re-direct political agendas.

There is also a second dimension to ideology, however, which Terry Eagleton (2007, 222) identifies – and rejects – as the “sociological” view. From this perspective, ideology operates as a “‘cognitive map’ which orientates its agents to action”. This dimension, in other words, refers not so much to the dynamics between dominant and subordinate groups, but rather to the operation of ideology within a certain group itself. From this point-of-view, TEC contributes to the making of the elite as a collective agent and provides its members rationales for action. Regarding the notion of collective agency, we may approach it in at least two ways. On one hand, the notion refers to a group whose members are consciously engaged in a concerted effort to realise a shared objective (see Roth 2016). Accordingly, philosophy of agency often posits that collective agency presumes collective intentionality: individuals who engage in joint action, or consciously share a belief, desire or intention, express collective intentionality (Searle 2003, 198). Margaret Gilbert (2003) has described the basis of this collective intentionality, action and belief in terms of joint commitments. In her view, collective agency entails actors who jointly commit to an action or belief as a collective, as well as an explicit expression of this commitment between the members of the group. Thereby committing to a joint action creates a normative obligation to follow such commitment (ibid., 56; see also Tuomela 2003, 103).

On the other hand, the notion of collective agency describes the way in which human agency is always related to social interaction. As Barry Barnes (2000, 51) argues, individuals are susceptible to social influences and pressures, and these influences are mediated in communicative interaction. In action, individuals make use of knowledge, which is collectively generated and which the individuals trust as the knowledge of their social reality. From this latter perspective, therefore, individual agency does not in fact exist in the sense of perfectly “voluntary” action prompted by “independent” mind or will.

All human agency is social in nature, and individuals always act, whether consciously or not, in relationship with other people, as members of groups – i.e. “collectively”. The notion of collective agency thus points to the character of humans as essentially social agents who have an inclination towards agreement and co-ordination and who constantly adjust and align in interaction with other agents (Barnes 2000, 56). In this sense, all action manifests collective, rather than individual action.

The former interpretation of “collective agency” can perhaps be regarded as the common sense understanding of the term while the latter is a rather abstract and even counter-intuitive proposition. Even if we may accept that pure individual action in the sense of independent voluntarism does not exist but that all action takes place in interaction with others so that others inevitably influence the actions of an individual, it does seem far-fetched to argue that all action is thereby realised by a collective. Moreover, some actions clearly are more collective than others in the sense that the members of the group consciously commit to a collective objective and act in concordance with others to achieve it – consider, for instance the way a football team operates collectively (see Roth 2016). Buying a company share in the stock market with the purpose of private gain, in contrast, must be considered to be a much more individual effort, even if we acknowledge that such operation is dependent on other people and influenced by shared knowledge of the market environment.

We can perhaps regard the operation of a team as an ideal type of collective agency – collectively acting for a shared goal – and acknowledge that in practice social groups typically do not act in such collectively coordinated manner. This, however, does not mean that groups cease to influence the actions of their members. Moreover, at times, the actions of a group may become “more collective” in character, as when its members become more aware of the group, identify more strongly with it, negotiate collective goals and commit to them in their own action. Jennifer Mitzen (2011, 59–60) emphasises the significance of publicity in creating the normative pull of honouring such commitments. This is because collective intentionality requires shared knowledge of the intention and of the commitment to it by each participant. In the context of international relations, Mitzen (*ibid.*, 60) specifically emphasises the significance of elite forums as spaces in which participants appear, meet face-to-face, adopt certain discourses and make known their joint commitments in the process of problem solving. They therefore “draw individual behaviour under common rubrics, steering collective behaviours towards their goals and projects”.

Communication is thus essential for collective agency. Already the abstract notion of human agency as inherently social or collective underlines the influence of the social interaction and communication within a group on the actions of its members. But more importantly, communication is the prerequisite for a group potentially developing more concerted forms of action, or becoming a “more collective” agent. Collective goals and projects are defined via communication, and they influence individual action in terms of



creating obligation, potentially shaping a person's intentions, objectives and even values. Communication also creates new collective goals and interests, steering future action. This development into a more coherent collective may lead to a more concerted action by its individual members.

Speaking of the transnational elite as a collective agent thus refers, first and foremost, to the idea that human agency is not purely individual; actions do not arise from any independent powers and capacities of the individual. Moreover, without arguing that transnational elites act concertedly for a common purpose, the notion suggests that for those belonging to a transnational elite, the knowledge and social influence exerted in communication with their fellow elites forms a significant part of the cultural, normative and ideological context in which they decide upon their action. Much of the knowledge, normative ideas and values that transnational elites resort to in order to make sense of their actions derives from the intra- and inter-elite communication with their peers. The communicative interaction between elites, therefore, constructs shared understandings and can, in time, potentially lead to more concerted collective agency.

Ideology in the sense of a cognitive map that informs agency entails both ontological beliefs about the nature of reality and normative ideas, values and principles. However, from this perspective transnational elite forums and media are not so much about the formulation and promotion of ideas and values with the intention of serving the individual and collective interests of the elite, let alone about disingenuous rationalisations and intentional obfuscations of an unjust social reality, as they are about helping the elites to navigate in the social world. Along these lines, Mills (1956, 13–5) argued that “the moral conception of the elite”, which he considered to be prevalent in the US public discourse of his day and concerned the purportedly virtuous values and moral character of the powerful social groups, was not mere rhetoric to legitimise elite power and privileges. It was part of the upbringing and socialisation of the members of the elite themselves, and thus it had the capacity to direct their actual behaviour and social practices.

As this study focuses on the intra-elite communication of transitional elites, it primarily deals with the agency-constructive dimension of ideology. It is important to note, however, that this does not preclude the recognition of the importance of the hegemonic and legitimising dimension of ideology. In fact, Mills' allusion to the “moral conception of the elite” works as a useful link between the two dimensions. The idea of the powerful as intellectually or morally superior to the underprivileged, and therefore deserving of their status and power, is often used to legitimise the prevailing social order, but such notions of moral character also place expectations and exigencies on the behaviour of the powerful. The popular practice of philanthropy among the elite, as well as their public concerns about the environmental costs of business, are good examples of such expectations directed at the elite to address social needs and problems. In the case of TEC, therefore, studying the operation of the elites' ideological power involves two directions: observing

how it shapes the elites as moral agents and how it justifies their power as moral agents.

### **Elite media and ideology**

When it comes specifically to the elite media, they can be regarded as key operatives in both dimensions of ideology. As a cultural practice, journalism can be considered ideological in the basic sense that it represents the world in language and thus constructively patterns this representation by certain kinds of values (Fowler 1991, 4). In this regard, there are several elements in mainstream journalism generally and the international elite publications specifically, which tend to make them supportive of the attitudes and worldviews held by the business and political elites, thereby reproducing the hegemony-constituting dimension of ideology. Already the commercial basis of much of global media prompts them to align with the interests of their elite funders, and the similar educational backgrounds journalists share with the business and political elites often leads them to adopt rather homogeneous assumptions about the economy and markets (Merrill 2012). More significantly, the very professional culture of journalists is imbued with practices that favour the points-of-view and sense-making of elites. These include the practices of selection and representation, the privileging of elites as sources and their simultaneous legitimation as powerholders, and the adoption of elite frames of reference through being deeply embedded in their worlds of operation (Fowler 1991, 18–20; Grünberg and Pallas 2013). Accordingly, Fowler (1991, 23–4) concludes that the institutional elite sources favoured by journalists provide them “with modes of discourse which already encode the attitudes of the powerful elite” so that the media largely end up adopting the language and reproducing the attitudes of the elite.

Overall, journalists working for publications and outlets focusing on international business and politics can be considered as part of transnational elites, articulating and reproducing dominant ideologies either unwittingly or fully aware of their position (cf. van Dijk 1988a, x; Allen and Savigny 2012). This is why scholars have indicated that business journalism not only defends prevailing economic interests of investors and corporations by generally failing to represent views and interests of the non-business community or to report on the longer-term societal impacts of financial markets and businesses (Allen and Savigny 2012; Davis 2000; Merrill 2012); it also tends to support and legitimise the policies of dominant international organisations (Durham 2007). Jeff Madrick (2002), for instance, argues that the failure of the financial media to challenge the conventional wisdom about the beneficial nature of neoliberal reforms and the liberalisation of financial markets, let alone presenting alternatives to those policies, led to highly narrow and one-sided reporting on globalisation and contributed to failures in international economic policy making in the 1990s. Even more broadly, the news media have been regarded as a cultural force that both drives and naturalises the

processes of globalisation and financialization (Fairclough 2006; Greenfield and Williams 2007).

Aside from their contribution to legitimising the social order and hegemonic power relations by reproducing and disseminating elite ideas, worldviews and attitudes, the international elite media are also significant for the agency-enabling dimensions of ideology. This can be witnessed already in the eagerness of elite forums and clubs to integrate members of the media sector. Despite being typically held in confidentiality and closed to the news media, elite gatherings from the Munich Security Conference and Sun Valley to Bilderberg and Trilateral Commission tend to include a host of media owners and executives as well as prominent journalists, columnists and editors of the elite news media (e.g., De La Merced 2014; Gill 1990, 158).<sup>76</sup> According to Richardson and colleagues (2011, 167–9), media executives and prominent columnists are valued in these gatherings partly for their presumed touch and influence on the “state of opinion”: journalists can contribute to the elite activities with a reference to a broader context and common sense in which the discussions take place, and, they also go on to disseminate the participants’ views to wider elite and non-elite audiences. Accordingly, as journalists essentially reflect elite opinion back to the elite, their operation as intermediates between elites is valued as much as, if not more than, their instrumentality in disseminating elite views to mass audiences.

Certainly, journalists are not simply passive carriers of messages between members of the elite but contribute to the generation of ideas and policy proposals. Editors and columnists of elite publications seek to impact international political and business agendas themselves, often with the intent of shifting policy and elite opinion. Accordingly, members of the elite often pay attention to the opinions of journalists that they consider influential (Davis 2007b). On the whole, however, many empirical studies suggest that columnists and editors of elite publications tend to follow elite opinion rather than challenge it (e.g., Durham 2007; Habel 2012; Madrick 2002; Robinson 2001; Trenz 2007). Specifically addressing economic, business and financial journalism, Gary Merrill (2012) argues that, even in the wake of the market failure of catastrophic magnitude witnessed in 2008–9, the industry has remained a staunch supporter of “pro-market ideologies”, continuing to disseminate assumptions about efficient markets and market-based solutions to social problems (see also Nederveen Pieterse 2009).

Overall, what studies of elite journalism often indicate is that while editors and prominent columnists actively participate in the framing and opinion formation of policy issues, they tend to legitimise and corroborate the fundamental beliefs and values that prevail among transnational elites. The

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<sup>76</sup> See also <https://www.securityconference.de/en/activities/munich-security-conference/msc-2014/participants/> and <http://bilderbergmeetings.co.uk/media-lobby/> (both accessed 14 November 2015).

ideological nature of international elite media manifests, therefore, especially in the way these publications address the elite and their individual and collective concerns. Based on her analysis of the globalisation narratives of *The Economist*, Martha Starr (2004) observes that the publication not only offers relevant information but also provides other gratifications to its international readership of corporate and political elites. Most significantly, the publication produces meanings that resonate with the life circumstances of its readers. As globalisation touches the everyday life and work of transnational elites, *The Economist's* coverage helps them to orientate in the world that requires business decisions, investments and policy-making in international settings. According to Starr, this orientation is not only about knowledge and “staying informed” but more broadly about positioning oneself in the world of “uncertainties”. International elite media, in other words, help the elites map their place in the world and to come up with ways to operate in it. This agency-constructive role of the media carries significant implications for the ability of transnational elites to act collectively.

### **3.5 Becoming transnational elite**

*The top corporations are not a set of splendidly isolated giants. They have been knit together by explicit associations ... These associations organize a unity among the managerial elite and other members of the corporate rich. They translate narrow economic powers into industry-wide and class-wide powers; and they use these powers, first, on the economic front, for example with reference to labour and its organizations; and second, on the political front, for example in their large role in the political sphere. And they infuse into the ranks of smaller businessmen the views of big business.*

*Mills 1956, 122.*

Forums, media and other forms of associational life are powerful vehicles for self-organising of groups. The transnational forums and associations connecting business executives, national policy makers and international officials are testament to their perceived need to transcend both narrow industry and specific national interests and to articulate common goals on a transnational scale. Accordingly, the establishment of a growing number of platforms for TEC suggests the potential capacity of those connected by shared public spaces to formulate and disseminate collective interests and mobilise these interests in social organisation.

Historical precedents and parallels to the contemporary mobilisation of collective interests in TEC can be traced to the development of new communicative forms and associational practices by the seventeenth and eighteenth century bourgeoisie in Europe (see Calhoun 1992; Eley 1992; Habermas 1989). In his historical study of the idea and practice of the public

sphere, Habermas (1989) associated the capacity of the bourgeoisie to generalise their interests and to turn state power into the service of those interests with their self-organisation through communicative practices (see also Habermas 1992, 431). During this period, industrialisation, as well as the expansion of capitalist forms of production and social relationships, paved the way for the growing class of urban merchants, bankers, industrialists, manufacturers, artisans and other professionals who owned their means of production. Being excluded from formal positions of state power controlled by the absolutist monarch and the nobility, the bourgeoisie established informal clubs and associations for the purposes of networking, interaction, sharing of information and debating public affairs regarding the economic life and activities of the state. Their coming together as groups of engaged civic agents to challenge the political authorities was also facilitated by the press, which grew out of the increasing need for news and information prompted by the expanding commodity markets. These modes of interaction and communication marked a new social, cultural and political discourse, concerning matters of “public interest” but taking place outside the formal state apparatus and among the propertied, managerial and professional groups.

When assessing the nature and significance of the contemporary forms of association and communication among transnational elites in light of historical precedents and parallels, Geoff Eley’s (1992) critical and complementary analysis of Habermas’s original thesis is particularly useful. Concentrating on the organisation of the German bourgeoisie, Eley adopts a Gramscian perspective on bourgeois class formation and emphasises the significance of associational life and public communication in the development of bourgeois collective identity. Several facets in this account appear highly relevant when considering the contemporary networking and group formation of transnationally-oriented business executives, officials and political leaders. First, according to Eley (1992, 297) the clubs and associations were highly exclusive spaces of elite communication: they included only “the most prestigious pillars of local society”, consisting of the most successful businessmen, merchants, lawyers, doctors and civil servants. Second, the clubs and associations provided members of the bourgeoisie opportunities to forge personal relationships with their peers and spaces for setting aside the competitive behaviour and utilitarian interchange governing the marketplace, thus facilitating more amicable interchange and feelings of fraternity among their members (*ibid.*; see also van der Pijl 1998, 102–3). Third, through the associations the bourgeoisie engaged in public activities such as participating in charitable or philanthropic committees and public projects, patronising arts, promoting education, organising public festivals and commemorating historical events (Eley 1992, 297). Fourth, by facilitating communication on public matters, the newspapers and associations helped the bourgeoisie to transcend their particularistic interests as individuals and entrepreneurs and were thus instrumental in the ability of the bourgeoisie to formulate and

negotiate a common interest and a political project based on the idea of national interest (*ibid.*, 302; see also Calhoun 1992, 35). Fifth, the press and the clubs and associations of the bourgeoisie facilitated their growing self-awareness as an elite group. They constituted spaces for the self-reflection of their increasing political strength and offered the context for the expression of their aspiration for general social leadership (Eley 1992, 298). In this way, associational life and mediated communication were elementary to the self-organisation of the bourgeoisie as a social class.

If the associational life and communicative practice of modern bourgeoisie contributed to its formation and growing self-realisation as a class, similar arguments have floated in recent decades relating to the transnational business and political elite (e.g., Faux 2006, 120; van der Pijl 1998, 121–3). As a precursor to contemporary debates, Mills (1956, 281–3) emphasised the importance of elite clubs, associations and newspapers in the creation of mutual recognition and “class consciousness”; and despite his focus on the institutional and cultural integration of the US American elite on a national level, he also witnessed how elites had the capacity to form close ties on an international basis – even across the borders of countries at war. In a similar manner, Barnett and Müller (1974, 48–9) argued that as businesses internationalised their operations and started to create global markets, corporate executives simultaneously developed ideas to rationalise their operations and the historical role they played in the integration of the global economy. Elite forums were significant in promoting these ideas. As executives gathered in seminars to map the future of the corporate environment, they simultaneously “buil[t] class consciousness”, or “a shared sense of goals and means for achieving those goals, a common awareness of problems and opportunities”.

Stephen Gill (1990, 50), in another application of Gramscian vocabulary, has interpreted international organisations, councils, policy-planning groups and philanthropic associations as places where a “transnational capitalist class” develops its consciousness and solidarity. In this respect, particularly important individuals are what Gill (1994, 182) calls “globalising elites”, referring to the “organic intellectuals” who occupy “positions in key strategic locations in transnational companies, banks, universities, think tanks, media companies, governments, and international organizations”. Their purpose, in Gill’s account is to “seek to make transnational capital a class ‘for itself’ by theorising the world order and by synthesising strategy” (see also Robinson and Harris 2000). Today, the G7 and G20 meetings of political leaders and central bankers, the central IGOs, and the policy forums connecting decision makers in international business and politics have been described as spaces for the elite’s recognition and expression of its “global leadership” (Gill 2012).

In sum, the physical and mediated spaces of TEC can be understood as sites for the making of the transnational elite as a collective agent. In these spaces, elites engage in the formation of group consciousness, shared understandings and negotiation over common interests, thereby emulating

the historical experiences and practices of the European bourgeoisie during early capitalism and potentially coming together as a self-conscious “class”. It is evident that the secluded and exclusive nature that characterises institutional and mediated forms of TEC serves the purpose of strengthening the sense of cohesion among participants. The forums are typically designed as private spaces outside the realms of work and production, and the inclusion is strictly controlled and limited by the criteria of wealth, institutional position and perceived influence. In such surroundings, as Mills (1956, 11) points out, members of elite clubs tend to develop a sense of friendship, loyalty and “a kind of mutual attraction” towards each other, which may lead them to accept each other and treat one another differently than people who do not belong to the group. Consequently, through their membership in associations, participants can develop their identity as members of the elite. A sense of elite membership is attractive to many individuals in the realms of business and politics, and participation in transnational elite networks tends to reinforce one’s sense of power and influence (Richardson et al. 2011, 133–5, 142–3, 179). Elite clubs thus play a central part in the generation of a sense of collectivity: they are places to recognise and be recognised by other participants as members of a privileged group (Mills 1956, 281–3; Tsingou 2015, 230–2). In the same way, specialist media can reinforce transnational elite identification among its readership (Starr 2004).

### **Problems of transnational elite formation**

Despite evident similarities between the rise of the bourgeois public as theorised by Habermas and Eley and the contemporary forms of self-organisation among transnational elites, there are also significant differences in the character of these two phenomena. Indeed, while many practices of transnational elite interaction are analogous to those of the bourgeoisie, the societal contexts of the two historical groups are different in some essential aspects. First, even if the European bourgeoisie may have expressed forms of transnational solidarity and even global consciousness (Koselleck 1988), the bourgeois public spheres were characteristically national in nature, oriented in the articulation of “national interests” and mobilised to express political demands from the bourgeois class on the national sovereign (Eley 1992; Habermas 1989). Not only is the national orientation less pronounced in TEC that focuses on issues of “global” concern, there is no single site of transnational authority from which the transnational elites would be excluded from and which it would address with its demands.

Second, and relatedly, TEC is not marked by the kind of fundamental contradiction between the state and civil society that was arguably the case with the early bourgeois public sphere. Instead of positioning itself in separation from and opposition to the state, the transnational elite is characterised by the constant intertwining of the domains of business and politics, or state and market, in institutional capacities, personal interaction

and individual identities (see Chapter 1.2). Hence TEC incorporates members from various domains of society, including those exerting political and bureaucratic powers within state apparatuses.<sup>77</sup>

Third, the absence of a sovereign locus of power in world society alters the “political functions” of public communication. Whereas the early capitalist public sphere aimed at rendering the state into a channel for bourgeois interests (Habermas 1989; Koselleck 1988), the construction of collective agency in TEC cannot be simply articulated in terms of a societal upheaval in which a certain group comes to dominate a single centre of power. The very significance of a political project, when understood in terms of a quest for power, is questionable as far as transnational elites are concerned, because they, by definition, already hold most of the institutional positions of power in the global political economy. Alternatively, we may conceive of the elite’s political project in different terms. On one hand, instead of a hegemonic project challenging existing power structures or aiming at the assumption of power, the political project can be articulated in terms of exercising that power towards certain purposes.

On the other hand, we might argue that the very absence of a central locus of power in world society creates the need for the explicit articulation of a common project and coordination of interests within the elite. Thus, the transnational elite’s political project can also be conceived of as an attempt to create a way of integrating power on a global scale. From this perspective, contemporary elite communication over global issues aims at influencing the decision making of influential people in the spheres of politics, business and public administration, and this can be seen as an attempted re-introduction of the “public sphere” as a powerful factor in politics, only this time on a transnational realm. Therefore, as an analogy to what Habermas (1989) described as the political functions of the bourgeois public sphere in terms of its ability to bring public issues under the supervision of the critical public, the formation of spaces for TEC can be interpreted as an attempt to solve the problem of governing the global economy by reinforcing its collective control through the means of public deliberation, or so that the use of unilateral power can be surpassed in favour of rule by “general will” based on critical reason (cf. Koselleck 1988).<sup>78</sup>

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<sup>77</sup> It should be noted, however, that even bourgeois associations and clubs historically included a significant number of members of state bureaucracy (see Calhoun 1992, 48n56). The bourgeois public sphere, in other words, did not consist only of businessmen, and the very notion of “bourgeois” was quite broad, referring often to civilised and learned men. Therefore, transnational elites in the global political economy may largely reflect the early bourgeois publics in their constitution – not least for remaining highly male-dominated (see Fraser 1990).

<sup>78</sup> The irony is, of course, that the access to this public deliberation is carefully managed and restricted to a small and exclusive elite of experts, the powerful and the wealthy, and tuned to



Fourth, taking place outside the scope of the formal institutions of any particular state or society, TEC forms an essentially “private” sphere consisting of autonomous individuals deliberating on public matters, thereby reproducing the public-private dialectic of the early bourgeois public sphere. However, whereas the bourgeois public sphere mediated between the state, understood as the national political system, and civil society, conceived as the sphere of activities for free individuals and market agents, TEC mediates relations between what might be termed the spheres of the “global economy” and the “transnational state apparatus” that makes up the institutions and practices of global governance (see Robinson 2004; 2011). In these spaces, businesspeople engage with the representatives of legislative and regulative decision makers in an essentially private and unofficial manner beyond the bounds of any formal authority or political process.

Finally, a sense of common interest and class consciousness develops in a complex historical context influenced by material and ideological forces and are by no means inevitable outcomes of group interaction and communication. For Habermas (1989), the “political function” of the bourgeois public sphere was closely tied to the economic interests of the class, and he attributed the liberalisation of trade and markets and the legislative guarantees of private ownership in the eighteenth and nineteenth centuries partly to the successful rendering of the public sphere into service of the political and economic interests of industrial and finance capitalism. Similarly, the bankers, business leaders, politicians and international officials, who come together in transnational elite forums and are most closely tied to the operations of the global economy, have often been characterised by their conscious promotion of “liberal internationalist” views in economic policy and international relations (Gill 1990, 143–4; 1994, 189; Panitch and Gindin 2012, 163, van der Pijl 2012, 9–13, 28–9). For Gill (1990, 53–4), the Trilateral Commission marks an attempt to develop a “universalist ideology of common global interests” that would at least partly reflect the policy preferences of the transnational banks and corporations centrally involved in its proceedings.

However, as Eley (1992) emphasised, the common interests and class consciousness of the bourgeoisie were not predetermined, and they did not arise naturally from the objective socioeconomic position that its members occupied. Instead, they needed to be negotiated, and this was the actual cultural and political function of the bourgeois public sphere; it provided the institutional and discursive forms with which to articulate a shared identity

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advancing the particular set of interests of this group of people (see Richardson et al. 2011, 217). In his critique of the bourgeois ideal of the public sphere, Habermas (1989) alluded to a similar paradox: for him, the ideological nature of the bourgeois public was manifested in the illusion that it represented the general interests of the people while in reality advancing the particular interests of the bourgeoisie. In this same contradiction lies the ultimately ideological nature of transnational elite communication.

and idea of a common good (see also Calhoun 1992, 34–5). Correspondingly, the common interests and group consciousness of transnational elites cannot be simply inferred from the material circumstances and institutional positions of its members. Insofar as such class formation takes place on a transnational level, it is dependent on the ability of the elites to overcome rivalries and divisions and to create “communities of interests” (cf. Mills 1956, 283). Successful articulation of common interests is therefore a key condition to the power that elites can collectively exercise.

In TEC, attempts to formulate a sense of a shared set of interests are partly offset by the simultaneous objectives of incorporation, inclusion and co-optation. As the history of international elite forums and media suggests, US and European elite networks have extended to non-western parts of the world after World War 2, in step with the globalisation of relations of finance, production and trade. Simultaneously, the goal has been to influence the opinions, attitudes, dominant ideas and frames of reference among business and political elites in both western and non-western societies. Accordingly, the integration of Japanese elites into western elite networks was the general reason for the establishment of the Trilateral Commission, but the forum has had a more particular reason for existence: to shift the economic and foreign policy orientations of the major powers and to “internationalise” the outlook of the policymakers in the participant countries (Gill 1990, 143–4). Moreover, transnational elites have sought to include elements from various sectors of society in many of their forums in order to prevent social conflicts and to overcome divisions, including those between productive and financial capital, between industry and labour, and between the public and private sectors (van der Pijl 1998, 159; Richardson et al. 2011, 160–3).

There are obvious limits to such incorporation of new elites and groups into TEC, however, as well as there are limits to the capacity of binding them together behind a collective political project. With successful inclusion of various societal groups, increased differences of economic interests, political orientations and cultural perspectives may easily start to erode the sense of commonality and solidarity among the elites. Therefore, acting collectively and wielding power effectively in the global political economy may become increasingly difficult (see also Naím 2013, 18). There is an obvious tension within the two goals in TEC of trying to simultaneously promote group cohesion and the incorporation of new elements.

A group consciousness and the articulation of common interests and political projects, therefore, are by no means inevitable consequences of the social interaction between members of the elite. The shared identities and ideological projects cannot be taken as pre-existing but need to be understood as contingent entities that need to be actively negotiated and continuously constructed. In this respect, exclusive forums and clubs can play an important role in such efforts of incorporation and co-optation, as they encourage informal association between the participants and promote a sense of cohesiveness and solidarity. Similarly, international elite media can tie the

elite together as an imagined collective by facilitating the articulation of and negotiation over shared ideas, common interests and political programs. What the successful formation of transnational elite agency ultimately comes down to is their capacity in TEC to articulate shared conceptions of reality (a knowledge environment or ontology); a collective identity (the moral conception and an imagined community of the transnational elite); and a political project (common ideas, values and a policy agenda).

## 4 NOTES ON EMPIRICAL METHODOLOGY

The primary research problem guiding this study is to inquire into the potential of contemporary forms of transnational elite communication to facilitate the integration and self-organisation of elites into a group capable of and enacting collective agency. The preceding chapters have discussed the importance of the institutions and practices of TEC for the governance of global capitalism and argued that, to the extent to which we can speak of an integrated transnational elite capable of collective agency, it realises itself in TEC that brings its members together in exclusive communicative spaces. In TEC, the transnational elite may potentially self-organise itself by formulating shared policy agendas and constructing a self-conception of itself as a historical agent. The conception of the transnational elite as a collective agent has thus emphasised the culturally constructed nature of agency. Deep-rooted cultural beliefs and conventions normalise and legitimise individuals, organisations and states as actors in modern society and make collective agency both possible and meaningful (Meyer and Jepperson 2000). The cultural scripts of actorhood also guide and discipline the agents in many ways (Hopf 2009).

When applied to transnational elites as individuals and a collective, the idea of the cultural construction of agency points to the importance of observing real-world TEC. It is precisely in the interactions with their peers that transnational elites potentially create and shape an understanding of themselves as agents. In this regard, the study focuses particularly on international elite media and journalism as a form of this inter- or intra-elite communication. What makes elite journalism an interesting object of study is its relevance as part of the daily sense-making environment of transnational elites. Journalism disseminates certain ideas and beliefs within the international elite public, and it grants them legitimacy and authority. Elite media may also reinforce a sense of transnational elite identity by facilitating the creation of an imagined community of their readers and audiences. These facets of the media can be regarded as integral elements in the potential cultural construction of transnational elite agency. Accordingly, the empirical part of the study analyses the *Financial Times* coverage of the World Economic Forums with an intention of exploring the actual discursive processes of transnational elite agency formation in TEC.

Before moving on to the analysis, this chapter discusses the methodological choices and describes the methods that guided the empirical analysis. The first section outlines the motives and rationales for selecting the FT coverage of the World Economic Forums as the site of analysis. It also describes the steps taken in the collection and selection of the data which consists of 532 newspaper articles. The second section opens the process of data analysis. It connects the qualitative analysis to the earlier discussion on

theorising as a research strategy (see Chapter 1.4) by explaining how both theoretical concepts and the empirical material were made use of in order to draw analytical observations. The section also presents the notion of “epistemic work” (Alasuutari and Qadir 2014), which helped to organise the observations and to connect them with the research problem of transnational elite formation. The third section discusses how the texts of the FT can be interpreted as representative of the elites’ epistemic work while also acknowledging the agency of the paper and its journalists as significant users and shapers of inter-elite interaction. Finally, the fourth section outlines the questions that guide the analysis of the material.

#### **4.1 Data collection, selection and classification**

As one of the most high-profile annual gatherings that bring together transnational elites, and perhaps the most internationally publicised media event of its kind, the World Economic Forum in Davos is of specific interest for the purposes of the study. At the end of each January, political leaders, business executives, heads of international organisations, central bankers, top economists from the private and public sectors and other experts discuss world affairs with a view on the year ahead. The agenda is broad, including issues related to various business sectors, regional markets, international relations, environmental concerns, philanthropy and even spiritual development, but overall it is tuned towards addressing the present state and future developments in the global economy. The WEF agenda thus directs the elites’ attention mostly away from narrow national and business-specific interests to a set of common or “public” concerns relating to the global economy and world society. Meanwhile, the repetitiveness of the annual meeting and its familiar form make it possible to trace continuities and changes over time in the actual agenda and ideational content in TEC.

There are various alternatives available to analyse the Davos debates, even if the researcher fails to gain accreditation to the site itself. For a “direct” access, the forum publishes a great amount of content online for anyone to read and watch from the annual Davos meeting, including summaries, live streams and recorded videos of the main panels. The WEF also has considerable social media presence with almost 3 million followers on Twitter and nearly as many likes of its Facebook page (as of January 2017). However, in addition to the WEF’s own communications, the international media also follow the forum closely, providing a multitude of reports, participant observations and quotes from the site. This work has opted to focus on the journalistic reporting from the forum as a particularly impactful form of TEC. Indeed, while many of the WEF debates can be accessed on the forum’s online platforms, elite news media remain key in condensing and disseminating the discussions to broader audiences. Journalism also structures the ongoing debates within and between elites, and it facilitates the construction of an

imagined community that consists of the readership or audience of the medium. As important sources of information and news, international elite journalism also forms a significant element of the everyday knowledge and sense-making environment in which members of the elite act and make decisions. Through their daily repetition of a limited set of ideas, sources and discourses, the news media thus help to normalise certain outlooks and ways of reasoning.

As discussed in Chapter 2.3, the *Financial Times* can be regarded as an important public space for TEC. The FT is not only a source of information and elite views for its readers, but also a useful tool for inter-elite communication and an important space to show up and build reputation among elites. Overall, the FT may be considered more effective than the WEF's online site in mediating the discussions to the international business and political elite community and bringing attention to specific issues. Due to its global reach, the FT facilitates the formulation and transnational dissemination of common concepts, ideas and frames of reference on the issues of global politics and the economy. The FT is thus an integral part in the reproduction and dissemination of what Lars Blichner (2007) has termed the "meta-lingual language" of international politics, a necessary condition for policy formation and coordination on the supra-national level. Moreover, being a part of the everyday media practices and forming an important element of the knowledge environment of many individuals that belong to transnational elites, the FT may have a more profound and lasting impact on how the elites make sense of the world than the annual four-day talk fest at Davos. And finally, in contrast to the diverse and anonymous internet users watching the debates online, the FT's readership mostly consist of business leaders and policy makers who are quite aware of the exclusive nature of the paper.<sup>79</sup> Compared to the WEF's online platforms which often strive for an image of transparency and openness, address the general public and have an air of PR and public outreach about them, the FT has cultivated an image of exclusivity and therefore has the advantage of facilitating the creation of an imagined elite community.

The FT itself has a close relationship with the Davos forum. The paper is in no way part of the "official" communications infrastructure of the WEF, but it is closely related to the organisation by participating in the proceedings of the annual meeting in many ways. In addition to sending a sizable troop of reporters to cover the Davos event, the FT's editors sometimes participate as experts in the panel discussions of the forum, and Martin Wolf, the paper's chief economics commentator, has chaired the high-profile session on the Global Economic Outlook for several years. Given this intimate relationship with the forum, it is no wonder that the FT goes to great lengths in promoting

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<sup>79</sup> Indeed, highlighting the exclusivity, wealth and elite nature of its readership is an essential selling point for the paper to advertisers and a key element in its commercial publicity campaigns.

the annual meeting with special reports and appendices that are published before and during the annual meeting (see below for the description of the material).<sup>80</sup>

Concentrating on the FT as the sole source of empirical material was a decision dictated by both research interests and research-economic limitations. The purpose was to collect material over an extended time frame – a decade or so – so as to be able to follow continuities and shifts in elite debates and to specifically observe the impact of the global financial crisis of 2007–9 on elite discourse. The FT, with its reliably constant annual coverage of the Davos event, provided an attractive object of study in this regard. However, combining this longitudinal interest with a qualitative analytical orientation, focused on the discovery of deeper meanings and discursive constructions in TEC, had the consequence of making the textual analysis highly time-consuming and limited the amount of material that could be covered in the analysis. Therefore, while the collection of material from several sources would certainly have improved the generalisability of the findings and thus given more validity to the analysis, I eventually had to settle for a single journalistic source. However, what was lost in sacrificing the breadth of data will hopefully be compensated by the depth of observation facilitated by a limited set of material.

### **Collection and selection of material**

In order to facilitate the handling of the data with a qualitative data analysis software (see below), I decided to collect the material in digital form, taking advantage of the free access provided by my institution to the digital archive of the *Financial Times* on the ProQuest academic database. At the time of the original data collection in November to December 2011, the FT archive on the ProQuest database covered all issues from January 2001 up to October 2011. During this period, the World Economic Forum took place each year at the end of January in Davos, Switzerland (with the exception of 2002 when the meeting was exceptionally held in New York City), and lasted 4 to 5 days. Accordingly, I took 2001 as my starting point, and conducted searches in the database for all articles related to the World Economic Forum within a period starting 7 days before the first day of the forum and ending 7 days after the last day of the forum each year.<sup>81</sup> Depending on the exact length of the forum, the search period thus amounted to 18 or 19 days each year.

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<sup>80</sup> The close personal relationships between FT journalists and the WEF organisation is a reminder of the way in which the FT, while being in principle independent and autonomous in its reporting, effectively serves transnational elites in close cooperation and relationship of mutual interest and benefit.

<sup>81</sup> The search string used was 'davos OR "world economic forum"'.

The search produced a high number of hits, with the total number of articles over the 11 years exceeding 1500. I noted from the outset that the search results included many duplicates, as well as articles that were published in the FT's various international editions in slightly differing versions, and articles which appeared to have been published online only. To make matters more straightforward, I decided to concentrate on articles that were published in the UK edition of the paper, leaving out articles that only appeared in the Asian, European or US editions.<sup>82</sup> I also discarded articles, such as the weekly agenda of important events, which did not have any journalistic content. Even so, the number of articles seemed too large for any meaningful qualitative analysis, and because I wanted to retain a relatively long timeframe, I needed to further cut down the amount of data.<sup>83</sup>

To work out a way to distinguish relevant articles from irrelevant ones, I consulted the microfilm archive of the UK edition of the FT, which was available through my institution. "Leafing" through the physical issues as they had been recorded on the microfilm allowed me to get a sense of how the Davos articles collected online had actually been organised and presented in the paper. (This also worked as a good way to confirm that the articles collected through the online database had in fact been published in print.<sup>84</sup>) I soon noticed approximately a third to two fifths of the articles on covering the forum appeared in the section of the paper that was alternatively titled

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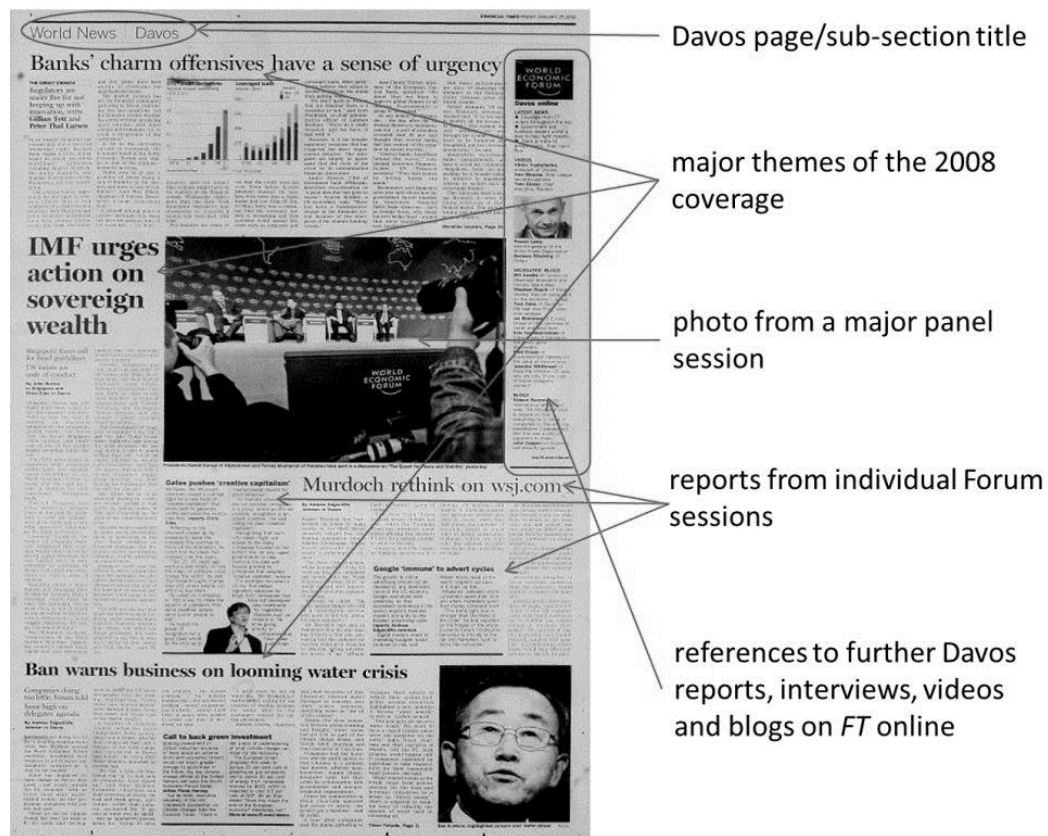
<sup>82</sup> The decision to exclude articles that appeared in the Asian, European or US edition of the FT, but not in the UK edition, was based on the observation that the ProQuest database appeared to be inconsistent in its inclusion of FT's international editions from year to year, and I had no way to check whether articles, other than those published in the UK edition, had actually appeared in print. Limiting the data to those articles that had been published in the UK edition, however, does not mean that the international editions were altogether ignored. In fact, based on the amount of duplicates provided by the online search, the majority of the articles written by FT correspondents from Davos were most probably included in all international editions—although, again, I have no way to confirm this assessment.

<sup>83</sup> An obvious way to narrow the scope of newspaper material is to include only certain types of articles. I reckoned, however, that concentrating only on news articles, for instance, would leave out many interesting columns in which, due to their argumentative tone, many important ideas and world views are often spelled out. On the other hand, focusing on the argumentative journalistic genres, including editorials, columns and opinion pieces, would limit the scope of topics and views too much and lead to an overemphasis on the importance of FT's editorial team and house columnists as actors in transnational elite communication.

<sup>84</sup> According to my observations, the articles collected through the online database matched entirely with the print versions of the articles in the vast majority of cases. Occasionally, however, the electronic version might have minor alterations – a little more length, a different headline, etc. – resulting most probably from slight changes made in the layout phase from one UK edition to another. Such minor differences are not significant for the following analysis.



International/World Economy, International Politics, or simply World News (normally pages 6–9 in the UK edition). These articles dealt specifically with the proceedings of the forum, reporting on the panel discussions, noteworthy keynote talks and other happenings at Davos. Oftentimes, a whole page in this section was devoted to the forum and was labelled accordingly with a “Davos” in the top banner (see Figure 4.1). These articles were clearly indicated as providing an overview of the key issues of the forum, representing what might be seen as the “public” agenda of transnational elites. They were thus particularly interesting for my purposes, so I decided to include all these articles in the material. Another highly interesting set of articles, due to their argumentative tone, consisted of columns touching upon the Davos forum in the various sections and supplements of the paper, including the Lex column, as well as of editorials and opinion pieces by readers. These were included in the analysed data.



**Figure 4.1** Daily Davos coverage  
 Source: *Financial Times* 25 January 2008, p. 8.

In contrast, roughly a quarter to a third of the articles each year appeared in the Business and Markets section of the paper and were typically brief news reports focusing on an individual business. Oftentimes these articles did not make any reference to the conference and included the search word Davos only in the byline, indicating that a correspondent in Davos had written or

contributed to the report. I reckoned that pure business news about individual companies or markets were primarily meant to serve investors and thus represented the “private” dimension of the FT as TEC. I thus regarded these articles as relatively insignificant and uninteresting for the purposes of the analysis and decided to leave them out of the data. Similarly, a small proportion of the articles appeared in the UK Politics section of the paper, typically mentioning a UK decision maker appearing or speaking at Davos but focusing on a current topic in the domestic political debate. As their principal addressees seemed to be confined to the UK national elite, I considered these articles of little interest for my analysis and excluded them from the data.

Two further sets of articles caught my attention when browsing through the microfilms. One of them comprised articles that were published in the “Guide to Davos” supplements, which started to appear yearly from 2008 onwards, a day or two before the start of the conference.<sup>85</sup> These supplements typically contain an introductory article, which presents the Davos forum to the readers and discusses its nature and history, followed by a collection of articles that anticipate some of the major topics that will be discussed at the forum. Because of their explicit focus on the forum, the Davos participants and the “global agenda”, these articles were an obvious addition to the material.

Finally, throughout the data collection period, the FT published an annual special section on the global outlook for the year ahead in anticipation of the Davos forum. This special section, typically labelled as “The World in [year]”, consisted of a collection of analyses covering major topics, such as trade, investment, international conflicts, climate change and, most importantly, general economic outlooks for the world, as well as its major regions and most important individual economies. While most of the articles in this section made no reference to the Davos forum, the section as a whole was clearly published with a view of setting the agenda for its participants: the leading story of the section explicitly referred to the upcoming Davos meeting almost without exception, and it often included the logo of the World Economic Forum to symbolise the special section’s close connection with the official Davos agenda.<sup>86</sup> Because of their apparent purpose of providing an encompassing “global view” on the major developments their readers should take into consideration, and hence informing what the elite agenda of major issues is likely to be for the year ahead, these articles appeared to be highly relevant for my analytical purposes. I thus decided to include all the articles in

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<sup>85</sup> The first “Guide to Davos” appeared as an article written by John Gapper in the FT Magazine – a weekly supplement published on Saturdays – in anticipation of the 2006 meeting.

<sup>86</sup> The first sentence of the 2004 edition represents a typical example of how the “World outlook” section was framed: “As leaders gather this week for the World Economic Forum, there are increasing hopes that the global economy is heading for a sustained recovery over the long term.”

the section in the data irrespective of whether, or not, they contained the original search words.<sup>87</sup> Because these articles did not mention the Davos forum, I went back to the ProQuest database and searched for them individually to include them in the digital data set.

### Genres and topics

In the end, the material included 532 articles collected online and confirmed to have appeared in print in the UK edition of the FT. Of the total, a significant number of articles (156) did not, in the end, include an explicit mention of the Davos forum. The selection procedure thus extended significantly from the original results provided by the online database search. Table 4.1 breaks down the data year by year and by article type.

**Table 4.1** Article types and total number of articles per year

ARTICLE TYPE	2001	02	03	04	05	06	07	08	09	10	11	TOT
Analysis	1	1	-	1	1	-	3	1	2	3	2	15
Column	4	2	3	2	11	6	8	8	12	13	13	82
Davos guide	-	-	-	-	-	2	-	6	5	8	9	30
Editorial	4	3	2	1	1	1	1	1	3	1	2	20
News report	21	21	16	14	16	23	26	18	22	15	15	207
Letter	1	1	-	1	1	-	-	1	2	1	1	9
World outlook	12	7	11	15	20	18	17	22	14	18	15	169
<b>Total</b>	43	35	32	34	50	50	55	57	60	59	57	532

As the table indicates, the largest portion of the selected articles (207 or 39%) consisted of *news reports*. These were reports that concentrated on the events of the forum and appeared primarily on the World News or International Economy section of the paper, on a page often dedicated for news from the

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<sup>87</sup> For a few years in the data-collection period, I ended up discarding a small number of articles from the “World outlook” section. These concerned rather marginal topics, such as occasional articles on innovations in medicine, sports marketing etc., which did not appear in other years’ sections.

Davos forum. The second-largest group comprised articles published in the annual “*World outlook*” special section: 169 articles were collected from that section (32% of the total). *Columns* and comments, usually by staff writers amounted to 82 articles (15%); in addition, there were 20 *editorials* and 9 *letters to the editor*. *Guide to Davos* articles amounted to 30 articles. Finally, I defined 15 articles as *analyses*. These appeared in the International Economy section of the paper but differed from usual news reports due to their extended length and investigative and analytical quality, focusing on a broader phenomenon than a news report, such as shadow banking or the problems of the European Economic and Monetary Union.

The number of articles from any given year varies between the 2003 low of 32 to the 2009 peak of 60 articles. The annual variation roughly reflects changes in the actual volume of coverage. Indeed, while FT correspondents reported daily from the scene throughout the data-collection period, there was a considerable increase in the FT’s attention to the forum from 2005 onwards. Towards the end of the data-collection period, the increased focus on the meeting manifested itself particularly in the amount of pre-forum coverage and commentary. The anticipatory articles published in the “Davos guide” supplement contributed to the yearly number of articles especially from 2008 onwards. Moreover, while the number of news reports mainly remained constant throughout the period (varying between 14 and 26 articles), there were considerably more columns and commentaries by FT’s journalists towards the end of the data-collection period. This reflects the partial shift by FT reporters towards more personal and opinionated form of coverage in the latter years of the period.

To get an overall sense of the coverage, I coded each article according to the principal topic it addressed. As Table 4.2 indicates, I ended up with 14 separate categories.<sup>88</sup> The four major categories were *WEF/Davos Elite* (86 articles), *Regional/National Economy* (68), *Global Economy* (67) and *Financial Markets* (67). First, the largest category consisted of a variety of stories in which the World Economic Forum meeting itself was the main theme. These included articles written before the start of the forum, anticipating its upcoming themes and the most prestigious attendees, or interviewing the organisers. Another typical article in this category was a correspondent report or column, which described the general atmosphere and

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<sup>88</sup> I came up with the topic categories inductively, but I was also guided by the ways in which the FT categorised articles by marking them with such kickers as Global Economy, Global Trade, Energy, or, for instance, Latin America. Much of the time assigning the primary topic was relatively straightforward. However, at times the articles touched on two or several issues and working out the principal topic was more difficult. In addition, the boundaries between categories are not clearly marked at all times, particularly when it comes to issues of global economy, globalisation and global trade. Still, the categories work to provide a rough overview of the main topics and shifts in the coverage.

talking points at the forum, without focusing on a particular political or economic topic. It could also comment on the arrangements at the forum, or relate a specific occurrence. Finally, the category also included articles that concentrated on the forum participants as a group, explicitly naming it as the Davos elite or “Davos Man”. These articles tended to be columns that commented on global developments from the perspective of the business and political elites, often speculating on the fate of the “Davos Man” – its present and future prosperity, status, position and legitimacy – in the winds of historical political and economic changes. As Table 4.2 indicates, the number of WEF/Davos Elite articles slightly increased towards the end of the data-collection period. This reflects, primarily, the introduction of the “Davos guide” supplements in 2008, and, secondarily, the increase of the number of columns, which concentrated on the “Davos Man” after the global financial crisis, speculating on its apparent decline as a status group.

**Table 4.2** Principal topic of articles per year.

MAIN TOPIC	01	02	03	04	05	06	07	08	09	10	11	T
Business	7	2	5	4	5	6	5	4	3	3	2	46
Climate	-	1	-	-	2	1	4	2	-	1	-	11
Development	4	1	1	1	6	4	1	2	3	-	1	24
Energy	2	1	-	-	1	1	1	2	1	-	-	9
Financial markets	1	-	2	2	2	1	11	15	9	9	15	67
Global economy	4	5	3	5	2	6	6	8	8	11	9	67
Globalisation	6	7	3	2	1	4	2	1	3	4	-	33
International politics	-	1	6	5	5	3	5	5	6	6	1	43
International trade	8	2	1	3	4	4	5	-	4	-	1	32
Reg/Nat economy	3	2	4	6	5	9	5	2	7	13	12	68
Reg/Nat politics	-	-	1	2	5	-	3	3	-	4	3	21
WEF/Davos elite	4	5	6	3	8	8	7	10	16	8	11	86
WSF/Civil society	3	8	-	-	1	1	-	-	-	-	-	13
Other	1	-	-	1	3	2	-	3	-	-	2	12
<b>Total</b>	43	35	32	34	50	50	55	57	60	59	57	532

The second and third most numerous categories of articles consisted of economic analyses and debates, concentrating either on regional and national economies or the whole global economy. The regional/national category included economic forecasts and analyses of economic trends and

developments with regard to the largest national and regional economies (mainly the US, the EU, China, Japan and Latin America). These articles typically appeared in the “World outlook” section (35 out of 68 articles in this category), in which national and regional economic analyses were a staple feature. At times, however, a particular national or regional economy came into focus in the FT’s news reports from the forum (25 articles), as in the 2006 forum when several articles were written about the Indian delegates’ efforts to promote the country at Davos to international investors. The category of articles focusing on the global economy, in contrast, did not focus on a single region or national economy but addressed economic trends and developments in the general context of the world economy. The global perspective did not mean, however, that the sight of national and regional economies was entirely lost. In fact, global economic growth trends and forecasts were often presented by comparing and contrasting the outlooks of the most important regional and national economies. Therefore, the global, regional and national levels of analysis were closely intertwined in the articles focusing on the economy.

Together, the two categories of articles concentrating on the economy comprise a quarter of all analysed articles. As Table 4.2 indicates, the number of economy articles remained relatively constant from year to year, reflecting that economic outlooks and debates were a staple feature of the FT coverage of the Davos forum. Debates on the looming Greek debt crisis in 2010 and the problems of the eurozone in 2011 explain much of the notable increase in the amount of Regional/National Economy articles in the final two years of the data-collection period. The increase of Global Economy articles in the latter years of the data-collection period partly resulted from the introduction the “Davos Guide” supplements, which always included at least one article in this category, as well as from the general increase of concerns over global economic development after the financial crisis. Chris Giles, the Economics editor of the FT, authored 23 of all Global Economy articles in the data, and together with Martin Wolf (11 articles under the category), they penned half of the articles in this category.

The fourth main category of articles concentrated on the financial markets. These included stories on banks and other financial institutions, as well as analyses of general trends in stock markets, capital markets and currency markets. The category also included articles on financial regulation and financial products as well as on political efforts to both protect financial institutions from collapse and to rein in their harmful practices. Overall, finance rarely attracted attention in the FT’s coverage of the WEFs before 2007, when the focus suddenly turned to a set of worrying developments in the financial markets in anticipation of the dramatic events later that year. After the turning point, financial institutions remained under close inspection for the rest of the data-collection period. Over a third of these articles (23) was written by Gillian Tett.

Behind the four major categories of articles, there were a further four topics that attracted continuous attention in the FT coverage. The *Business*

*and Companies* category includes stories (46 in total) that typically focused on the companies and businesses collectively, discussing, for instance, management trends, business moods or the public trust in companies. These articles, obviously, concentrated on the issues close to the business contingency of the Davos delegates. Company and business topics formed a rather stable part of the coverage, although their share slightly dropped towards the end of the data-collection period. *International Politics and Security* was another recurring topic in the coverage. This category consisted of articles focusing on international relations, international conflicts and global security concerns, including analyses of international terrorism, Middle East, US foreign policy and the military operations in Iraq and Afghanistan. Most of the International Politics and Security articles (30 out of 43) appeared in the “World outlook” special section, thus forming an essential part of the global agenda as it was annually constructed by the FT. A related category of a narrower focus is *Regional and National Politics*, which concentrated on analyses of political processes, including elections, changes in leadership and political conflicts (21 articles in total). In this regard, the focus was primarily in the EU and US politics, but also Chinese, Russian and Latin American political events and processes were occasionally analysed, again primarily in the annual “World outlook” sections.

Another notable category of articles concentrated on globalisation (33 articles). Globalisation emerged as a prevalent topic especially in the first two years of the coverage, as global civil society movements prompted debates at the Davos forum on the merits and threats of economic globalisation. The category of *Globalisation* includes various issues and phenomena connected to this overall concern, including global economic governance, threats of protectionist policies, global inequality and the effects to developed economies from offshoring practices of firms. After 2002, the FT’s interest in globalisation decreased, but issues related to global economic integration still remained in the agenda. A third of these articles (11) was published in the “World outlook” special section, and another third of them were columns (8), editorials (2) or letters-to-the-editor (1), highlighting the analytical and argumentative nature of most of the articles in this category.

A highly focused category, which is nevertheless closely related to both the issues of globalisation and the global economy, consisted of articles dealing with *International Trade*. Most of the 32 trade articles focused on international efforts to advance the WTO’s Doha round of talks on a new global trade agreement. A customary part of the World Economic Forum programs were informal meetings between the trade ministers of major countries. The FT followed closely on their efforts to bridge divides between countries on the rules of international trade and investments and to pave the way for more formal negotiations throughout the data-collection period, until their eventual breakdown in 2008. Two FT journalists, Guy de Jonquières (12 articles between 2001 and 2006) and Alan Beattie (16 articles between 2001 and 2009) provided the vast majority of the coverage and analysis of international trade

talks, appearing primarily in news reports from the forum (20 articles) and in the “World outlook” special section (9 articles).

The remaining five categories of articles appeared with less frequency and consistency in substance. Of these, *Development and Global South* was the most prominent category with 24 articles through the data-collection period. These primarily concerned news reports (16 out of the 24) on the Davos forum discussions regarding various “global South” issues, especially poverty, development aid and HIV/Aids, and the efforts of Western businesses and political elites to address these issues. The topic of African development was a visible part of the 2001 coverage, and HIV/Aids were prevalent issues in 2005 and 2006. The *Climate Change and Environment* category (11 articles) consists of articles that mapped the international efforts to curb climate change and to increase environmental sustainability. As Table 4.2 indicates, the FT’s attention to climate change was largely limited to the period between 2005 and 2008; before and afterwards, the paper hardly raised the issue to the top of the agenda.

The two previous categories represent topics that many global civil society movements closely campaign on. Their inclusion in the Davos debates and the FT coverage thereof may thus be regarded, at least in part, as a reflection of these movements’ success in indirectly influencing the transnational elite agenda (see Chapter 6). This impression was reinforced by the fact that 13 articles in the data explicitly concentrated on global civil society movements. The *WSF and Civil Society* category mostly consists of FT correspondents’ reports from the World Social Forums of 2001, 2002, 2005 and 2006, as well as of interviews of NGO leaders in New York before the 2002 World Economic Forum.

Finally, the *Energy* category includes 9 articles which focused on energy markets, production and technologies. Issues related to the energy sector were typically addressed in articles under the broader categories of the Global Economy and Regional or National economy. As an independent topic it mainly appeared in the “World outlook” special sections, though not every year. The category *Other* consists of 12 articles that were difficult to include in any other categories. These range from analyses of world demographics to a column that discussed problems of using GDP as a measurement of welfare.

### **Prolific writers**

As the preceding discussion suggested, the work of a select group of FT journalists made up a significant share of the collected data. Hence, while dozens of reporters overall contributed to the WEF coverage over the studied period, most only penned one or few articles. In contrast, a handful of FT journalists frequently appeared in the data. More specifically, six top journalists are credited for 25 or more articles in the collected material (see Table 4.3). These are typically journalists who reported from Davos and commented on the forum events over several years and who also contributed



to the analyses that make up the “World outlook” sections and “Guide to Davos” supplements.

**Table 4.3** Most prolific FT journalists in the data and their two most frequent topics\*

<b>Journalist</b>	<b>N</b>	<b>Most frequent topics</b>
Chris Giles	45	global economy (23), regional/national economy (7)
Gillian Tett	44	financial markets (23), WEF/Davos elite (7)
Alan Beattie	39	international trade (16), global economy (5)
Guy de Jonquières	33	international trade (12), international politics (4)
Gideon Rachman	27	WEF/Davos elite (11), global economy (8)
Martin Wolf	25	global economy (11), globalisation (6)
Andrew Edgecliffe-Johnson	22	business and companies (7), WEF/Davos elite (6)
John Gapper	17	WEF/Davos elite (7), business and companies (4)
Peter Thal Larsen	13	financial markets (4), WEF/Davos elite (4)
Raymond Colitt	12	WSF/civil society (7), globalisation (3)
Patrick Jenkins	11	financial markets (7), global economy (2)
Quentin Peel	11	global economy (6), regional/national politics (3)
Ed Crooks	10	global economy (5), energy (3)
Francesco Guerrera	10	financial markets (6), business and companies (3)
Krishna Guha	10	regional/national economy (4), development/South (3)
Lionel Barber	9	regional/national economy (4)
Hugh Carnegie	8	development/South (4), WEF/Davos elite (2)
Geoff Dyer	7	regional/national economy (3)
David Pilling	7	regional/national economy (4), global economy (2)
Haig Simonian	7	WEF/Davos elite (7)
George Parker	6	regional/national economy (3), regional/national politics (2)
Holly Yeager	6	WEF/Davos elite (2), WSF/civil society (2)
Gerard Baker	5	global economy (2)
Brian Groom	5	international politics (3), regional/national economy (2)
Victor Mallet	5	regional/national economy (3), development/South (2)
Philip Stephens	5	international politics (3)
John Thornhill	5	regional/national economy (2)

\* The figures indicate the number of articles for which the journalist is credited as author or co-author in the byline.

Overall, while most of these most prolific journalists wrote on multiple topics, they tended to have specific focus areas. Hence, Chris Giles, the Economics

editor, who topped the list with 45 articles written since 2005, mostly wrote analyses and news reports on the global economy (23 articles), regional/national economies (7) and the financial markets (6). On the other hand, of Gillian Tett's 44 articles since her first in 2007, 23 concentrated on the financial markets and a further 10 on global, regional or national economies. Yet she also focused, in 7 articles, on the forum and the Davos elite, especially in many of her columns. International trade, in turn, was the principal focus of Alan Beattie (16 out of 39 articles) and Guy de Jonquières (12 out of 33 articles), the latter being the most visible FT journalist in the early part of the data-collection period with 32 of his 33 articles appearing between 2001 and 2004. Gideon Rachman penned a significant number of columns on the forum and the Davos elite (11 articles) beginning from 2007, but he also wrote several times about the global economy (8 articles). Finally, Martin Wolf, the FT's chief economics commentator, provided a steady stream of columns and analyses, mostly on the global economy (11) and globalisation (6), throughout the data-collection period.

## 4.2 Working with concepts

The analysis of the collected newspaper material was not initially informed by a particular theory, model or hypothesis that would have provided it with an elaborate analytical framework in the form of existing categories into which to fit empirical observations or against which to test them. In other words, while the general idea of transnational elite formation through communicative practices guided my interest in studying the *Financial Times* coverage of the World Economic Forums, I had not developed these theoretical notions and perspectives into a set of arguments, hypotheses or concepts that could be operationalised deductively in textual analysis. Therefore, I reckoned that the analysis itself would have to shed light into these phenomena by aiming to formulate certain concepts to both draw observations and make sense of them (cf. Bal 2009; Layder 1998, 100–16). The concepts would have to be developed in connection with both the theoretical framework of the study and the close observation of the material.

### Data and theory-driven analysis

The premise behind a conceptually-informed analysis of the data is that empirical observations are always “saturated with theoretical ideas” (Layder 1998, 113). In this sense, the approach to empirical analysis adopted here differs from the purely “inductive” starting point of grounded theory, which, at least in its original formulation, advocates approaching the material without any theoretical preconceptions (Glaser and Strauss 1967; see also Timmermans and Tavory 2012, 168). Indeed, the absence of an elaborated theoretical framework against which to observe the material did not mean that

I had no idea of what I was trying to observe in the data, or that I was not sensitised to “see” certain things in the articles. Having previously familiarised myself with literature on globalisation and global governance, social constructionism and social imaginaries, ideology and neoliberalism, as well as the sociology of elites and the public sphere, I had various “assumptions” and was highly sensitised to find “evidence” of the workings of the following phenomena in elite discourse:

- Language as partly constitutive of all institutional reality (Searle 2003, 203). Linguistic devices, including the names for things, are needed to make them part of reality. For the global economy, the transnational elite, or globalisation to “exist”, they must be named and “constructed” in discourse.
- The essentially “imagined” character of social domains, including the economy (Cameron and Palan 2004; Taylor 2004). To enable individual and collective action, the nature of the global economy must be agreed upon in social interaction, including questions regarding its organisation, functions, actors and problems.
- The formation of collective identities in discourse (Berger and Luckmann 1967; Risse 2010). The collective identity of transnational elites must be constructed in the representations of its “moral character”, including the ideas, values and objectives that define it as a group.
- Communication and discourse as deeply affected by ideology (Eagleton 2007). The elite and journalistic discourses of the *FT* make claims about consensus and common sense, conceal social struggles, contain unrecognised particularisms, and make assumptions and claims about elite interests as the general interest.
- Journalism as a space where political struggles over meaning are fought in public (Macgilchrist 2011). Even as it is deeply ideological in the above sense, journalism makes partly visible the limits of consensus and creates opportunities for oppositional reading. Studying the *FT* is interesting precisely because it may provide insight into the areas of agreement and disagreement among transnational elites which may both enable and limit their integration.
- Globalisation as a political and ideological project, which generates both various problems and conflicts in the global political economy and attempts to resolve them (Steger 2009; Panitch and Gindin 2012). TEC is marked with efforts to

negotiate over conflicts of interest and in search of common interests in order to mobilise collective action to address problems of the global economy.

- The contradictory character of the global financial crisis of 2007–9, which, on the one hand, was widely perceived as a shock to some of the assumptions regarding the operation and functioning of the global economy in general and the financial markets in particular (Soly 2012; Tett 2009), but, on the other hand, led to little change in the institutions and ideas of governing the global political economy (Crouch 2011; Mirowski 2013; Streeck 2011). The FT sheds light on this apparent contradiction, providing a public arena in which the transnational elites make sense of the financial crisis, negotiate over appropriate political reactions to it, and “normalise” the epistemic shock imposed by the crisis.

My overall analytical process can be characterised as an interpretive dialogue between the theoretical perspectives and the material, and it combines elements of both data-driven (“inductive”), and theory-driven (“deductive”) research. I started the analysis process by reading the material one article at a time to get acquainted with what is being talked about. Working with the Atlas.ti software specifically developed for qualitative data analysis (see Friese 2013), I took advantage of the open coding technique it facilitates. Besides the general topics, article types and authors reviewed in the previous section, I coded passages that seemed to relate to some of the theoretical issues I was grappling with, coding recurring issues, themes, talking points and arguments in the articles (e.g., crisis, recession, economic growth, globalisation, liberalisation, financial markets, poverty, development, US power, the rise of China). I also started to look for ways to group the coded observations under broader categories and to develop associated concepts to explain them.

This methodological practice of “working with concepts” entails the development and use of concepts as tools for analysis to facilitate close reading (Bal 2009). The search for suitable concepts is a creative process in at least two senses. First, the concepts are not so much waiting to be discovered but have to be actively constructed by the researcher (Layder 1998, 107). Second, the particular meaning or substance of the concepts in relation to the subject at hand must be established in the course of analysis. As Derek Layder (1998, 110–2) points out, applying concepts in the coding of the data imposes, in a sense, categories on the studied reality, suggesting certain ideas and interpretations. This is done, however, to test conceptual schemes to trigger the analytical-theoretical imagination. The concepts are not meant to represent a final solution that forces theory on the data. Instead, it is possible to come to a realisation that some of the early concepts are ill-fitted to the material or do not seem to reveal anything meaningful. In this regard, Layder

(1998, 108) suggests that the concepts used in early analysis should be regarded as *orienting concepts* or as “provisional means of ordering data”, which can be discarded if necessary and replaced by better ones. At the same time, the conscious development of orienting concepts renders the inevitably theory-influenced nature of empirical observation more explicit and systematic.

In the context of the present study, the open coding of the data and several efforts to build larger categories of the codes gradually led to the development of an extensive but limited set of orienting concepts that fell within three main categories. First, the category *Economy* comprised various observations that related to the way the economy was discursively constituted in the material. These included ideas about the “global economy” as a single whole, about its main geographic sub-systems (“components”) and power relations between them (“world order”), about its core dynamics (“functions”), about the nature and position of financial markets in the economy (“finance”), as well as references to activities that were assumed to influence the world economy (“economic agency”). Second, the category of *Elite* consisted of codes that marked passages in which the transnational elite as a group was identified or addressed (“elite identification”), in which Davos participants were represented, either in a positive or negative manner (“elite representation”) and in which certain principles and ideals, such as leadership or multilateralism, were associated with the Davos delegates or the transnational elite more generally (“elite norms”). Third, the category of *Politics* consisted of a number of codes that marked passages in which seemingly significant policy issues were highlighted and around which various interest conflicts were negotiated. These included references to elite agreement (“consensus”), disagreement (“dissensus”) and conflicts (“interests”), but also allusions to political goals (e.g., “liberalisation”) and efforts to manage the global economy (“governance”) in the face of various problems, risks and threats (e.g., “global imbalances”).

### **Encounters with epistemic work**

Working with the orienting concepts had thus provided me with an early categorisation of observations. Reading and coding the material, however, had not resulted in ideas about how to connect these observations with the general theoretical problem of the study concerning the potential of transnational elite formation and their collective agency. The process of systematic coding had established that there certainly were frequent indications in the material of discursive construction of the transnational elite as a group and of the various ways in which they were brought together around issues and shared ideas and political goals. Yet such observations themselves clarify little about transnational elite integration and collective agency. After an extended period of reading and coding the data, I therefore chose to return to the research literature to relate my observations to similar findings in earlier studies and to

theoretical arguments about their significance. I specifically sought to determine how questions of collective or social identity and collective agency had been theorised in literature and how they might be operationalised and connected to each other in empirical research (e.g., Abdelal et al. 2009; Barnes 2000; Kantner 2006; Risse 2010; Tajfel 1981; Turner 1999). The return towards the theoretical literature was made, in other words, in the hopes of allowing a more coherent ordering of the observations and their “theorising” (see Alasuutari 1996; Layder 1998; Swedberg 2012).

At around this time, I came across Pertti Alasuutari and Ali Qadir’s (2014) discussion of epistemic governance as an approach to studying policy making. According to this view, power in politics is wielded through the shaping of actors’ perceptions of the world and its current challenges. More specifically, power works by influencing the perceptions of actors concerning the situation at hand so that they come to believe that a certain course of action is in their interest, feasible and acceptable. At the same time, the very potential for actors to negotiate, agree and convince each other about a policy idea is dependent on shared epistemic assumptions about the social world and about themselves as agents in it. Therefore, the purpose of the epistemic governance perspective is to draw attention to how “actors are socially embedded and how they employ (even if implicitly) that position in influencing others” (Alasuutari and Qadir 2014, 71).

The notion of epistemic governance is connected to the perspectives of sociological and discursive institutionalism, which are focused on analysing political phenomena in terms of the power that is wielded through, over and by ideas that shape political agency (see Alasuutari 2015; Alasuutari and Qadir 2016; Carstensen and Schmidt 2016; Schmidt 2008). The study of ideational factors in policy-making is particularly appealing in international settings in which formal mechanisms of policy making and relationships of legal authority are often absent (see Chapter 3.2). In these contexts, concerted action is based not so much on force and sanctions but on the capacity of an actor to persuade others about a certain course of action and the willingness of the participating actors to reach an agreement and follow its dictates. In these processes of negotiation, “world cultural ideas and ideals form the premises that actors appeal to” when they attempt to outline their goals and convince others of their soundness (Alasuutari and Qadir 2014, 78).

Following the perspective of epistemic governance, we can view transnational elites as consisting of individual decision-makers whose capacity to agree on matters of policy is a key precondition for a collective governance of the global economy. Collective agency in the global political economy, in other words, is dependent on the elite’s capacity to formulate and promote shared assumptions regarding the nature and challenges of the economy so that they become convinced that a certain line of action is in their interest. The related notion of *epistemic work* provides a way to analyse the actual means by which actors come to shared understandings concerning available policy alternatives, courses of action and themselves as agents in the social world

(Alasuutari and Qadir 2014, 70). Production of knowledge and promotion of ideas as well as the employment of rhetoric and argumentation to persuade others are key elements in epistemic work (cf. Risse 2000). Accordingly, the forums and media that bring transnational elites together are in place to facilitate communication to prevent these decision-makers from going it alone and to convince them that the pursuit of joint policy objectives is in their interest. Epistemic work thus operates as an analytical and methodological tool for studying the formation of the transnational elite as a collective agent on the level of shared perceptions of and knowledge claims on reality.<sup>89</sup>

For analytical purposes, Alasuutari and Qadir (2014) make a workable distinction between three dimensions or “objects” in epistemic work: ontological premises, actor identifications, and norms and ideals. First, *ontological claims* present general understandings of the nature of the environment in which the actors operate as well as specific diagnoses about the situation they are in. Creating such shared perceptions of social reality is obviously an essential precondition for any collective agency. Therefore, elite communication on the global economy, for instance, can be regarded as a way to render the economy an object of collective governance. Second, *actor identification* includes both individual and collective agents and contributes to their self-understanding by telling them who they are, what communities they belong to and how they exist in relation to other actors. Indeed, while actors are often constituted by institutions, their decisions are guided by the way they understand themselves, pointing to the significance of the simultaneous discursive constitution of actors. Identification and definition of actors also enables a general sense of agency in the world, and it informs what kind of motives or traits these collective or individual actors have. As will be discussed in Chapter 6, discourse in the FT entails a variety of actors in the global political economy, including the “global elite”. While it is but one available actor identity in TEC, the particular ways in which the “global elite” is discursively constructed offers insights into its appeal as an object of identification for decision makers. Finally, epistemic work concentrates on the

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<sup>89</sup> An emphasis on epistemic work as a technique of governing the global political economy is not intended as a suggestion that the production and dissemination of knowledge alone explains policy making and the capacity of certain actors to convince others that a given course of action is in their interest. There are obviously other means to drive international conformity in the policies of global integration and socio-economic governance. Policy conditions tied to the extension of credit and investment, or the threat or use of military force, are examples of the inducing and coercive powers in global political economy. As discussed in Chapter 3, US governments, as well as large TNCs and banks, have often used such strategies to influence the decision making of other states and businesses. Yet even these perceivably non-communicative means of exerting pressure work through affecting the actors’ conceptions of the situation and must be discursively and cognitively processed by the decision makers in question (see Alasuutari 2015, 169; 176).

*norms and ideals* that inform social agency. These normative elements of epistemic work create shared perceptions of what is good and desirable and what constitutes acceptable conduct under certain circumstances. As we will see in Chapter 7, growth, freedom and global consciousness are among recurrent values and ideals that circulate in the FT-mediated TEC, contributing to the definition and justification of desirable lines of action on the part of transnational elites.

In sum, the perspective of epistemic governance, and the notion of epistemic work as an analytical tool, served a double purpose. On the one hand, it provided a way to connect an analysis of text and discourse with the abstract notion of collective agency and thus to bridge the gap between the observation of TEC and the theoretical concept of the transnational elite. This is because shared perceptions of reality, self-understandings of actors, and common values operate as epistemic pre-requisites for collective action, and thus their definition in TEC contributes to the making of “a global elite” as a collective agent. On the other hand, the three distinct objects of epistemic work offered a good way to organise the empirical findings and to interpret their significance. Accordingly, the following chapters will analyse the epistemic foundations of transnational elite formation: What are the ontological assumptions, actor (self-)perceptions and values and ideals around which transnational elites potentially self-organise as a collective agent?

### **4.3 FT as a window to transnational elites’ epistemic work**

As a journalistic medium, the *Financial Times* contributes to the making of a global elite in two senses: as a platform, it brings transnational elites into a common space of communication; as journalism, it reproduces elite discourses, or the ideational elements of transnational elite formation (see Chapter 3.4). Due to its origins and traditional self-understandings, it would be tempting to approach the FT as a mouthpiece for the UK and western financial sector (see Chapter 2.3). From this perspective, the FT could be regarded as a vehicle for the legitimation of finance capital’s interests and for the undermining of the interests of national producers and other representatives of “fixed” capital (cf. van der Pijl 1998, 50). Yet such interpretation would seem overly narrow for at least three reasons. First, on a practical level, there seems to be much more going on in the FT-mediated TEC than the mere legitimation of the views of finance; as will be discussed in the upcoming chapters, the international political and economic agenda is not simply preoccupied with the financial sector’s interests. Even if there was a conscious but hidden agenda of promoting finance, to be relevant for the global policy making elite, the FT needs to address and include other fractions of transnational elites and give them a sense of importance as well. Therefore, discourses of other groups, and simultaneously their “interests” and sense-



making, inevitably seep into the FT agenda as well, and so the publication does not operate solely as a megaphone for bankers and investors.

Second, the FT may be particularly well shielded from the influence of private interests. In his critical interpretation of the historical demise of the public sphere, Habermas (1989) makes an argument about the increasingly prevalent role of private interests and promotional language in the news media, resulting partly from the advancing commercialisation of the media and their resulting commercial pressures as business corporations. These structural conditions certainly shape the character of the FT as public space for TEC. Due to the FT's nature as a private, profit-seeking corporation, and because of its reliance on advertising, private interests are prominently present in the FT, and transnational corporations and firms, often offering finance-related services, are likely to provide a major part of the advertising revenues of the FT. Yet the very presence of such private interests of its own readership, somewhat paradoxically, may render the FT more capable than many national newspapers of separating individual advertiser interests from the more "general" interests of its elite readership. This is because, unlike in many national newspapers that aim to represent the whole nation, the social struggle played out within the FT is not characteristically between the capital and the working class. Given that the class dimension has been largely bracketed from the debate, the message of the advertiser as a call for consumerism may not be so clearly part of it. Consequently, rather than being merely in service of "manufacturing consent" (Herman and Chomsky 2002), the FT may be capable of functioning, to some extent, as a platform and an amplifier for "rational-critical" debate of the transnational elite public (see Chapter 3.3).

Third, the elites' public discourse can certainly be considered strategic in the sense that they often aim to use the media publicity in order to influence other elites or constituencies. However, TEC encompasses more than public promotion of individual interests and political framing contests over issues. It also involves genuine argumentation and deliberation over deep-seated assumptions, beliefs and values (cf. Risse 2000). As Alasuutari and Qadir (2014) point out, beliefs and normative claims are expressed, consciously or unwittingly, by the participants of a debate in support or critique of certain lines of action. This epistemic work takes place in interaction, it reproduces shared understandings of reality, and it can be analysed as processes and outcomes that manifest the power of the collective rather than the power of any individual. Accordingly, the FT-mediated TEC can be studied as epistemic work in which ontological claims, actor identifications and normative beliefs are jointly formulated, and which governs and constitutes the elites as much as it is constituted by them. This actor-constituting element of TEC is particularly relevant when speaking of the transnational elite as a collective actor. Whereas the power of agency of transnational elite individuals, as politicians, business leaders and officials, is constituted institutionally (see Chapter 1), the transnational elite as a form of collective agency can only be constituted in epistemic work.

This study thus approaches the material as *the epistemic work of transnational elites, organised by the FT*. This means understanding the analysed text as produced as much by transnational elites (as individuals and as a collective) as by the FT and its journalists. Transnational elites may be regarded as the primary agents as they operate as sources of information, claims-makers, actors, speakers and agenda setters for FT journalism, and as they communicate to each other on the pages of the FT. Nonetheless, FT journalists operate as gatekeepers, agenda setters, opinion makers and shapers, interpreters – perhaps occasionally even as critics and watchdogs (see Chapter 6.4). The journalists also select the words from an interview or speech of a given elite source and direct the interpretation of the words by embedding them inside the frame of the whole article.<sup>90</sup> In this way, both journalists and transnational elites have “agency” and influence over the textual material.

Following the recognition of the studied texts as produced in a “cooperative” effort by both transnational elites and FT journalists, I also take the material as representative of not simply the FT’s and its journalists representations of the world but of more general elite discourses (see Fürsich 2009, 247–9; van Dijk 1988b, 179–82). Writing from a critical linguist’s perspective, Roger Fowler (1991, 41–2) makes the case that language is not entirely under the control of its user. The newspaper or the journalist, when linguistically constructing a representation of the world, does not entirely deliberately choose a certain form and way of representation. On the one hand, the journalistic processes of selection and presentation are as much habitual and conventional as they are deliberate and controlled. On the other hand, language and its conventions are themselves already value-laden. Thus, even as the journalist adopts a chosen discourse or discourses, the decision is not entirely free in any practical sense; and as much as she employs discourses, “the writer is constituted by the discourse” (Fowler 1991, 42).

Journalists, in other words, operate in a certain political and cultural context, picking elements for their stories from a limited pool of available ideas, cognitive frameworks and narratives. In the case of FT journalists, it is the

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<sup>90</sup> Indeed, on the level of individual articles, journalists can often be regarded as the main actors: they pick the sources they interview for the story, choose the passages they quote and, most of all, weave them into a narrative of their choosing. Accordingly, even as news reports comprise the largest individual genre of articles in the material (see Table 4.1), many of them cannot be regarded as strongly source-led items dominated by a single source. (This would be the case, for instance, in a report of the public remarks of a political leader or a study released by an international organisation.) Instead, a major share of these articles consists of reports of Davos debates that feature several participants, which gives the reporter considerable leeway in picking arguments and organising them in the story. Similarly, as the table indicates, a large number of articles are analyses and columns in which the journalist weighs in on a particular topic or phenomenon, typically presenting various positions with the help of quotations from selected experts and commentators.

organisational context of the newspaper, the broader professional context of financial and business journalism and, most notably, the daily interaction with business professionals, officials and politicians, coupled with the statistical, PR, survey and other material produced by businesses, government agencies and international organisations, which shapes, to a great extent, the discursive environment in which they write their stories. FT journalists are thus embedded in TEC, circulating and reproducing its dominant discourses. This is, however, not meant as a disregard of journalists as unquestioning dupes who mindlessly reproduce elite discourses. Even as the main interest of the study is in the exploration of transnational elite discourse and not of the “individual” agency of any of its participants, at times the analysis highlights the role of the FT or its journalists in their capacity to make normative claims or emphasise certain views and interpretations over others. Most importantly, the FT and its journalists operate as agents when addressing their readership and “managing” the relationship between the readers and the Davos elite. From the choice of words to the use of irony, and from legitimation and critique of individuals to the selection of sources and quotes, the journalist potentially affects how their readers perceive the objects of reporting and how they relate to the people at Davos (see Fowler 1991; Reilly 1999, 217–8).

Examining the journalistic practices of representing the Davos elite is thus relevant when observing the construction of transnational elite identity and the potential identification of the readers with it (see Chapter 6.4). Yet the underlying premise in the study is that, even when FT journalists are making a conscious effort to disagree with the consensus and shape elite opinions, they need to resort to shared perceptions of reality and to values and ideals they presume to have some currency among transnational elites. Because of the dependence of what an individual actor can express on the collective, both due to the cultural origin of discourses and due to the speaker’s need to consider what is publicly acceptable and appropriate (Alasuutari and Qadir 2014; Campbell 1998; Risse 2000; Schmidt 2008), it is thus rarely meaningful to regard the FT or its individual journalists as ideologically independent or separate from transnational elites. It is in this sense that the analysis takes the material as representative of broader elite discourse and not simply of the FT’s line of thinking.<sup>91</sup>

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<sup>91</sup> Obviously, the global elite consume a variety of different publications and media outlets, including other economic, business and financial journalism, as well as characteristically national newspapers and media. The FT can inevitably provide only a partial window to global elite communication, and it would be misleading to suggest that, by studying only one media outlet, no matter how influential it might be, one can make definite generalisations about elite perceptions and understandings of the world. In this sense, the study should therefore be understood only as a partial and exploratory look into the public epistemic work of the global elites, one that is constructed and structured by the FT.

In light of the preceding discussion, the FT coverage of the World Economic Forums can be understood in two ways. First, from the perspective of international politics, the newspaper coverage is part of the (discursive) process of global governance: the FT both reports to a wider audience of businesspeople and decision-makers on the themes and most relevant debates at the Davos forum that concern global issues; and the newspaper also participates in those discussions to shape elite opinion and understandings of common problems. Second, from the perspective of sociological or discursive institutionalism (e.g., Alasuutari and Qadir 2014; Carstensen and Schmidt 2016; Schmidt 2008), the FT coverage can be seen as a process of formulating, negotiating and arguing over the shared cultural assumptions and beliefs of transnational elites. This is because in its coverage, the newspaper follows the agendas of the annual WEFs and reports on the elite's debates in Davos using the participants themselves as the main sources of their coverage, while elite gatherings themselves are primarily occasions for the dispersion and articulation of consensus based on the ideas that already circulate among the elite and in the elite media. Both forum interchanges and elite media stories are embedded within a broader elite discourse on the global economy and world society. As an influential outlet for news and opinion for the business and governmental elites, the ideas and discourses that appear on the pages of the FT can be regarded as having certain clout and considerable acceptance among transnational elites. This renders the FT's coverage of the Davos forum and interesting indicator of the political and economic sense-making of transnational elites.

#### **4.4 Questions of analysis**

In public communication, epistemic premises regarding social ontology, actor identifications and values and ideas do not necessarily emerge as objects of debate as such. Policy discourse, for instance, is mostly aimed at practical targets and addresses concrete questions, such as "what needs to be done", and the epistemic premises are reproduced in the background and often unconsciously (Alasuutari and Qadir 2014, 72; Carstensen and Schmidt 2016, 329). Epistemic work, in other words, may be far from intentional or "strategic". Actors in a debate do not aim to change each others' fundamental premises concerning the social world, their view of themselves or basic values, but instead tend to take them for granted, as something that is shared by all participants. Their attempts to convince others of a certain interpretation of the situation rests on a tacit assumption that such basic premises are collectively shared. For instance, when transnational elites discuss what should be done about "global imbalances", referring to the gaping current account deficits of the United States and the corresponding surpluses in China and other rapidly growing economies, they implicitly reproduce a shared ontology of the global economy as an increasingly integrated system of

interdependent economies in which such “imbalances” inevitably lead to greater instability. Such paradigmatic assumptions are seldom voiced and even more rarely questioned in public discourse.

Understanding that epistemic “work” is not necessarily intentional or consciously “done” by any particular actor also helps alleviate the concerns regarding the public character of the FT-mediated communication. One could, after all, question whether analysing the media discourse is meaningful as it may not represent the true attitudes and views of its participants (Sylvan and Metskas 2009, 89). Indeed, it is certainly important to recognise the nature of much of the FT material, including the quotes of Davos forum speakers and other interviewees, as “public transcripts” in the sense James Scott (1990) distinguishes them from the views and beliefs that are expressed in private. Yet, even acknowledging that an individual’s public speech does not necessarily reflect her true personal views should not mean that discourse itself does not participate in the reproduction of collective perceptions and beliefs.

Public transcripts certainly differ from private communication, so that certain opinions and beliefs held by individuals may be self-censored in public performances. Transnational elites, for instance, may articulate their views of their adversaries somewhat differently in public and private. Chapter 6 argues that the global civil society comprised an important reference group for the transnational elite in the early 2000s, and the conceptions they had of the alter-globalisation activists, which explicitly positioned itself in confrontation with the Davos forum, informed, in turn, the way the elites understood themselves. Yet even as the “true” sentiments of transnational elites with regard to their civil society adversaries might have been expressed in private conversations, also the public representations of and discourses about *altermondialists* mediated by the elite media such as the FT certainly impacted this dimension of collective identity formation.

More generally, while all parties involved in TEC are aware that public pronouncements are qualitatively different from private views, the public transcripts do not become meaningless or insignificant. When studying epistemic work, the focus is not on the views of an individual but on the elements that may compose collective perceptions. Indeed, analysing texts and discourse when studying epistemic work becomes meaningful only if ontologies, identities and values are understood as social phenomena. From this perspective, ways of seeing the world and oneself are not regarded as subjective perceptions but as “intersubjective structures” reproduced in communication and interaction with others. As Ted Hopf (2009, 279) argues, intersubjectivity is “the reality generated within a community, society, or a group, of shared understandings of the world out there”. In this sense, such social phenomena as ontological premises and collective identities are not strictly tied to the actual purpose and intention of the speaker because they are manifest in the “deeper” levels of what is being said and how: behind even intentional, or strategic, communication lie shared assumptions. Public

speech acts thus reflect the understanding of the speaker of what is publicly acceptable and what is regarded as believable and valid by one's peers, and thus ontological assumptions are both socially established and publicly regulated (Alasuutari and Qadir 2014, 74). Public discourse is therefore a good object when studying politically powerful, ideological and agency-constructing discourses.

It should be noted, however, that, even as intentionality is not an essential feature of epistemic work, a significant part of the studied material worked on what appeared rather unequivocally to be key epistemic premises in TEC: many articles set out to analyse the state of the world and the global economy, and a number of columns focused openly on the Davos people, or "the global elite", as a distinct group. Even as ideals and values tended to be less explicitly spelled out and were mostly taken for granted, certain social and political objectives were so prevalent in the studied material that it often left little doubt about the more intrinsic assumptions of what is good and desirable.

Many of the journalistic genres in elite publications can hence be perceived as conscious efforts to work on the epistemic premises on which the transnational elites perform their everyday work. As a form of quality journalism, the *Financial Times* is not content with simply reporting elite views to elite audiences, but it instead strives to provide additional value to its readership by offering stories that include detailed explanations, context, and meaning. By going beyond "descriptive, fact-focused, and source-driven journalism" and providing the readers with explanations and contextualisation (Carpenter et al. 2015), FT journalists regularly expanded their role as reporters from "disseminators" to "interpreters" and even to "advocates" who attempt to raise awareness of certain problems and affect the readers' political attitudes (see, e.g., Donsbach and Patterson 2004; Mellado 2015; Statham 2007). Overall, then, the studied material often manifested distinctly conscious efforts to shape shared ontologies and identities among the elite readership.

### **Analytical research questions**

The analysis focuses on three themes that continuously re-emerged in the material and onto which the epistemic work in TEC is most visibly anchored. Based on these three areas of debate and the previous discussion on epistemic work and its three objects, three simple research questions for the analysis of the material can be formulated. First, economic developments and the state of the global economy are topics that occupy a central place in the studied material. In this debate, the "global economy" emerges as a social domain that is socially constructed in discourse. It thus informs the articulation of the social ontology of transnational elites. The ways in which the economy is articulated as an object of governance and a domain of agency will, in turn, inform the actions and agency of transnational elites.

*Research question 1: How is the “global economy” constituted as a transnational elite ontology in the FT coverage of the World Economic Forums? (Chapter 5)*

Second, the Davos event and its participants are a recurring subject of discussion and observation in the FT, and the “global elite” also occasionally appears as an explicit point of reference in the material. These themes can be approached as discourses that identify actors and promote distinct actor identifications. The analysis focuses on the representations and self-representations of Davos participants and discusses what their implications are for a broader identification with the transnational elite.

*Research question 2: What kind of representations of transnational elites are being constructed in the FTs discourse on the World Economic Forum? (Chapter 6)*

Third, globalisation and global governance comprise a broad and recurring area of debate around which central political problems are articulated in the material. These policy debates thus work as a window into the negotiation of dominant values and ideals through which a common policy project is promoted in TEC. The analysis explores the development of these value-laden policy debates and their significance for the collective agency of transnational elites.

*Research question 3: What shared values and ideals concerning the global economy are promoted in the FT-mediated TEC and how do they inform elite agency? (Chapter 7)*

### **Consensus and contradictions**

When doing qualitative analysis of texts, the researcher is constantly grappling with the problem of looking for and articulating dominant meanings as opposed to giving salience to differences, contradictions and exceptions to the norm within the material. Newspaper texts can be approached as articulations of hegemonic views in support of dominant power relations but also as essentially contested and inherently polysemic representations which allow for multiple interpretations (Orgad 2012, 33–4; Saukko 2003, 83, 91–3). On the one hand, according to Fowler (1991, 47–8), the habitual writing style of the newspaper, or its “mode of address”, is the newspaper’s version of the language of the part of the public that the paper sees itself as primarily addressing. This habitual style “allows the unnoticed expression of familiar thoughts” and so promotes an assumption that there exists no disagreement among reasonable people over the matters discussed. Thus, building an assumption of consensus is one of the ideological practices of newspapers (see Hartley 1982, 81–3). On the other hand, as Felicitas Macgilchrist (2011, xi–xii) points out, the newspaper is a public space where the fundamentally

contested, or “political”, nature of issues and representations can become visible. It becomes visible, for instance, in the plurality of stories and their contradictory positions and framings. According to Macgilchrist (2011, 7–8), these shifting frames are an implication of the contingency and undecidability of the contemporary social order, reminding the readers of the essentially political institution of the social.

Macgilchrist’s preference for an analysis of journalism as a site of discursive construction and contestation over ideological hegemony is certainly laudable. However, this study does not wholly share her optimistic interpretation of the institutional role of journalism, according to which journalism necessarily opens the political dimension of society to public discussion. Much of the time journalism seems to rather conceal the political nature of issues and effectively brackets out truly “political” arguments – those that question the hegemonic institution of society – from the public debate. Nevertheless, it is true that even commonsensical discourses involve contradictions, paradoxes and gaps that often reveal the shakiness of the purported consensus over political understandings and their epistemic premises.

The issue of one dominant discourse versus a plurality of meanings is particularly crucial for this study addressing the epistemic foundations of the potential making of a unified global elite as a collective agent. Indeed, an analysis focusing on “shared” identities and understandings of reality could easily be criticised for arguing about the existence of a global conspiracy, or for conducting a highly selective analysis to “show” that the elites are in general agreement over policy. Accordingly, the broader the apparent “consensus” on these issues is, the greater appears to be the elites’ capacity for collective agency. Alternatively, pointing to apparent disagreements over the nature of the world, actor identities and values and ideals would necessarily seem to erode the potential of transnational elites for collective agency.

Indeed, the prevalence of consensus among transnational elites should not be over-estimated. It is clear that we can find elements of disagreement and ideological conflict in any group on one level or area of debate (Hall 1985, 97), but also elements of consensus on another. This study concentrates primarily on those levels of debate, such as ontological understandings and perceptions of self and one’s reference group, which deal with more fundamental beliefs than individual policy issues. These are areas which are more susceptible to collective consensus and where disagreements and conflicts tend to be less apparent. The interest of this study is on assessing the extent that such consensus among elites reaches: how fundamental, and how superficial or particular, are the areas and issues of consensus when it comes to aspects of the global economy and the ideas and values that underpin transnational elite agency.

In this regard, Alasuutari and Qadir (2014, 72–3, 78) propose making an analytical distinction between two dimensions of epistemic work, the paradigmatic and the practical. The *paradigmatic* dimension refers to the



“pre-conceptual”, “broad” and “amorphous” basis on which the further understandings of the social situation, actors and ideals and values are based, whereas the *practical* dimension concerns “narrower” and more “focused” premises about the nature of the situation, the character of actors and the substance of ideals and values that legitimise certain lines of action. Paradigmatic ontological premises, for instance, are basic ontological categories such as “economy” and “society”, referring to the level of social imaginary (Taylor 2004). Practical ontological premises, in contrast, concern facts about and definitions of the situation, including scientific data and statistics. Both dimensions are typically present in argumentation. Yet, even as the paradigmatic notions of the social world can certainly be brought into the level of the conscious in communication and challenged by actors, the potential contestation on epistemic premises mostly takes place at the practical level of the debate.

The distinction between the two dimensions is far from evident, and it seems that there are no exhaustive and well-established categories of issues which belong to each of them. Accordingly, this study argues that what is paradigmatic and what is practical in epistemic work must be seen as context-dependent and as a matter of empirical observation. Starting from the notion that struggles over epistemic premises more often take place on the practical level while the paradigmatic elements are taken for granted and shared, the analysis tries to make use of this distinction in order to shed light on areas of consensus and disagreement in TEC. The aim is to identify areas of apparent consensus, or unquestionable truths and implicit assumptions that do not necessarily even have to be mentioned, that might hence be considered as paradigmatic. Yet the analysis also seeks to locate areas of apparent dissensus and struggle, which could be regarded as practical objects of epistemic work. Following Macgilchrist’s (2011) example, the analysis hopes to demonstrate that even as there are certain dominant understandings broadly shared in TEC, there is also inevitable contingency, contradiction and undecidedness in the elites’ public epistemic work and in the epistemological premises it formulates, with potential implications for transnational elite formation and collective agency.

The three lines of inquiry outlined above are carried out in the following chapters through three principal modes of observation or textual analysis. First, based on the close reading and coding of the data, the analysis provides descriptions of the data in the form of direct quotations, which are meant to illustrate and concretise individual analytical observations. Second, observations are organised into categories to demonstrate how certain notions or issues are articulated in the data in alternative ways. This will hopefully both help in bringing further depth to the analysis and give testament to the multivocal nature of the data. Third, the analysis describes the frequency of certain words and terms in the data to complement qualitative observations. These numerical findings are used to give further insight into recurring patterns and discursive conventions, as well as into relevant shifts in the data

over time. These three modes often become mixed in the analysis, alternating between purely descriptive, categorising and numerical observations to investigate the particular object of attention. In this way, the three methodical approaches and modes of presentation can also be understood as forms of methodical triangulation in which the same data are approached from alternative angles to provide a more complete view of the data and, hopefully, to make the analytical observations both more reliable and convincing.

## 5 ECONOMY AND FINANCE IN ELITE ONTOLOGY

This chapter examines how transnational elites communicate their perceptions of the world in terms of the global economy. The first section of the chapter analyses what is interpreted mostly as the paradigmatic dimension of the elites' ontology. It focuses on how the economy is discursively established as a specific domain of the social world, which not only has systemic characteristics but also space for human agency. The second section turns to the more practical level of epistemic work, observing elite debates on the global financial crisis which began in 2007. Here the focus is on the practical negotiations over what should be done in the wake of the crisis as well as on the more paradigmatic sense-making over the nature and role of finance in the global political economy.

When observing elite discussions on matters of the global economy, it is necessary to realise that there is nothing self-evident about the meaning of the economy; rather, "the economy" and "the economic" are always discursively constructed by social agents (Jessop and Oosterlynck 2008, 1156–7). As Jessop (2002, 7) argues, any particular discourse provides only a partial and simplified understanding of the economy, its constitution and its basic dynamics. This also means that such issues as what is thought of as economic and what counts as belonging to the economy, in relation to the "non-economic" and "non-economy", can be defined in various ways and the answer to them is necessarily context-bound and not a universal one (see also Cameron and Palan 2004). As David Ruccio (2008) illustrates, representations of the economy are diverse and being produced by a multitude of actors and institutions within and outside the academy, from economists to non-economist academics and from activists to artists. "These different conceptions ... comprise different understandings ... of the economy: what it is, where it exists, how it operates, how it is constituted, how it is related to other aspects of the natural and social world, what problems might exist and how they can be solved, what the goals of economic activity are, and much, much more" (Ruccio 2008, 899).

However, even as there is neither self-evidence nor "fixity" to the economy (cf. Mitchell 1998), the economy and the economic have arguably shown some stability in the way they are generally conceived in the modern era. According to Charles Taylor (2004), western modernity sees the emergence of widely shared accounts of the economy as a distinct sphere or domain in society. This "imaginary" of an economy entails a particular way of understanding how individuals are linked together in a perceived spontaneous order. Imagining society as an economy thus entails perceiving society as an "interlocking set of activities of production, exchange and consumption, which form a system with its own laws and its own dynamic" (ibid., 76). To perceive

the economy as a relatively autonomous domain which is separated from the state was an elementary feature of liberalism (Jessop 2002, 218–9). Since the 1930s, the development of econometrics to measure and model “economic” activities has further reinforced such a perception of the economy “as a self-contained sphere, distinct from the social, the cultural, and other spheres” (Mitchell 1998, 91). Accordingly, the economy is increasingly consolidated as a domain that is somehow “disembedded” from social relations (Grossberg 2010, 142). Moreover, Lawrence Grossberg (2010, 109–10) argues that the economy has been granted primacy in the modern western social imaginary: the conception of society as a set of economic relations enjoys a privileged position in societal discourses in comparison to other ways of imagining societal order and social co-existence.

Arguably, then, observing the production of shared meanings and understandings of the economy in TEC is a key element when trying to describe and explain the conduct of elite actors (cf. Jessop and Oosterlynck 2008, 1156). This does not imply, however, a presumption that discursive constructions of the economic directly lead to particular ways of acting. Actual practices and policies that are articulated publicly within a certain ontology of the economy should not be understood as direct manifestations of discourses or being products thereof. Nevertheless, as Ruccio (2008, 898–9) maintains, it is possible to examine a certain set of economic discourses which entail particular ways of representing social reality and point to certain courses of decisions and actions with regard to the social world. Therefore, the premise behind the following analysis is that elite discourses of the economy and the economic present transnational elites ways to make sense of their own practices and institutions, while also providing a framework, or a set of alternatives, for future action. The discursive construction of the economy as an elite ontology, in other words, enables and directs transnational elite agency.

## **5.1 Foundations of the global economy**

Judging by the numbers, the economy is an essential object of the elite’s epistemic work. Aside from being frequently used as a layout element or kicker to articles and whole sections of the paper, the word *economy* appears 720 times in 259 of the 532 articles in the data, or, on average, 1.35 times per article. When the plural form *economies* is added to the count, the word appears in one or the other form on average twice per article (2.00 times per article, or 1065 times in 304 articles). The concern with the economy is complemented by frequent allusions to the *market*, *markets* or *marketplace*, which together appear on average 1.96 times per article. In comparison, *state* or *states* (when not denoting a condition, as in: “the fragile state of the economy”) appears 0.45 times per article, and other comparative substantives, such as *society/societies* (0.10) and *polity/polities* (0.002) are even more

uncommon. As elements of ontology, then, economy and market seem to be key notions that inform transnational elites about the nature of the social world and how people inhabiting it relate to each other. Apart from those two, only *system* (0.48) emerges as a frequently-used alternative when grasping the ontology of social coexistence.

The overall dominance of the economy as a basis of social ontology is complemented by the prevalence of *economic* as an adjective and attribute, being present 936 times in the data (not including mentions of World Economic Forum), or on average 1.76 times per article. However, *political* also appears quite often (0.86 times per article), suggesting that the economy-centred ontology does not entirely discard the political aspects of the social order. Indeed, the higher number of occurrences of *political*, compared to the relative infrequency of *state* and *society* indicates that the political is not restricted to those alternative ontologies but is also addressed as an elementary part of the economy.<sup>92</sup> Similarly, even as *society* hardly exists as a relevant category in elite ontology, *social* and *societal* as adjectives appear 0.43 times per article, suggesting that social aspects, too, are embedded within the overall ontology of the economy.

### Imagining economies

If the notion of the economy holds a central position in elite ontology, what does it refer to? Certainly, there is *the economy* (115 mentions or 0.22 mentions per article) as a self-standing notion, referring to a particular social domain as opposed to some other, such as the state or the polity. But more commonly, the notion is qualified by an attribute, suggesting that the economy in question exists in relation to other economies. There is much talk about a *US/American economy* (0.16), in particular, and less so about a *Chinese economy* (0.04), *European economy* (0.04), *Russian economy* (0.01), *German economy* (0.01) or *Japanese economy* (0.01). This suggests that the economy is something that brings a certain group of people together, possibly even within determined geographic boundaries: the Americans have their own economy, as do the Europeans. Thus, even as it is evident that what today is referred to as the Chinese economy, for instance, entails many actors that are not Chinese by their nationality, as well as activities that do not take place within the geographic territory of the People's Republic of China, the notion of a Chinese economy is an unquestioned element of the ontology.

The validity of the national or regional account of the economy primarily derives from the possibility of quantifying them mostly in terms of various statistical measures, including the size and growth rate of the gross domestic product, the balance of external trade or the rate of productivity growth. Such

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<sup>92</sup> Even so, the notion of "political economy" as an explicit acknowledgment of the political nature of all matters economic only appears twice in the material.

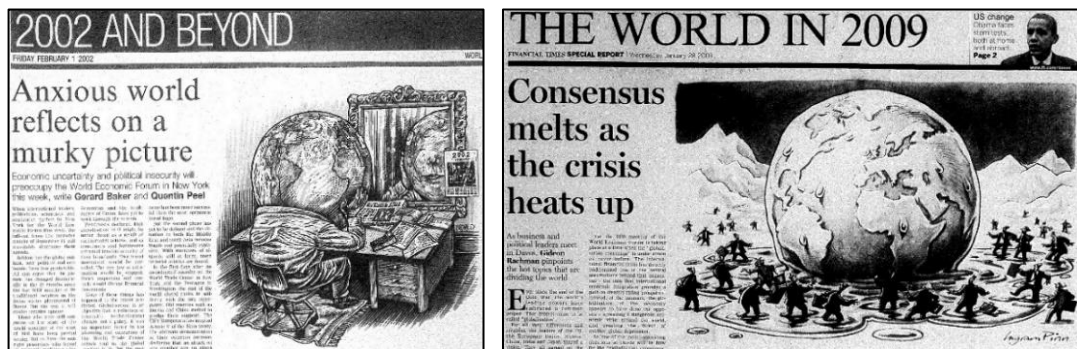
statistical conventions thus allow for the identification of distinct economies as areas of economic activities which somehow relate to each other and contribute to a single (national or regional) whole (but not to other economies) and which can therefore be analysed and observed in separation from the others. According to Jessop (2002, 7), such representation of economies as bounded entities is a necessary fiction, because “any activity oriented towards [the economy] requires some discursive simplification”. The economy as an “imaginatively narrated system” with specific boundaries (ibid.) can hence be regarded as a key element of social ontology with which transnational elites organise the social world and reduce its infinite complexity by including certain elements and excluding others, thereby making it possible for them to design interventions, governance and management of economic activities (see also Jessop 2009, 344–6; Jessop and Oosterlynck 2008, 1157–8).

The separation and measurement of distinct economies also makes it possible to not only rank them within a hierarchy of economies but also to define them by certain characteristics. As a result, we have *largest economies* (0.04 mentions per article), *leading economies* (0.02), *major economies* (0.01) and *significant economies* (0.004), but also *advanced economies* (0.06), *growing economies* (0.01), *dynamic economies* (0.01), *weakening economies* (0.004), *competitive economies* (0.002), *flawed economies* (0.002) and, most notably, *emerging economies* (0.15). Such normative characterisations illustrate how the economies are habitually assessed in terms of performance. Indeed, this way of imagining the economy as an object of performance, regulation and governance may be part of what makes the elite stand out from other social groups. Taylor (2004, 72–3) notes how, in the shift to modernity and the rise of capitalism, governing elites gradually adopted the view that increasing production and exchange were key to political and military power. Similarly, Grossberg (2010, 130–2) emphasises the importance of the discourses and representations of the economy that are being produced by “the institutions of policy, law, and business”. These “self-reflective economic agents” in the domains of policy and business make use of economic theories, logics and calculations and adapt them to their everyday practices. Transnational elites, in other words, discursively construct the social world in a way that makes sense of their own activities that take the economy as a reference point and an object of intervention.

From this perspective, it is notable that the most prevalent attributes of the economy in TEC are “world” and “global”: *world economy* appears 156 times in the data (0.29 times per article) and *global economy* 112 times (0.21 times per article). The popularity of these two words in the immediate connection to *economy* indicates a tacit recognition of the boundless nature of the economy and the artificialness of its national and regional “compartmentalisations”. Indeed, even while “the economy” has been deeply rooted within the space of the nation or state in modern social imaginaries, the border-transcending nature of economic activities has always meant that it is possible to imagine them within a more extensive space of organisation (see

Taylor 2004, 178–9). As a result, the economy becomes one way of imagining a geopolitical order (cf. Mitchell 1998, 90).

Defining the economy in terms of its world-encompassing character can be considered a manifestation of what has been called the “rise of the global imaginary” (Patomäki and Steger 2010; Steger 2009). According to Manfred Steger (2009), the major political ideologies of the nineteenth century – liberalism, conservatism and socialism – were articulated in essentially national terms, prescribing political projects that would be realised in national contexts and by state institutions. In contrast, the political-ideological development after World War 2 has increasingly been articulated in a boundless global framework. Neoliberal market globalism, leftist justice globalism, imperialist globalism and jihadist globalism are examples of these contesting ideologies of the late twentieth and early twenty-first centuries. Accordingly, even as the border-transcending nature of economic activities would seem to naturally call for an adoption of a global framework when thinking about the economy, only after World War 2 have major political ideas and ideologies articulated their projects in relation to an essentially global economy and society.



**Figure 5.1** Visualising the global imaginary  
Sources: *Financial Times* 1 February 2002 and 28 January 2009.

Global imaginary enables the conception of the social world as an essentially boundless and a single whole. The strength of this “global consciousness” (Robertson 1992) is evident in TEC. Indeed, if there are two words more prevalent than *economy* and *market(s)* in the material, they are *global*, which appears no less than 1127 times in the data, or 2.12 times per article, and *world*, which is mentioned (in lowercase, to exclude references to the World Economic Forum) even more frequently, 1633 times (3.1 times per article). Aside from being a ubiquitous verbal reference point, the world is also a popular visual symbol in the FT’s images and illustrations (see Figure 5.1). The figure of the globe may be regarded as the most powerful visual embodiment of the global imaginary: as Heikki Patomäki and Steger (2010, 1057) point out, social imaginaries are typically anchored on certain textual and visual prototypes, metaphors and symbols. In FT illustrations, the globe appears

particularly in conjunction with articles and columns that address the Davos forum. In fact, the world often takes the form of a snowball in reference to the Alpine environment of the Davos conference. Through such imagery, the globe and the participants of the forum become closely interlinked. Accordingly, the globe in these illustrations can be seen as referring either to a geographic space, thus including the whole planet in its scope, or to the Davos crowd as a “global” community.

### The global economy’s ten articulations

The economy, in other words, is primarily articulated in the epistemic work of transnational elites within the broader global imaginary which perceives the world as a single whole. Indeed, to treat the economy as global, or something that encompasses the whole world, is a ubiquitous practice in the FT. Yet, as the previous discussion about the ambivalence of the idea of the economy suggests, the global economy is also an essentially discursive construct. Even as the basic existence of a global economy is seemingly taken for granted in TEC, there is no apparent consensus on what exactly it is, what it entails and how it operates. Even a quick look at the way the phrases “world economy” and “global economy” are employed in the FT makes it clear that the notion is attributed with multiple and partly even contradicting features and modes of existence. Accordingly, Table 5.1 differentiates between no less than ten different ways the idea of the global economy is articulated in the material.

**Table 5.1** Articulations of “global economy” and “world economy” in transnational elite communication

<b>1. Global economy as an all-encompassing form of societal coexistence</b>	The <i>world economy</i> , including even the profligate North American part of it, is gradually learning to use a little less energy as it grows. (A4/2001, DB.) <sup>93</sup> ; There is far too great a tendency to think that what is good for big business (rightly understood) is also good for the <i>global economy</i> and the people who toil in it. (A40/2001, Editorial.) ; Setting out the evidence for global warming, Mr Blair said that while the issue was “still disputed”, global leaders had a responsibility to act on the majority view that it posed a real threat. ... “Business and the <i>global economy</i> need to know this is not an issue that is going to go away”, Mr Blair said. (A179/2005, RC/KG/JT.)
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<sup>93</sup> The articles cited in the analysis are identified using the following formula: (article number/year, author/co-authors). For a list of authors cited and their initials, see Appendix 1. For the list of articles cited in the analysis, see Appendix 2.



<p><b>2. Global economy as a historically evolving social system</b></p>	<p>Larry Summers, president of Harvard University and a former US Treasury secretary, said that the world was probably experiencing the third biggest economic revolution of the past millennium alongside the Renaissance and the Industrial Revolution. The resurgence of China and India and the impact of disruptive new technologies were revolutionising the <i>global economy</i>. (A242/2006, JT.) ; The <i>world economy</i> appears to be rebalancing to where it was in earlier centuries. (A494/2011, JL.)</p>
<p><b>3. Global economy as a distinct domain in world society</b></p>	<p>The <i>world's economy</i> is in excellent shape, but its politics is disturbing. (A297/2007, MW.)</p>
<p><b>4. Global economy as a closed or exclusive system</b></p>	<p>Encouragingly, globalisation has proved resilient to shocks. Despite the financial crises in the developing world, no country has chosen to turn its back on the <i>world economy</i>. (A70/2002, Editorial.) ; The integration of China and India into the <i>world economy</i> at a moment when technology is digitising and disaggregating old business models offers companies huge opportunities to cut costs and increase efficiency. (A239/2006, Editorial.)</p>
<p><b>5. Global economy as a capitalist system</b></p>	<p>One of the critical questions is whether countries such as India and China can create millions of new high-spending consumers, boosting the <i>world economy</i>. (A220/2006, AB/CG/KG) ; The economic impact of China and now India, with a combined population of close to 2.4bn people, is already evident. ... If one adds in the remaining population of east and south Asian developing countries, one has more than half of humanity. The overall effect ... is at least a four-fold increase in the number of workers available to the <i>world economy</i>. The potential still untapped is bigger than anything that has happened so far. (A243/2006, MW.)</p>
<p><b>6. Global economy as an indispensable system</b></p>	<p>This year's World Economic Forum has been thick with warnings that a slowdown of the <i>global economy</i> could start a slide into protectionism and warring trade blocs. (A35/2001, Editorial.) ; A revival in the <i>global economy</i> over the coming year would help ease some of the economic and political tensions that currently preoccupy the Davos delegates. (A499/2011, GR.)</p>
<p><b>7. Global economy as an integrated system of</b></p>	<p>The <i>world economy</i> is starting to fire on multiple cylinders, with decent prospects for growth in Japan and the eurozone, and China promising to generate more</p>

**(interdependent)  
subsystems**

domestic consumption. (A239/2006, Editorial.) ; China, then, is not just being changed by the *world economy* but, in turn, changing it greatly. (A317/2008, MW.) ; So, the *world economy* is growing at the sort of rate it was growing before the financial crisis, but it's even more dominated by emerging markets – China, India, Brazil, Russia – and less by the advanced economies, although just recently we've even seen a little bit more optimism in two of the other world's biggest economies, the US and Germany. (A484/2011, RE/CG/PJ/GR.)

**8. Global economy as a hierarchically organised system**

The impressive line-up of chief executives from China and India [at the Davos forum] also underlines where the real future leaders of the *world economy* are likely to come from. (A145/2005, AB.)

**9. Global economy as a fragile social system**

Fears about the effect on the oil price of an attack on Iraq are seen as the biggest danger to the *world economy*. (A101/2003, EC/NJ.) ; There are many causes for concern over the global economy this year but experts are confident that the world can weather them. (A199/2006, CG.) ; A debate on “globalisation at the crossroads” considered three main threats to the *world economy* – failed trade talks, financial regulation and global economic imbalances. (A295/2007, GR.) ; [I]t is the collapsing national and *global economy* that has become the US's overwhelming public concern. (A370/2009, CF.) ; The *world economy* survived the heart attack in the financial system. (A474/2010, MW.)

**10. Global economy as a closely monitored system**

The best informed forecasts about the *world economy* and global political system are shrouded in uncertainty. (A9/2001, GB.) ; The IMF said it believed the *world economy* would grow by 3.9 per cent in 2010, an upward revision of 0.8 percentage points, and the recovery would accelerate in 2011 to 4.3 per cent. (A442/2010, CG.)

As Table 5.1 indicates, at its broadest, the notion of the global economy alludes to nothing less than the whole of the planet and its population acting in concert (Articulation 1). This way of using the term evokes a global economy which “gradually learns” new things, making it appear as an organism or a historical agent in its own right (cf. Alasuutari and Qadir 2016, 5). Of course, notions that attribute the global economy with agency are ubiquitous in economic talk (the global economy “grows”, “falls into recession”, “recovers” and so on) – although it remains unclear who exactly are the actors when the global economy does things (see Chapter 6 on actor identities). Yet this first

articulation stands out from the more mundane attribution of anthropomorphic qualities to an abstract category in that it refers more directly to the economy as a form of social coexistence. It implies that the global economy consists of the world's population as a whole: it is "the people who toil in it" whose fates are at stake in the global economy. It is also something to be addressed by global leaders, as suggested by the remarks of Tony Blair. Such uses of the term come extremely close to the idea of world society – indeed, one could easily replace the word "economy" with "society" in these passages without significantly altering their meaning.

The intimate connection between the global economy and the people of the world is less apparent in other uses of the term. In fact, most of the accounts in Table 5.1 attribute the global economy with a systemic character, which at best vaguely refers to an idea of economy as a certain domain of social life. Yet most of them continue to associate the global economy with an idea of an inclusive social system or domain of social life – one that develops through historical time (Articulation 2) and exists in relationship with other systems or domains, such as politics (Articulation 3). The allusion here to a social system, which essentially involves all the people of the world, is in stark contrast with an idea of the global economy as something into which countries and peoples need to be integrated and which a country can "turn its back on", as suggested by some accounts (Articulation 4).

The idea of the global economy as closed or exclusive system, in other words, implies that all the world's people and their (economic) activities do not, by definition, form part of the global economy. In such allusions it may be implied, for instance, that a "domestic economy" necessarily exists outside the global economy, or that only cross-border economic transactions are to be counted as activities of the global economy. Alternatively, this use of the term may imply that only capitalist, "free-market", economies are part of the true global economy. At times, associating the global economy with capitalism is even more clearly made (Articulation 5). These uses of the term include explicit references to consumption as an essential factor "boosting" the global economy, as well as to the need to feed the global economy with new armies of labour and, specifically, to Asian workers as a huge potential that can still be "tapped" into.

Aside from an occasional ambiguity concerning its inclusiveness, as implied by the contradictions between the first five articulations, the prevalent talk concerning the global economy seems to address it as a system of capitalist production, accumulation and market-based interchange on a global scale (Articulations 4–10). In this sense, there are three notable elements in the discourse on the global economy as a capitalist system: its indispensability, its nature as a system of interdependent parts and its vulnerability. First, as the global economy often appears as a crucial system which fundamentally shapes and affects other developments in world society (Articulation 6). Accordingly, a "slowdown of the global economy" (understood as a decrease in the rate of capitalist accumulation) would spell trouble in the form of the dangerous

economic policies such a downturn would potentially prompt. A “revival in the global economy”, on the other hand, helps ease tensions in the world.

Second, there is deep understanding of the global economy as a system of interdependent parts (Articulation 7). Typically, analyses concerning the state and direction of the global economy are carried out by making individual assessments about national and regional economies that are presumed to form a united system. Particularly the frequent association of *growth* (695 mentions, or 1.3 times per article) – and its less frequently-used antonyms *recession* (0.33), *downturn* (0.16), *slowdown* (0.14), *depression* (0.06) and *slump* (0.06) – with the world economy is a good example of how this global unity is naturalised by referring to market cycles that purportedly touch the whole world at the same time. In this imaginary of an interdependent system, individual economies are represented not just as parts of a larger whole, but as interdependent subsystems: changes taking place in one economy will affect others – particularly when the world’s largest economies are concerned – and all economies are affected by the global economy as a whole.

The relations of influence and interdependence are not necessarily assumed to be symmetrical, however: while developments in the Chinese economy, for instance, are often represented as having consequences for every other region in the world, economies in the “developing world” are mostly represented as dependent on the developments in the *largest economies* without having much or any influence on these developments, and hence on their own economic future. The primary interest when considering the global economy is hence directed at the economies considered systemically influential, and the global economy is seen as being dependent on the sound functioning of each of its major components. The view of the global economy as being composed of interdependent subsystems is thus intimately tied to a conception of a hierarchically organised system (Articulation 8) (cf. Alasuutari and Qadir 2016, 10). As noted above, the global economy has its *leading economies*, and the number of references to the *US economy*, in relation to other national or regional economies, leaves little doubt where that leadership is primarily located in TEC.<sup>94</sup>

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<sup>94</sup> In this regard, the apparent rise of China to the status of a leading economy is conspicuous in the studied material. In the early years of the 2000s, the global economy in the FT’s analyses is primarily outlined by observing the outlook of only three economies: the United States, Europe and Japan. From 2005 onwards, however, practically no analysis or report on the global economy fails to include a reference to China, and starting from 2007, India is also included in many of these analyses. Around this time, the focus and interest in Japan notably decreases in the FT’s reports on the global economy. In sum, during the first decade of the twenty-first century, transnational elites learn to regard China as an elementary part of the global economy, while other economies, particularly the Japanese economy, seems to attract less attention in transnational elite communication.

The aspects of the global economy reviewed so far have been characterised by their appearance as implicit and taken-for-granted assumptions. In other words, the implied ideas about the nature of the global economy are not explicitly addressed and are assumed to be shared by all participants in the communication. Accordingly, most of the talk on the nature of the global economy seems to take place on the paradigmatic level of epistemic work, reproducing the ontology of the social world in the background level of discourse (see Chapter 4.4). However, when it comes to understanding the global economy as a united system of interdependent parts, there are occasional hints in the material of a partial crumbling of the illusion of a self-evident and universally shared ontology. This becomes apparent, for instance, in the following passage from Alan Beattie's 2002 article, which traces the impacts of the "global downturn" on the "growth of worldwide trade".

*Trade often takes the brunt of a global downturn. It is dominated by manufactured goods - \$6,253bn of the \$7,746bn total last year - whose production is more volatile than services, generating more variance than its small share in output would warrant. Some highly traded services, such as tourism, are also early victims when consumers cut back. [...] Moreover, as Janet Henry at HSBC points out, much world trade - 47 per cent of US exports in 2000, for example - is now carried out within companies rather than between them. With many of these companies headquartered in rich countries, it means that shocks from the industrialised world are swiftly transmitted to subsidiaries around the globe. The large crossholdings between the US and the eurozone may also explain why the latter has suffered more than many of its policymakers expected, and why it has so far shown little sign of being able to take over from the US as the importer of last resort. In theory, the synchronisation of the downturn also means that the recovery - with the exception of Japan, which has home-grown problems - will see a rapid resumption of trade growth. But if this fails to materialise, the disquiet with the downside of an integrated global economy could grow, possibly even threatening the medium-term upward trend in world trade. (A52/2002, AB.)*

The passage begins with the idea of a "global downturn", thus manifestly reproducing the belief in the global economy as a united system. After describing various reasons why such a global phenomenon affects "trade" – meaning, of course, transnational trade in which capital moves across national borders – Beattie goes on to explain how economic "shocks" are "swiftly transmitted" by TNCs from the "industrialised world" across the globe. Here, in other words, we find a version of the popular narrative of an interconnected global economy in which developments in one system affect other systems. The subsequent two sentences, then, refer to the "large crossholdings between the US and the eurozone" and to the "synchronisation of the downturn", apparently further reinforcing the idea of an interconnected and united system. Yet the two sentences also importantly cast doubts about the

obviousness of this narrative as well as its validity. First, Beattie suggests that many “policymakers” in the eurozone had not anticipated that the currency area would be so much affected from problems in the United States. The implication here is that the corporate crossholdings, which purportedly create the deep interconnection between the US and eurozone economies, were perhaps unknown or, alternatively, that their significance was poorly understood. The acknowledgment of the deep interconnectedness of the two economies, in other words, seems to be something that is not uniformly shared by all decision makers. Second, Beattie seems to suggest in the latter sentence that market cycles are synchronised across economies only “*in theory*”. Yet a simultaneous “recovery” will most probably exclude at least Japan (because its “home-grown problems” have apparently disconnected it from other economies) and can just as well fail “to materialise”. The very interconnectedness, in terms of transmitting phenomena across economies, is explicitly qualified (by excluding Japan) and put in doubt by referring to its status as a theoretical idea.

As a further sign of the partial instability of the global economy as elite ontology, the interdependence of national and regional economies emerges as a matter of explicit debate in the FT’s 2008 coverage of the Davos forum, which raises the question of the *decoupling* of the global economy. This notion refers to a suggestion made during the global financial crisis of 2007–2009 that some parts of the global economy, namely the *emerging economies*, could remain “effectively immune to the effects of a US recession” (A344/2008, JA/GT). However, FT journalists present this argument as controversial, and in 2009 the idea is directly debunked: “A year ago ... many analysts expected a form of ‘decoupling’ ... That has not happened” (A386/2009, QP). The notion of decoupling receives no further mentions after that. While the whole debate thus serves as a way to ultimately reproduce the idea of an interdependent global economy, it is notable that the frequent allusions to the success of the emerging economies after the financial crisis actually seem to give some credibility to the original decoupling hypothesis according to which many non-western economies have been able to maintain high rates of growth despite the downturn in the United States and Europe. In fact, Martin Wolf ends up referring to “a divided world” in which “emerging countries are proving able to generate self-sustained growth, despite the frailties of the high-income countries” (A489/2011, MW).<sup>95</sup>

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<sup>95</sup> This acknowledgement, however, does not prevent Wolf from reproducing the notion of the global economy as a systemic whole consisting of interdependent parts in the very same article. “Among the reasons for the dynamism of the emerging countries is the spillover effects of policies adopted by the crisis-afflicted high-income countries, particularly the US”, Wolf writes, also noting that “in the world economy as a whole, we see buoyant commodity prices and inflationary pressures” (A489/2011, MW).

Returning to the various articulations of the global economy as a system (see Table 5.1), the third notable element in this discourse – besides frequent allusions to its indispensability and interconnectedness – are the multiple references to the vulnerability of the global economy (Articulation 9). This is perhaps the most defining feature of the way the global economy is addressed in TEC. According to this pervasive understanding, the global economy is in constant danger of weakening, collapsing or disintegrating. Potential threats and dangers, from oil shocks to international military conflicts and from failed trade talks to financial regulation, loom large for the global economy. The health of the global economy is thus of constant “concern” to those in charge. What is implied here is that the global economy is far from a self-sustaining system and instead requires constant care-taking to help it grow, gain strength and prosper. This also explains why the global economy, in other words, calls for active monitoring (Articulation 10) to both trace and “forecast” its development in order to facilitate proper interventions.

### **The social (dis)embeddedness of the global economy**

Starting from the notion of the global economy as an elementary and ineradicable aspect of world society (Articulation 1) we have thus arrived at an understanding of the global economy as a fragile system that is constantly under threat, even of extinction (Articulation 9). While seemingly in conflict, the two articulations may in fact complement each other. Accordingly, the prevalent understanding in TEC concerning the precariousness of the global economy may reflect an acknowledgment of its fundamentally social and cultural underpinnings: the global capitalist system can only be sustained as long as the social, political and cultural elements that hold it together continue to support it. The way the two extremes may be implicitly connected in the epistemic work of transnational elites is captured in Alan Pike’s 2001 reference to the UN secretary-general Kofi Annan’s speech at the 1999 Davos forum:

*Mr Annan used his Davos speech two years ago to advance a deeply-held concern that the global economy was more “fragile and vulnerable” than was generally appreciated. He argued that unless the global market, like national markets, was held together by shared values, it would be exposed to backlashes from protectionism, populism, nationalism, ethnic chauvinism, fanaticism and terrorism. In addition to the efforts of the UN and other international agencies to promote human rights, acceptable labour conditions and environmental standards, he said, the corporate sector must tackle them directly. (A6/2001, AP.)*

In the passage, Kofi Annan warns about the “fragility and vulnerability” of the global economy. Here the global economy equates with the “global market”, which is apparently dependent on the existence and observance of “shared values”. Accordingly, various sets of value-related ideas and ideologies from protectionism to terrorism are threatening the global market with extinction.

These purportedly anti-global economic values are then contrasted with “human rights”, “acceptable labour conditions” and “environmental standards”, which seemingly correspond with the values of the global economy. The argument that the global economy “is held together by shared values” implies, in other words, that the global economy is constituted by certain social activities and processes and corresponding values and ideals. The global economy comes together only through these activities, and once they are abandoned, the global economy effectively ceases to exist. In this understanding, there is nothing inevitable or self-evident about the existence of the global economy. It is a contingent and conditional domain of social coexistence, which comes into being only through its reproduction in social interaction.

The ontological premise of the *social embeddedness* of the global economy is not implied only in the kind of lofty rhetoric that can be expected from a UN secretary general. Rather, an understanding of the socially embedded and collectively constructed nature of the global economy seems to be a feature of even the most mundane elite discourses concerning the economy. During the annual Davos forums, FT reporters routinely report on the purportedly shared perceptions and the general mood among the forum participants with regard to the global economic outlook. Significantly, instead of simply reporting on the evaluations, forecasts and prognoses that various expert institutions publish, FT journalists go to great lengths to interpret the individual and collective *feelings* of the people gathered in Davos. Accordingly, they habitually employ such terms as *confidence* and *upbeat* to describe generally positive outlooks, and articulate generally negative expectations with words like *uncertainty*, *fear* and *sombre*. Even when they point to often contradicting prognoses, analyses and opinions of economists and other experts, FT journalists rarely attempt to analyse the merits of each argument. Instead, they tend to offer an assessment about the “predominant view” among panel speakers or the forum participants at large. Those economic analyses and predictions that deviate from the apparent majority view are typically labelled as either *optimistic* or *pessimistic*.

Why does the FT see it as necessary and relevant to inform its readers about such subjective perceptions and feelings of the attendees at Davos? The first and obvious implication here is that the perceptions and evaluations concerning the global economy held by the business executives, politicians, officials and economists at Davos are authoritative for their basis on specialist expertise and experience unmatched by the FT’s ordinary readers. But the second implication is more substantive: the people at Davos represent major investors, financiers, employers, regulators and economic policy makers whose decisions not only greatly affect the global economy but are shaped by their beliefs about the state and future direction of the global economy. In other words, developments in the economy are understood to be partially dependent on the beliefs the economic agents have about their environment and the expectations they have for the future. General optimism among



delegates about the world economic outlook is crucial for transnational businesses to borrow, invest and employ and thus for the economy to grow. Therefore, to report on the “general atmosphere” at the forum, and to inform readers about what is “in the minds” of the Davos delegates, is to be understood as an implicit recognition of the essentially *constructive* or *performative* nature of shared perceptions and beliefs regarding the global economy. FT reporting, in other words, implies that any outlook of the global economy must acknowledge the significance of the *collective psychology* of economic decision makers.

As an illustrative example, let us examine the following FT editorial from 2001, titled “Recession and recovery” and commenting on the Davos discussions on the global economic outlook.

*Last year, the e-word was all the rage in Davos; this year it is the r-word. Recession is uppermost in the minds of politicians and chief executives as they gossip at the World Economic Forum. The “new economic thinking” of a year ago required for the “new economy” dominated by e-commerce has all but gone. All the talk in Davos is certainly doing something for the economy of the Swiss Canton of Graubunden. But the fear is that the influential men with their hands on the levers of the world economy will either do too little too late to boost the global economy, or, and this is spoken more quietly, that whatever they do might be ineffective.*

*Fears of recession arise not from hard economic facts. Rather, they are encouraged by the drip of bad corporate earnings figures, falling indicators of confidence, the lacklustre performance of stock markets, and, most important, a growing belief that previous optimism was based on shaky foundations. In Japan, the recent news has been unremittingly gloomy. Retail sales were 0.9 per cent lower in December than a year earlier. The trade surplus is falling as exports fail to grow as fast as imports. Consumer prices fell by 0.7 per cent in 2000, the largest decline in 29 years, showing that Japanese consumers still refuse to be parted from their earnings or savings.*

*European economies have been much stronger, although hopes of continued economic growth of more than 3 per cent are fading. This week the German IFO index of business confidence fell for the seventh consecutive month to its lowest level for more than a year. Most eyes, however, are on the US. Industrial production has fallen for the past three months; investment seems to have stopped dead in its tracks; and consumer confidence is on the wane. Last week the respected University of Michigan consumer sentiment index fell to lowest level since 1996. Interest rates in the US commercial paper market have risen sharply for companies with lower credit ratings, reflecting institutional concern that corporate financial health is weak. (A20/2001, Editorial.)*

As is customary to many of the FT’s journalistic reports from the Davos forum, the editorial begins with a representation of the prevalent ideas and feelings

among the participants. Such assessments are typically made in light of the apparent changes in themes and tone from the previous year's gathering. In this case, the contrast in tone from the digital "new economy" hype of the 2000 meeting appears particularly stark as Davos is suddenly dominated by "gossip" about recession. In the sarcastic tone that is characteristic of the FT, the editorial then appears to downplay the importance of "all the talk in Davos". Yet the implication here that what is being discussed between the delegates at the forum is all but insignificant is contradicted by the very fact that a number of FT reports, and the editorial itself, pay so much attention to it. Accordingly, far from dismissing the "gossip" as nonsensical and irrelevant, the editorial in fact goes on to affirm the validity and relevance of the collective "fears" of recession and to offer plausible explanations for such fears. As a whole, the editorial thus reads as a warning to its international elite audience about the genuine risk of a global economic downturn. As such, the editorial certainly stops short of arguing that the Davos delegates' fears are worrying because of their tendency to turn into a self-fulfilling prophecy in an economy based on collective perceptions. Yet by referring to collective feelings instead of "knowledge", it effectively normalises the *future orientation* of actors in the economy and thus validates the importance of expectations as a key element in the global economy. Referring to "falling indicators of confidence" and "a growing belief that previous optimism was based on shaky foundations", the editorial implies that such collective feelings and expectations may even be more important than "hard economic facts" in shaping the immediate future of the global economy.

Aside from implying the importance of future expectations of economic actors in contributing to actual market cycles, the ontology of the global economy also features ideas that shared beliefs are key to its basic functioning. For instance, a conspicuous and recurring issue in the FT coverage in the early 2000s is the perceived threat to the global economy posed by worrying developments in the US economy. Assessing the situation in two separate articles on 1 February 2002, Ed Crooks cites warnings by economists that equities in the US stock market are "grossly overvalued" in historical comparison and that the "massive US current account deficit" threatens the stability of the dollar as a currency (A50/2002, EC). Were the US dollar and the stock market to plummet, Crooks reasons, the results could be catastrophic for the world economy as a whole (A51/2002, EC). There is a constant threat, in other words, of an economic collapse, an assessment which is based on certain economic indicators. At the same time, however, markets keep on "overpricing" US stocks, and the value of the dollar is not falling. This conundrum – the seemingly irrational behaviour of international investors in sustaining the growing US indebtedness in the face of the risks inherent in such investments – is a recurring issue in the material between 2001 and 2006. In 2002, Crooks, however, provides perhaps the bluntest explanation to the riddle: according to him, the investors' behaviour results from their underlying "faith" in the robustness of the US economy. What is preventing

the global economy from unravelling, in effect, is a general trust among investors in that the US economy will not go under. Observing the debates at Davos on the state of the US economy, Crooks sees “a general interest” in maintaining this faith: “A dollar crash, accompanied by a further slump in stock prices and other US assets, would be such a grim outcome for the US and the rest of the world that there is a general interest here in ensuring that faith in the future of the US is maintained” (A51/2002, EC).

Instead of simply reporting on economic “facts”, then, FT reporters recognise the importance of expectations, feelings and beliefs as central elements in the global economy. The frequent allusions to the “general atmosphere” and “mood” at the Davos forum is the most illustrative example of this tendency, and so are the habitual reports on the polls measuring the confidence among business leaders and investors in their immediate business environment. Overall, the discourse implies a recognition of the dependence of economic activities and the operation of markets on collective sense making (see, e.g., Marazzi 2008; Rubinstein 2000; Searle 2003, 203). Such an understanding of the economy as a phenomenon of collective psychology, shaped by language, shared perceptions and mediated discourses is clearly identifiable in the FT-mediated Davos debates on the global economy, and thus it seems to form a fundamental aspect of transnational elites’ ontological knowledge.

Despite these observations, the intention here is not to argue that the ontology of the global economy in TEC represents an extreme form of “idealism”, overlooking any “material” aspects of the economy as a social process (cf. Taylor 2004, 31–3). On the contrary, when addressing the social-psychological dimensions of the global economy the FT seems to imply that, while potentially having real economic effects, the “moods” of Davos participants are not simply based on unfounded rumours and free-floating discourses. Rather, as the 2001 editorial cited above implies, the common perceptions are influenced by “recent news” that in turn is based on indicators of the observable developments of economies. These indicators include “hard economic facts”, such as retail sales, exports and the overall growth of the GDP, but – in the circular logic of social constructions (Hacking 1999) – they also include measures such as indexes of business confidence and consumer sentiments. Thus, through polls conducted by research institutions, the aggregated perceptions of market agents become part of the “facts” that, in turn, shape the moods of elite decision-makers. The journalistic practice of outlining the general outlook of the global economy thus takes into account not just the “hard economic facts” but also the collective feelings and moods in the markets, shaped by their knowledge of these facts. The problem is that collective moods and perceptions, on one hand, and “hard economic facts”, on the other, may not always be in sync. Confidence in the economy may, after all, be based on “unfounded optimism” and thus lead to careless risk-taking.

Collective moods, in other words, can be dangerous as they may lead to herd behaviour.<sup>96</sup>

Overall, then, the material demonstrates a rather nuanced understanding of the socially embedded and discursively constructed nature of the economy. In this respect, there are two key elements in this ontology. First, the fundamental fragility of the global economy means that there is perpetual uncertainty about its future development. This, somewhat paradoxically, prompts transnational elites to constantly debate and anticipate the turns that the economy may take. Indeed, it is exactly because of its fundamental unpredictability that the global economy requires ceaseless monitoring. Beliefs and expectations thus become central elements in TEC on the global economy, as outlined in Articulation 10 in the preceding discussion, and specialised agencies and experts, who present informed economic forecasts, occupy key positions in this epistemic work. Second, the ontology of the global economy emphasises the role that the collective psychology of economic actors play in shaping the global economy. Only when there is belief and positive expectations in the future growth and stability of the system, will the key economic agents continue their activities which sustain and reproduce the global economy. Consequently, the need to maintain the general atmosphere of confidence among the elite becomes a principle of crucial importance in this ontology. Indeed, as a sign of its centrality, the word *confidence* or *confident* appears 194 times in the data, or 0.36 times per article. Confidence and its negative counterpart *uncertain/ty* (0.17) can thus be seen as forming a key dichotomy around which the global economy is articulated in the epistemic work of transnational elites.

Of course, there is an obvious gap between the acknowledgement of the markets and the global economy as being determined partly by social-psychological phenomena and the kind of social embeddedness suggested by Kofi Annan when referring to the shared values and principles underpinning the global economy. Transnational elites may, after all, recognise the ultimately performative nature of market beliefs and discourses but still perceive the economy as a separate and autonomous domain in society. Therefore, an important dimension of the ontology of the global economy concerns its boundaries, limits and relations with other social domains. What is conceived in the FT as belonging to the domain of global economy, and what remains outside of it? And what is the relationship between the economic domain with the potential other domains of social agency?

To obtain a view of the range of processes and activities the global economy involves and is articulated with in TEC, let us revisit how the FT presents the Davos agenda and the array of issues and themes in the coverage.

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<sup>96</sup> Views that the corporate managers and investors were caught in a “wave of exuberance” (A80/2003, GJ/WH) become a popular explanation for the so-called dotcom bubble in the FT articles of the early 2000s.

Table 4.2 in the previous chapter provides a view of the frequency of the primary topics in the material. At the core of the coverage are articles focusing on the status and outlook of the global economy (67 articles), as well as of national and regional economies (68 articles). Under these topics, the global economy tends to appear about growth and measurement of economic activities, outlined within a highly functional understanding of the global economy as a system of interdependent parts.

A second set of issues covered by the FT concerns finance and financial markets (67 articles), companies and market sectors (46 articles), international trade (32 articles) and energy (9 articles). These topics are directly connected to the operation of the global economy and can be regarded as central economic activities. Yet compared to the macroanalysis, which is typical to the articles focusing on the global economy and national/regional economies, these topics often feature a more policy-oriented perspective: how to enhance, support or regulate these activities. Trade coverage, for instance, largely centres on the ongoing negotiations between trade ministers of leading economies concerning the WTO process of trade liberalisation and emphasises the importance of enhancing international trade as an economic policy goal. Similar discussions on financial market regulations, the price of energy, and the operations of particular companies, markets and business sectors aim at making the overall global economy operate better and grow faster through improving the core activities and processes that reproduce the global economy. Therefore, these topics typically manifest more policy- and agency-oriented interpretations of what the global economy is and reinforce an understanding of the global economy as a form of social interaction.

A third set of issues on the FT agenda move further away from what would typically be regarded as “economic” matters. First, there are articles which concern what might typically be understood as “political” issues, dealing with geopolitics, international relations and foreign policies of big powers (43 articles) or with particular political struggles and processes within a certain country or country group (21 articles). Second, there are articles which aim at taking stock of particular problems and questions that transcend the spheres of economy and politics narrowly defined and therefore emerge as broadly “social” issues. These topics include globalisation (33 articles), understood as global integration and the associated social phenomena from migration to problems of governance, climate change (11 articles), and various development issues in the global south from poverty reduction and food and water scarcity to the prevention of curable diseases (24 articles). Third, two sets of articles focus on particular actors and organisations of global importance: the World Economic Forum and the Davos delegates (86 articles) and the World Social Forum and global civil society (13 articles). Finally, there is a small number of articles (9) that deal with topics that appear only sporadically in the material, including articles about science, demographics, education and sports. Together, this third set of issues thus deals with a diverse range of social and political processes, relations, interactions and agents, addressing what might

be termed the global polity and world society (cf. Boli and Thomas 1999b; Larner and Walters 2004; Ruggie 1998).

A significant share of the overall themes in TEC, therefore, do not appear to be economic in the conventional sense of addressing the operation of markets and businesses or aggregate indicators of production, trade and capital flows. However, these apparently “extra-economic” issues typically appear in the FT in a context which sets them in close relation with those issues that are more explicitly articulated in economic terms. Consequently, there seems to be a close connection in TEC between the matters of global economy, on the one hand, and global polity and society, on the other. The domain of the global economy is complemented in the elite ontology by other domains that together form what might be called the *global extra-economy*.

There has been plenty of debate in literature on how the realms of the economy and the extra-economy are articulated in modern social imaginary (e.g., Massey 1988; Taylor 2004; Wallerstein 2004). Many have suggested that the social and the political have increasingly been seized by the economic in recent decades (e.g., Gill 2003, 117–8; Larner and Walters 2004, 510; Teivainen 2002), while the economy itself has come to be increasingly seen as an autonomous sphere, “disembedded” from social relations (Grossberg 2010, 142; Mitchell 1998). This argument points not only to the increasing prevalence of economic rhetoric and rationality in political and public life, but also to institutional and structural processes through which many issues and decisions that have previously been part of representative politics and the public agenda have become dealt with by non-representative, “economic” experts and institutions, in effect narrowing the sphere of politics and democratic processes. In this vein, Gill (2003, 131–4) has pointed to the international “constitutionalisation” of many regulations and arrangements based on an economic rationality, which effectively discipline future legislation and policy-making of states and thereby restrict the scope of national democratic decision making. From this perspective, “the economy”, indeed, seems to have taken over much of what were previously regarded as relatively autonomous spheres of politics and society.

An alternative proposition, however, would point to the two-way direction of influence between the economy and the extra-economy: as social and political processes become increasingly articulated in terms of the economy, also, inevitably, the economic is being increasingly seized by the social and by the political. As a result, processes previously related to the economy and rationalised in terms of an “economic logic” become articulated with (other) social processes and forces, which not only enable but also influence and limit “economic” processes. At least to some extent, TEC seems to recognise the inevitable interconnection between activities, issues and processes understood as inherently economic and those that are regarded as social or political in character. International politics, for instance, is not discussed simply in terms of diplomacy but with a specific interest in how international disputes, conflicts and terrorism potentially affect the processes

and costs of trade, investment and energy supply. Similarly, debates on the measures to curb climate change typically concern their effects on businesses and markets in terms of new regulations and costs of emissions, as well as in terms of the markets created for green technologies; and they also often deal with ways in which companies and CEOs need to be involved in actions that address climate change as a global problem.<sup>97</sup>

Overall, the purportedly “extra-economic” concerns are rarely addressed in the material without reference to their “economic” significance. Accordingly, in the ontology of the global economy, “economic” processes and activities are inexorably tied with and influenced by “political” and “social” processes and activities, and the global economy can seldom be discussed without making reference to its embeddedness in global polity and society, which are characterised by goals and intentions that emerge from other aspirations than purely economic ones (cf. Fraser 2014). (As we will see in Chapter 7.2, debates on international politics and climate change develop values and ideas that defy pure economic reason.) Thus the global economy cannot sustain an apolitical appearance of itself as “disembedded” from global society. Rather, the ontology of the global economy is articulated in ways that come close to what Grossberg (2010, 147) calls “embedded disembeddedness”: it is a global economy conceived as a particular domain of social activities that have their distinct operational logics, but that are also inevitably interdependent with other processes that exist outside the economic domain.

## **5.2 Practical epistemic work on the global financial crisis**

As the preceding discussion indicates, the discursive constitution of the global economy takes place mostly in the background of TEC. In other words, it tends to be articulated at the paradigmatic level of the epistemic work of transnational elites. However, epistemic work on the global economy also

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<sup>97</sup> Gill’s (1990, 145) observations concerning the debates in the Trilateral Commission point to similar conclusions regarding the wide recognition among transnational elites of the fundamentally political nature of the economy. As Gill observes, behind the founding of the Trilateral Commission and its practices of bringing together business leaders, politicians, officials and intellectuals was a conclusion that the rising importance of economic issues as the “predominant concern of our time” in fact reiterated the primacy of politics. In a 1973 memorandum of the Trilateral Commission, Brzezinski argued that the global economy was an essentially political space in which the growing interdependence of economies ceaselessly creates political issues relating to production, exchange, currencies, raw materials, and so on. Therefore, the apparently “technical” or “economic” problems of the global economy necessitated the development of political activities and even new political structures.

involves much more practical dimensions. There is constant communication, in particular, about the actual state of the economy and its short-term prospects for markets. This kind of economic analysis typically involves the presentation of statistical indicators, informed predictions based on, and a limited set of factors and reasoning about, the behaviour of investors, consumers and policymakers. The debates also often involve arguments for or against certain policy measures to intervene in economic processes, to shape the behaviour of actors and to steer the economy in a certain direction. Even when these assessments are typically grounded on a rather unanimous understanding of the fundamental ontology of the economy, there is sufficient ambivalence about its operational logic among both experts and market actors to make the debate on the global economy a site of constant negotiation between alternative and sometimes even contradictory arguments. Such daily epistemic work on the state and the future of the economy forms the staple subject of reporting in economic news journalism and analysis.

Major market volatilities and economic crises disrupt the normal running of things in the economy and typically force businesses, policymakers and regulators to make decisions in conditions of high uncertainty about the consequences of the actions. They can be regarded as key instances of the epistemic work on the global economy. In this regard, the global financial crisis of 2007–9 represents a dramatic event in TEC in the analysed period which, due to its unpredictability and seemingly far-reaching consequences, both challenges the practical epistemic work on the state of the economy and potentially de-stabilises some of the basic ontological premises concerning the global economy. What is often perceived as the worst financial failure in the world since the Great Depression of the 1930s precipitated a global economic recession and, due to its deep impact on the economic output, trade, employment, public debt and many of the biggest banks in the world, the global financial crisis still continues in many ways to influence the global economy (IMF 2009; 2016; Mirowski 2013). Accordingly, the crisis marks a significant turning point in the global economy and has since become a ubiquitous reference point in debates on global economic developments (see, e.g., Streeck 2011). From the perspective of epistemic work, a central question is whether, and in which ways, the crisis has impacted on the ontological understandings of the global economy and, particularly, of the role financial markets play in the economy. This is the main question motivating the analysis in this section.

### **Finance talk**

In the years preceding the global financial crisis, financial markets do not feature prominently in the FT-mediated elite debates. From 2001 to 2006, only 8 articles out of 244 in the material have the financial markets as their principal focus. Then in 2007, the FT suddenly turns heavy attention to the sector, dedicating 11 articles on the subject on this single year alone, and



financial markets continue to be a prominent topic in the following years. From 2008 to 2011, the material contains a total of 48 articles (out of 288) concentrating primarily on the financial markets (see Table 4.2 in Chapter 4). In hindsight, then, the FT coverage of the Davos forum suggests that elite attention on the financial system heightens internationally just before the outbreak of the financial turmoil.<sup>98</sup>

The term *financial markets* itself appears somewhat more constantly in the material, being mentioned 26 times (0.11 times per article) from 2001 to 2006 and 46 times (0.16 times per article) from 2007 to 2011. However, when searching the data for other closely associated notions, such as *financial system*, which appears only 4 times in 2001–2006 but 76 times in 2007–2011, and *banking system* (6 and 34), differences in emphasis between the pre-crisis and post-crisis periods become more pronounced. The increasing frequency of references to *financial system* and *banking system* as synonyms to *financial markets* indicates a heightened attention on the systemic properties of financial operations. It suggests growing awareness that lending, borrowing, investment and money creation take place in specific institutional settings, which regulate and shape these practices, and also that these operations, and the rules and practices that govern them, have large-scale (i.e. systemic) consequences. Discourse about the financial system, in other words, indicates that the actors, operations, policies, rules and institutions, which form the financial markets as a social system, become an increasingly significant focus of attention only immediately before and after the global financial crisis.

Certain financial market-related terms, such as *capital market* (10 mentions in 2001–2006 and 26 mentions in 2007–2011), *credit market* (2 and 16), *bond market* (2 and 16), *money market* (0 and 13) and *mortgage market* (0 and 11) manifest a similar rise in frequency in the post-crisis period, whereas *equity market* (4 and 6) and, notably, *stock market* (40 and 23) counteract the trend. This is in line with Tett's (2009, xi, xix) observation that, before the crisis, both the mainstream and business media limited their attention on what happened in the financial system mostly to the stock markets, mostly because the swings in the value of company stocks provided reporters with an easy and dramatic object of reporting whereas the world of interbank trading, with its opaque practices and complex products, was considered uninteresting and difficult to understand. In the studied material,

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<sup>98</sup> Large subprime mortgage lenders and hedge funds started to make announcements of their problems in the spring and summer of 2007, prompting first interventions from the US Federal Reserve and other state agencies. See the timeline of the financial crisis provided by the Federal Reserve Bank of St. Louis: <https://www.stlouisfed.org/financial-crisis/full-timeline> (accessed 15 May 2016); and the timelines of the US and international policy responses to the financial crisis provided by the Federal Reserve Bank of New York: [https://www.newyorkfed.org/research/global\\_economy/policyresponses.html](https://www.newyorkfed.org/research/global_economy/policyresponses.html) (accessed 15 May 2016).

the stock markets were a frequent reference point when assessing the overall state of the economy and largely used as a convenient indicator of business cycles and market moods, even as its unreliability as a predictor of future was occasionally acknowledged. Then, as the financial crisis prompted increasing attention to the operation of the financial system as a whole, much more interest started to be paid to the various other kinds of markets that mediate capital flows between financial institutions. In this regard, the 2007 forum coverage thus marks a clear watershed in the data.

A similar story can be told when observing the occurrence of some of the terms in the financial lexicon that entered the mainstream media during the global financial crisis, including *financial innovation*, *subprime*, *derivative*, *credit default swap* and *hedge fund*. With the exception of financial innovation (mentioned once in 2001) and hedge funds (mentioned once in 2001 and 2003), none of these terms appeared in the data prior to 2006. In this sense, the familiar charges by critics that the business media failed to critically examine what was going on in the financial industry prior to the meltdown (e.g., French et al. 2009; Merrill 2012; Tambini 2010) seem to largely apply to the FT as well, even though occasional references to the dangers posed by the slowing down of the housing market boom in the United States appear in 2006 and 2007, before the eventual collapse.

### **Financial markets in the pre-crisis ontology**

Overall, the analysed data suggests that TEC on the financial markets and various banking practices explodes just before the onset of the global financial crisis and continues to be fierce until 2011 when the debate abates somewhat. However, increase in the sheer volume of talk does not necessarily mark a shift in the way the financial markets are made sense of in terms of their nature and place in the global economy. Market failures, after all, have been frequently-occurring phenomena of the global economy particularly since the 1980s, suggesting that a financial crisis should not come as an unthinkable event to the banking, business and policymaking elite. Just how much the global financial crisis manages to shake elite ontology of the global economy is therefore an open question, to which light can be shed by comparing the ways the financial markets are articulated in TEC before and after the crisis. Accordingly, in what follows, the analysis briefly outlines the principal perceptions of the financial markets that prevail in the data in the pre-crisis period from 2001 to 2007. It then proceeds to observe how the financial markets are articulated within elite communication on the financial crisis from 2008 to 2011.

The analysis is based on the initial open coding of the data as discussed in Chapter 4.1. This involved the close reading of all articles and the identification of all passages that express or imply assumptions and beliefs about finance and financial markets. The coding resulted in altogether 214 passages. In line with the previous observations about the shifts in frequency

of the topic of financial markets and of the related individual terms in the data, the open coding also indicated a heightened amount of interest in the financial sector only from 2007 onwards: From 2001 to 2006, I applied the financial market code to a total of 40 passages. In the 2007 coverage, the code was associated with 19 passages, and from 2008 to 2011, altogether 155 passages contain the code. In the analysis, I first focused on the 59 passages from 2001 to 2007 and formed groups of them according to the different ways in which they represent the financial sector, or specific actors of financial markets, in the overall context of the global economy. This resulted in three distinct discourses on the financial markets: the *functional finance* discourse, the *disciplinary finance* discourse and the *destabilising finance* discourse. Table 5.2 lists the three discourses and illustrates them with relevant passages from the data.

**Table 5.2** Three dominant discourses of finance before the global financial crisis

Discourse	Passages
<p><b>FUNCTIONAL FINANCE</b></p> <p><i>Financial markets/investors as an enabling factor in the economy; source of growth, credit and finance.</i></p>	<p>Developed by South Africa, Nigeria and Algeria, the project, known as the Millennium Africa Plan, or Map, has been likened to the Marshall Plan that helped rebuild western Europe with American money after the second world war. ... It is aimed at lifting Africa out of stagnation with the help of foreign governments and private investors. They are expected to provide debt relief and finance new infrastructure, while African governments eradicate corruption and commit themselves to democracy and economic reform. (A15/2001, VM.)</p> <p>Enhanced transparency by means of more reliable financial data offers the prospect of improved access to capital both for companies across the world and for emerging market economies. It would also contribute significantly to a more efficient allocation of global capital, as would the parallel initiatives to raise audit standards outside North America and Europe. (A18/2001, Editorial.)</p> <p>The OECD has consistently explained how the eurozone can lift these growth rates. More flexible labour markets, more competitive product markets, and more integrated financial markets are the order of the day, it suggests. (A254/2007, JT.)</p>
<p><b>DISCIPLINARY FINANCE</b></p> <p><i>Financial markets as a disciplining factor in the</i></p>	<p>Caio Koch-Weser, Germany's state secretary of finance, said Mr Lula da Silva had "a good message". "The key is that the reform momentum gets the benefit of the enormous credibility that the president brings, but it's a strong team</p>

***global economy;  
economic agents and  
economies competing for  
financial flows.***

and a strong start," he said. "So far, so good, and the market is already honouring what they have done: [interest rate] spreads are down, and the Real [the currency] is up." (A105/2003, RC/EC.)

As Lord Levene, chairman of the Lloyd's insurance syndicate, moved around Davos yesterday, he was struck by one particular theme causing a buzz in the closed-door meetings of financiers: growing transatlantic competition for dominance in the financial world. "The New York-London (competition issue) is a really hot topic," he observed. ... Earlier this month, for example, Citigroup acknowledged that the European operations of the investment bank were creating more profits than its American investment banking activities for the first time. ... The growing debate about financial market regulation is also prompting keener attention from bankers, not least because some senior Wall Street figures, such as Thomas Russo, vice-chairman of Lehman Brothers, are engaged in US panels looking at US competitiveness. (A274/2007, GT.)

**DESTABILISING FINANCE**

***1. Financial markets  
vulnerable to (a) external  
shocks and (b) inherently  
destabilising.***

(1a) The Federal Reserve's surprise decision to cut interest rates by 50 basis points this month shows how serious the US risks are. If the US economy tumbles, in spite of the Fed's prompt action, the impact on the world will be serious. Capital could flow abruptly out of US markets, depressing the dollar and causing gyrations in financial markets around the world. (A9/2001, GB.)

***2. Financial markets pose  
a threat to global  
economic stability.***

(1b) The greatest fear ... is that the sheer liquidity of the market, with funds moving around the globe much faster, could make it harder for markets to respond to a catastrophic event that prevents the normally prompt clearance of transactions ... A second worry is that the hedge fund industry's growth might arguably have been too swift. ... This raises the risk that many managers will resort to taking more extravagant risks or attempt to place relatively minor bets on perceived mispricings, and make these bets profitable by taking on high levels of leverage ... Finally, traders worry that credit derivatives, the newest range of instruments, are yet to be tested by a severe downturn, and are so new that they do not yet have a well-established regulation system. The fear is that the sheer pace of the growth in credit derivatives has outstripped both the scope of the existing regulation and the development of

infrastructure to manage exposures in the sector (A207/2006, JA.)

(2) A ... threat [to the US economy] is another downward leg in the bear market in equities. The widespread assumption is that the declines in stock prices are over. Yet the ratio of US stock prices to earnings is at least 50 per cent higher than its historic average. Experience suggests, however, that stock prices are mean-reverting in the long run. Further price falls could lead to weaker consumption and investment in the US economy. (A113/2004, MW.)

First, the *functional finance* discourse features the financial markets as an integral part of the global economy which, through the allocation of resources, enables economic operations, drives growth and accelerates global economic integration. The contribution of financial markets to the global economy is often implicitly assumed in elite communication. For instance, in its 26 January 2001 editorial (see Table 5.2), the FT expresses its support of the work of the International Accounting Standards Committee, arguing that the increased more integrated international accounting standards would enhance the “efficient allocation of global capital” and serve the needs of companies and whole economies (A18/2001). But the role of investors in helping economies grow is also occasionally explicitly expressed. Accordingly, when African leaders introduce an economic and social development plan for the continent at the 2001 Davos forum, they emphasise the role of international investors in providing capital for infrastructure investments (A15/2001, VM). More generally, when the elite discuss the prospects economic outlooks of individual economies of the world as a whole, financial markets frequently emerge as an element which needs to be taken into account: developing “more integrated financial markets” will spur faster economic growth (A254/2007, JT). Overall, then, financial markets appear to be a functional part of the general global economic system.

Second, the *disciplinary finance* discourse presents the financial markets in terms of their power. It appears a disciplining factor in the global economy in which economic actors and whole economies compete for credit. In this discourse, financial markets operate as a group agent, sometimes represented by the faceless “international investors”, monitoring, directing and sanctioning the actions of other sectors or agents of the global economy. The common sense view is that economic actions require financing, and therefore all economic agents from individual businesses to entire economies compete for financial flows. This gives the financial markets their power to discipline other economic agents, including governments and businesses. The discourse of the disciplinary power of financial markets in the global economy is evident, for instance, in arguments that political leaders and chief executives must earn the trust of international investors to succeed and that the financial

markets reward such policies and commitments by offering credit at a low interest rate. Politicians, in particular, are judged by the reactions of the financial markets: as illustrated by the first example of this discourse that is presented in Table 5.2, Germany's state secretary of finance evaluates the policies of Brazil's Lula da Silva not against certain societal goals, such as employment or income equality, but on the basis of market reactions (A105/2003, RC/EC). Moreover, gaining the trust of investors may mean a variety of things from the design of policies that are deemed "credible" in the eyes of financial market actors to the sending of reassuring messages that the interests of investors will be taken into account in the future. The disciplining power of financial markets also extends to western governments, as illustrated by the second example of this discourse in Table 5.2. Here, Gillian Tett's reporting on the competition between London's City and New York as the leading global financial centre (A274/2007, GT; A279/2007, GT) implies that big financial firms are able to play the two centres against each other in search for the most lenient regulatory environment.

Third, the *destabilising finance* discourse shares the systemic perspective of finance, in which lenders, buyers and investors both shape the financial markets and the economy, as a whole, and react to changes of other agents and processes. However, whereas in the functional finance discourse the financial actors contribute beneficially to the overall global economy and world society, the destabilising finance discourse takes a divergent view of the nature of the deep interdependency between the global economy and the financial sector as its subsystem by emphasising the systemic risks and threats that this relationship entails. As such, there are two main varieties of the threat discourse. First, some arguments emphasise the vulnerability of the financial markets to destabilising forces (see Table 5.2). For instance, in a 2001 analysis of the global economic outlook Gerard Baker reasons that a sudden downturn in a major economy, such as the United States, would cause "gyrations in financial markets around the world" (A9/2001, GB). Similar arguments are made about the adverse effects to markets posed by the problems in the eurozone and Japan, as well as about the destabilising effects of a sudden geopolitical crisis. In principle, any change in the operational environment may represent a threatening prospect to financial agents or even the system as a whole.

Second, the destabilising finance discourse also acknowledges that the financial market processes and agents are not only vulnerable to "external" developments and forces but are perfectly capable of creating problems by themselves. In his 2006 article, John Authers reports on the "growing concerns about the markets' foundations", referring to the threat that the velocity and high amounts of transnational transaction present to the financial system (A207/2006, JA). Moreover, new risks emerge within the financial markets due to the emergence and rapid growth of new players, such as hedge funds, and the development of financial products. In 2007, the concerns about financial risks emerge as an openly-debated topic at Davos. In this regard,

Gillian Tett reports about the doubts among central bankers and policymakers regarding their ability to track the mounting risks created by the new derivatives products:

*Malcolm Knight, managing director of the Bank for International Settlements, said: "Financial innovation has produced vehicles for leverage which are very hard to measure . . . liquidity is increasing very rapidly and this is affecting asset prices." (A291/2007, GT.)*

While subprime mortgage credits are not identified in the 2007 coverage, in retrospect the warnings voiced in the FT by the likes of Nouriel Roubini, about the housing market bubble, and ECB president Jean-Claude Trichet, about the lack of transparency in the derivatives business, indicate a growing acknowledgment in TEC about dangerous weaknesses in the global economy and financial system. Such recognition of risks lying within that threaten the stability of the financial system is closely connected to the second variety of destabilising finance discourse, which emphasises the risks the financial markets pose to the overall global economy or individual economies. Martin Wolf, for instance, points to the negative effects on consumption and investment that a potential fall of stock prices could cause in the United States in a 2004 analysis (A113/2004, MW). More generally, market bubbles, credit crises and stock market crashes feature among the most popular doomsday scenarios that the global economy and its components face. Occasionally, there is even a broader recognition of the ways in which the financial markets can engender economic instability and prevent the stable development of societies. In an analysis of the Latin American economic outlook, Richard Lapper, for instance, remarks that, even as the region experienced some progress "in modernising its economies" in the 1990s, "the repeated financial crises that have shook the region since 1998 have it off track" (A121/2004, RL). Similar concerns relate to potential of major capital flight, a risk that many of the emerging economies must take into account, especially after the 1997–8 Asian financial crisis (A207/2006, JA).

### **A crisis of epistemic proportions?**

Overall, then, in the years leading up to the crisis the FT-mediated TEC makes sense of the financial markets in terms of their beneficial contributions to economic processes, in terms of the rules and limits they impose on agents in the global economy, and with regard to their volatile and potentially destabilising nature. The salience of the discourse emphasising the risks posed by finance increases markedly just before the global financial crisis as the FT starts to report on the concerns of central bankers and economists regarding the rapid accumulation of leverage in the markets. Indeed, when Gillian Tett at the end of the 2007 Davos forum revisits the "raging debate" among the participants on the systemic risks in the financial markets, she makes the observation that the discussion "does mark something of a departure for the

Davos group, given that these issues have generally been ignored in previous years” (A298/2007, GT). Moreover, the destabilising finance discourse is not only speaking in abstract terms about the inherent tendencies of the market to periodically run into problems, but it also addresses concrete developments in the markets.

The pre-crisis debate of the destabilising threat posed by the financial markets takes place, however, in the context of accelerating economic growth. Most economic indicators from investment and employment figures to profit and inflation rates provide grounds for a belief that the “fundamentals” of the economy are strong. Concerns about financial market developments are thus muted by the general optimism of businesses and economies about their short-term prospects. Moreover, FT reporting on the rapid proliferation of credit derivatives and other financial innovations is marked by the presence of directly contrasting views about their significance. Accordingly, the public warnings that the system as a whole may have become more vulnerable due to the interconnections between the companies (mostly hedge funds and investment banks) engaged in the trading of the derivatives, are repeatedly balanced by views that these products of “structured finance” are making the system more resilient to shocks by diminishing the overall risk of failure of any individual agent in the market. These adaptations of the “efficient market hypothesis” (see, e.g., Davidson 2009, 93–5), in other words, effectively counter the warnings by maintaining that the market players are capable of assessing correctly the risks involved in the new instruments and that the inflation of the markets of these products thus does not represent a threatening bubble but a successful diversification of risks.

Finally, concerns about financial market developments are tempered by the recognition that the markets are overseen by authorities. In the event of market failure, there are regulatory bodies and policymakers in place to act as firefighters who will prevent the contagion from spreading across the financial system and mitigate the adverse effects on the economy. Indeed, when addressing the threats posed by the financial system to the global economy, FT reporters habitually refer to the many legislative measures and regulatory practices of governments, central banks and international organisations which are designed to guide and control financial market operations. If anything, the previous market failures, from the 1997–8 Asian crisis to the dotcom crash in 2000, have trained governments, central banks and international organisations to react efficiently to such events, so that “their consequences are well-rehearsed and policymakers believe they would be able to respond quickly to mitigate many of the consequences” (A199/2006, CG). Such faith in the surveillance, regulatory and failure-containment capacities of authorities becomes increasingly important after the middle of the decade in light of the mounting concerns about the growing volatility of the financial system.

It is essentially due to the allure of such mitigating factors against any warnings of potential instability that the financial crisis is a disorienting experience in epistemic terms. The crisis exposes the vulnerability of the global



economy and the inadequacy of its supervisory mechanisms. The prior faith in that things were fundamentally in order is replaced by serious uncertainty about what is going to happen next. It is therefore not surprising that, as the 2008 Davos forum takes place in the midst of a deepening credit crisis and a rapidly-developing stock market crash which threaten to throw the global economy into a recession, the prevalent elite discourse in the FT is not “we knew all along this would happen”. Instead FT reporters convey a collective sense of shock, fear and uncertainty among Davos participants. The evident seriousness and uncontrollability of the ongoing financial meltdown prompts FT reporters to cite a number of dramatic characterisations of the situation. The opening passage from an analysis article by John Authers and Gillian Tett, dealing with how investors and regulators are reacting to the credit squeeze and tumbling stock markets, offers an illustrative example:

*This has been no happy new year for the world's equity markets. US stocks have had their worst January in more than a century - and this sell-off has prompted both a wave of selling across the world and a truly extraordinary response by the Federal Reserve, with America's central bank making an emergency cut in target interest rates of 0.75 percentage points. By the time news of a historic trading loss at France's Societe Generale became public yesterday, the market could no longer even show much surprise. There is a growing belief that this spectacular sell-off portends more than just a periodic shift in the market cycle. Indeed, the events are now so dramatic that they are prompting many to call into question the entire capital market architecture that has emerged over the last decade, along with the approach the world's financial authorities have adopted since the last big break in the market - the bursting of the internet bubble in 2000. “We have to pay for the sins of the past,” says Klaus Schwab, founder of the World Economic Forum, which is currently holding its annual gathering of political and business leaders at the Swiss mountain resort of Davos. Or as George Soros, the legendary hedge fund manager, says: “This is not a normal crisis but the end of an era.” (A344/2008, JA/GT.)*

In the article, Authers and Tett describe what seems to be an all-out sell-off in the world's equity markets, signalling a wide-spread panic among investors about the rapidly-deteriorating global economic outlook. The reporters proceed to assess the causes for the panic, citing, among other things, “very poor macro-economic US data” and reports indicating that the losses in the financial sector has been larger than previously, signalling that the supply of credit may be further restricted in the near future. Yet there are further potential concerns that may explain the market panic, including, most notably, the dawning recognition that the “credit bubble got so out of hand in the last few years” that any policy measures by central banks and governments are unlikely to fix the situation. Authers and Tett go on to cite a “senior international policymaker” who, being interviewed under the cover of anonymity, confesses that “these are serious problems . . . People are scared” (A344/2008, JA/GT).

Allusions to panic, fear and uncertainty are complemented with the almost ubiquitous references to “crisis”: from 2008 to 2011, the words *crisis* and *crises* appear no less than 475 times, or 2.04 times per article, having been mentioned “only” 94 times in the preceding seven years (0.31 times per article). Crisis thus turns into a habitual element of the epistemic work in TEC when discussing the state of the world. Supposing that the rhetoric of crisis typically evokes phobias about a community under threat, reinforces the general sense of urgency in dealing with the threat, and signals a high degree of uncertainty with regard to what is actually taking place and how the situation is going to evolve (‘t Hart and Karen Tindall 2009b, 4–6), elite communication on the financial crisis can be perceived as an implicit acknowledgment of a shock to the very ontology of the global economy as they know it.

As the quoted passage from Authers and Tett’s article indicates, the shock and severity of the 2007–9 opened the door for the notion that “this spectacular sell-off portends more than just a periodic shift in the market cycle”. Indeed, some of the members of the Davos forum now seemed to be willing to question “the entire capital market architecture” and to declare “the end of an era”. Gillian Tett, the FT’s financial market editor who as journalist delved into the world of financial speculation in the three years preceding the outbreak of the crisis (see Tett 2009), emerged in the data as a particularly forceful actor in promoting the idea that the global financial crisis marks a fundamental shift in how bankers, regulators and policymakers perceive the risks and benefits of financialization. In several of her articles with headlines like “Pressures for a rethink are on the rise” (A324/2008, GT), “Bankers and bureaucrats seek a new philosophy” (A383/2009, GT) and “The great reckoning” (A422/2010, GT), Tett repeated the argument that the crisis has exposed huge weaknesses in the global financial system and shattered the previously-dominant faith in the benefits of “unregulated innovation” in the financial sector.

While Tett went to great lengths in describing – and promoting – a sense of intellectual disorientation among policymakers and market practitioners alike, there were also further indications that the global financial crisis had epistemic dimensions. On the one hand, political leaders and certain leading officials quickly began to formulate public narratives of the crisis and make sense of its historical significance (see also ‘t Hart and Tindall 2009a). On the other hand, economists at central banks, the IMF and other international financial institutions developed causal diagnoses of the market failure, and the directors and board members of these institutions shared the insights of these analyses with the international regulatory and policymaking community in a number of conferences and workshops (see Rosenhek 2013). With its reporting and analysis, the FT contributed to this epistemic work on the financial crisis, both mediating elite views and providing its own diagnoses of what went wrong.

In the FT, Martin Wolf, the paper's renowned economics commentator and author of books on the global economy and financial system (see Wolf 2008; 2014a), was a particularly influential analyst of the financial crisis. In his 2008 column "Why the financial turmoil is an elephant in a dark room", Wolf structured the on-going debate on the causes of the 2007–9 financial crisis by outlining three alternative explanations floated among economists.

*So how did the world economy fall into its predicament? One view is that this crisis is a product of a fundamentally defective financial system. ... The story is familiar: financial innovation and an enthusiasm for risk-taking generate rapid increases in credit, which drive up asset prices, thereby justifying still more credit expansion and yet higher asset prices. Then comes a top to asset prices, panic selling, a credit freeze, mass insolvency and recession. An unregulated credit system, then, is inherently unstable and destabilising. ... Yet there is a different perspective. The argument here is that US monetary policy was too loose for too long after the collapse of the Wall Street bubble in 2000 and the terrorist outrage of September 11 2001. This critique is widely shared among economists ... The view is also popular in financial markets: "It isn't our fault; it's the fault of Alan Greenspan, the 'serial bubble blower'." ... A final perspective is that the crisis is the consequence neither of financial fragility nor of mistakes by important central banks. It is the result of global macroeconomic disorder, particularly the massive flows of surplus capital from Asian emerging economies (notably China), oil exporters and a few high-income countries and, in addition, the financial surpluses of the corporate sectors of many countries. In this perspective, central banks and so financial markets were merely reacting to the global economic environment. (A312/2008, MW.)*

Wolf's recap of economists' early explanations of the 2007–9 financial crisis thus points, alternatively, to the inherent bubble-building tendency of the financial markets, to mistakes made in monetary policy in the years leading up to the crisis, and to broader macroeconomic dynamics which both central bankers and financial market agents responded to in a rational fashion but with ultimately fateful consequences. As such, the column covers many of the views that are developed in subsequent analyses as they are mediated and reconstructed by the FT. At the same time, it illustrates the practical and contested dimension of the epistemic work of transnational elites on the financial crisis: there are many alternative views and no consensus on what caused the crisis – at least not initially. The fact that each account points to alternative and potentially contradicting policy responses adds to the politically-charged nature of the epistemic work on the crisis.

Overall, it is possible to analytically distinguish between five major accounts on the causes of the global financial crisis as they were worked out in the in the FT from 2008 to 2011. First, there was the critique, only implicitly hinted at in the column by Wolf, of the investors' and bankers' role in causing the crisis due to their reckless risk-taking, which saw them taking on too much debt to finance ever bigger risks to achieve increasing returns. Second, the

roots of the crisis were located in the deficient regulation of finance, which allowed the innovation of new financial vehicles to proceed unchecked; an issue which did not emerge in Wolf's early analysis but gained in prevalence in subsequent years (see below). Third, some accounts pointed to the failures in monetary and overall economic policy which had created strong incentives for investors to seek profit opportunities in risky trading and speculation and had encouraged excessive lending and borrowing among banks and households.

Fourth, some accounts pointed to the "defective financial system" as summarised by Wolf in the cited column above. In these explanations, the focus was not so much on the bankers' and investors' personal responsibility, but on the financial markets as a system. As Wolf's column illustrates, some regarded the financial crisis as an evidence of the inherently unstable nature of the financial markets, which have a habit of creating bubbles. But others pointed not to any universal logics at play but instead to specific developments that had made the financial system increasingly complex and opaque, rendering the risks lying in the system difficult if not impossible to assess: "the global financial system is now so complicated that nobody really knows how deep its problems run" (A356/2008, GR). Finally, the fifth prominent theme in the explanations of the global financial crisis referred to the broader global economic developments, particularly the so-called global savings imbalances. According to this narrative, as described by Wolf, many Asian countries accumulated huge dollar reserves due to their foreign trade surpluses and subsequently channelled them back to the United States, where this flood of dollars ended up inflating consumer credit markets and the housing bubble.

The first three explanations – the banks' recklessness, regulatory failures, and policy mistakes – each point their finger at particular groups of actors. While critiques of central bankers and politicians remained muted, political leaders, in particular, from Barack Obama (A398/2009, FG/AW) to Wen Jiabao (A393/2009, CB/AEJ/GT/JT), aired public critiques against bankers' "irresponsibility" and "lack of self-discipline". More generally, FT reporters repeatedly suggested that the banking crisis marked a serious loss of reputation for the bankers among transnational elites and a questioning of both their morality and proficiency. Private and public attacks on banks reached such levels that many bank executives, including Lloyd Blankfein of Goldman Sachs and Bob Diamond of Barclays, both regular participants at Davos, saw it fit to miss the forum in 2009, so that they would not have "to hear themselves being blamed for the economic crisis" (A403/2009, JG). This kind of rhetoric in the midst and aftermath of the global financial crisis reflects the kind of mix of collective remorse, anger and blame game that characterises how business elites, policymakers and media commentators often react in public to market failures and economic crises (see Brassett and Clarke 2012;

Sinclair 2010).<sup>99</sup> In tandem, market failure turns into a fundamental failure of human character: during good times, the financiers and policymakers have succumbed to irrational greed, impudence and complacency. In addition to fitting neatly with elite understandings of the economy as a social-psychological phenomenon (see Chapter 5.1), the moral rhetoric effectively normalises the crisis as a cyclical event which is followed by another period of success and which does not merit any rethinking of earlier beliefs concerning the economy.

Yet, as the fourth and fifth accounts of the crisis suggest, the business-as-usual rhetoric of human failures and market cycles did not succeed in entirely quelling the expressions of epistemic disorientation. The arguments about the increasing complexity of the financial system and about the economic imbalances that had fed the credit-led growth boom pointed to key systemic concerns in the global economy which could not be easily explained away as failures of individuals. As a result, much of the communication on the roots of the financial crisis addressed issues from the proliferation of financial innovation to the shortcomings in the regulation of the financial industry – and even the creation of a deeply interconnected global financial structure. That the crisis had originated from western financial centres had demonstrated financial volatility to be not just a concern for non-western economies. It now became clear that “even the most sophisticated financial systems” are prone to crises (A441/2010, MW). As a result, not only investments funds and banks were on the line, but also companies and governments “must face up to the challenges created by ... unprecedented levels of interconnectedness between risks” (A422/2010, GT). In this way, much of the debate on the causes of the financial crisis reinforced the *destabilising finance* discourse that was already part of TEC in the pre-crisis period.

As already suggested above, the destabilising finance discourse is closely connected to the idea that to ensure stability the financial markets are, and must be, overseen by authorities. The importance of states as a necessary stabilising agent in the global economy was reinforced in the debate over the financial crisis: in many accounts it was precisely the internationally-coordinated government action that prevented the global financial system from collapsing. By keeping the most important banks solvent through

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<sup>99</sup> Certainly, much of the rhetoric about regrets for past failures and questioning of the previous beliefs and attitudes resembles what occurred in the studied material after the bursting of the dotcom bubble in the early 2000s. At that time, Davos participants were depicted experiencing “unaccustomed humility and remorse” and wearing “hair shirts” (“metaphorically, if not physically”) (A79/2003, Editorial), and the regrets were mostly about the “wave of exuberance” of investors and speculators (A80/2003, GJ/WH) prompted by the illusion of the “new economy miracle” as epitomised in the booming internet and ICT companies (A1/2001, GJ).

massive injections of capital, as well as by creating more demand and supply for credit through monetary and fiscal stimulus, the actions of governments and central banks, in effect, were credited for the “removal of panic from financial markets” (A441/2010, MW) and for carrying the global economy alive through the “heart attack” in the financial system (A474/2010, MW). In her 2011 column, Christine Lagarde, the French finance minister and later director of IMF, credited the joint efforts of governments for no less than “saving global finance” (A483/2011, CL). These accounts of the financial crisis presented financial institutions as deeply dependent on public authorities, relying for their survival and prosperity on governments and public regulation. The financial crisis had made it evident that “taxpayers are the guarantors of the financial system”, and government support over many banks had been such that “it [was] really hard to imagine these banks operating on a quasi-independent basis any time in the near future” (A362/2009, PTL).

Overall, however, the five alternative accounts of the financial crisis pointed to the practical epistemic challenges prompted by the shocking events and suggested that there was no apparent consensus on the causes of the crisis. The plurality of crisis narratives was reflected in a corresponding ambivalence about the political responses to the crisis: There seemed to be a broad agreement that the elites must cooperate to “fix the financial system” (A350/2008, GoB) or to “reduce monetary disorder and create the conditions where financial stability can return” (A483/2011, CL). Yet, there was great ambiguity about the magnitude of the needed reforms. For instance, in his 2008 op-ed, Gordon Brown, British prime minister, adopted a moderate view and advocated enhancing the independent monitoring and supervisory powers of the IMF to “enforce transparency throughout the system” and “to create an early warning system” to guarantee financial stability (A350/2008, GoB). Other leaders, however, took a more radical approach. In his speech at the 2010 meeting, Nicolas Sarkozy, the president of France, questioned the entire business model of western banks, “arguing that the proper role of banks is to lend to entrepreneurs and not to speculate on the markets” (A460/2010, GR), and called for a new Bretton Woods currency system (A461/2010, GT). For his part, Wen Jiabao, the Chinese premier, used his 2009 speech at Davos to call for nothing less than the establishment of “a new world economic order that is just, equitable, sound and stable” (A393/2009, CB/AEJ/GT/JT). FT’s banking editor Peter Thal Larsen, in turn, noted ahead of the 2008 forum that the banking industry was having “a real debate” about the failings of the prevailing business model (originate-to-distribute), in which they make loans with the intention of selling them to other market players, as opposed to holding the loans through maturity (A310/2008, PTL). Other concrete issues to address included not only the incentives of bankers that encourage overt risk-taking, as well as the problem of banks becoming “too big to fail” (A469/2010, GT).

In sum, the financial crisis can be seen as a moment of epistemic uncertainty and disorientation in which transnational elites worked on shared

perceptions of the shifting state of reality. In this regard, the events prompted dramatic definitions of the situation and paved the way for public blaming of individual and institutional failures, as well for the critical scrutiny of the institutions and structures in the financial sector and the global economy at large.<sup>100</sup> The presence of competing perspectives failed to give way to a unified causal account on the crisis, and uncertainty and disagreement reigned on what would represent a proper line of action to address the various problems. This general sense of disorientation and disagreement is particularly tangible in the coverage of the 2008 and 2009 forums. However, as the focus shifted from the past failures to the more future-oriented discussion on concrete policy measures in 2010 and 2011, the notion of *regulation* began to increasingly dominate the reform agenda. In tandem, there was less emphasis on the presence of differences and conflicts regarding the financial system at large.

### Regulation, recession and recovery

Regulation of markets and businesses is obviously a permanent element of international political-economic discourse. Table 5.3 indicates that, save for 2002, the FT kept *regulation* in the agenda in each year of its Davos coverage. Obviously, the issue of regulation was not exclusively connected to banks and financial operations; indeed, in the pre-crisis years most of the usage of the notion referred to other business sectors or to corporate and market regulation in general. Yet, as concerns about the developments in the financial system surfaced in 2006 and 2007, there was a slight increase in the salience of the term compared to previous years. The outbreak of the financial crisis prompted ever more frequent allusions to regulation in 2008 and 2009. But it was only in 2010 and 2011 that the notion became highly prevalent in the forum coverage, with its frequency more than doubling from the two previous years.

**Table 5.3** The frequency of “regulation” per year.\*

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
13	-	6	3	7	11	11	15	16	33	34
.30	-	.19	.09	.14	.22	.20	.26	.27	.56	.60

\* The upper row indicates the number of mentions and the bottom row the number of mentions per article.

<sup>100</sup> A study on the crisis debates in *The Economist* from September 2007 to October 2009 (Riaz et al. 2011), and an international comparative study on the political leaders’ public speeches on the financial crisis (t Hart and Tindall 2009a), made similar observations about the active promotion of institutional reforms by policymaking elites in the midst of the financial crisis.

The yearly differences in the frequency of the notion reflect broader shifts in elite communication on the financial crisis. As already discussed above, the issue of regulation was intimately connected to certain causal accounts of the global financial crisis. This is the argument according to which the crisis took place not so much because of the greed and short-sightedness of bankers but due to weaknesses in the control mechanisms of the markets. Official investigations into the roots of the crisis, such as the study of the US Congressional Oversight Panel, reinforced this message, arguing that “tighter regulations” were needed “to prevent [the financial crisis from] happening again” (A398/2009, FG/AW). Consequently, a new regulatory program captured a large part of the attention at Davos and emerged as the topic of “most impassioned debates” at the forum (A349/2008, GT/PTL). Calls and proposals by government leaders and central bankers for new regulatory measures and arrangements frequently made it to the FT reports from the forum. A regulatory reform thus became a self-evident expectation for FT journalists as a response to the financial crisis. Chris Giles, the economics editor, summed up this conviction in unequivocal terms:

*Key parts of financial regulation will be radically changed. International banks are almost certain to have some form of international supervision. Great effort will be put into removing the many forces within banking regulation that encourage institutions to take increasing risks in good times and clamp down in the bad times. Stress tests will have to be beefed up after the world proved much more volatile than the scenarios regulators approved. Credit ratings agencies will not escape a new regulatory onslaught. (A372/2009, CG.)*

In line with such demands and predictions, the crisis prompted a series of policy initiatives both at the national and international levels with the aim of creating new legislation, regulatory practices and international co-ordination to supervise the financial industry. These efforts attracted increasing attention during the 2010 and 2011 Davos meetings. Thus, whereas in 2008 and 2009 regulation emerged as one area among a number of problems to be addressed, in the subsequent two years it increasingly dominated the crisis-response agenda. The issue of regulation also introduced a pragmatic tone to the debate over the financial markets: it underlined practical ways of dealing with the situation by addressing individual concerns. Even bank executives could embrace this pragmatic approach and became involved in designing and supporting regulatory initiatives. Accordingly, during the 2010 Davos forum, Josef Ackermann, CEO of Deutsche Bank, came out in favour of solving the “too-big-to-fail problem” with “a European rescue and resolution fund for banks”, and Bob Diamond, president of Barclays, spoke on behalf of “a global levy, which could see banks contribute tens or even hundreds of billions of dollars over a period of years” (A463/2010, TB/PJ).

The participation of financial institutions in the efforts to supervise themselves did not indicate that the issue of regulation developed as a



consensual debate. Quite the contrary, FT journalists often presented “regulators”, “politicians” and “bankers” in at odds with each other. Indeed, as FT journalists recorded the rebound of the banking industry after the initial shock of the financial crisis, and followed its push-back against regulatory reforms, they presented regulatory measures as increasingly “contentious” (A423/2010, PJ). Instead of making sense of regulation in terms of a process to rebuild the financial system and the global economy under a new set of principles, rules and institutions, FT journalists thus presented it as a political struggle between banks and governments. However, this emphasis on the purportedly contested nature of regulatory measures worked to effectively hide the emerging broader consensus of financial regulation itself as the principal, if not the sole, way to respond to the crisis. Indeed, questioning the entire financial system and the prevailing business models subsided as the discussion turned towards more limited questions on the feasibility, validity, legitimacy and effectiveness of individual regulatory initiatives that were being proposed and implemented. While initially rooted in the perceived threats posed by the financial system, regulation emerged in this debate not as a self-evidently necessary action to stabilise the financial system but as a contentious political process, which was assessed in terms of struggles and concessions on individual regulatory measures by rivalling actors in the global economy.

The push-back of the banking industry against fundamental reforms was closely associated in the debate with the evolution of the financial crisis into a global economic downturn. The Great Recession, as it came to be labelled, presented a new field of concerns for the Davos elite to address. The issue of reforming the banking sector was now increasingly treated as a secondary problem in the face of the necessity to find ways to restart growth in the global economy. In this quest for recovery, private financial institutions were to play a key role.

According to the dominant account of the global recession, the financial crisis had caused a “credit squeeze”, or the tightening of credit, in the economy, which was interpreted as the diminishing of the banks’ “lending capacity” (A316/2008, KG). Yet the banks were desperately needed in the recession “to finance the global economy” (A483/2011, CL), or to provide the all-important credit to businesses for their operations. Indeed, the global economy had a “huge demand” for credit, which only the banking sector had the power to provide (A506/2011, DS). Easing the credit squeeze was therefore necessary for the global economy to run effectively. A logical policy conclusion was that the banks had to be assisted by central banks and governments to encourage them to offer credit to businesses and to finance investments.

The pragmatic debate on the economic crisis, which presented the return to robust economic growth as the primary global policy objective, thus reintroduced the discourse of *functional finance*, which already featured prominently in the pre-crisis debates of the global economy. Within this discourse, the banks emerged as essential vehicles for the needed credit to jump-start growth, and so the proposed new regulatory measures to limit the

operations of the financial markets began to be seen as a burden. This argument about the negative effects of regulation on the ability of the banks to finance the economy was neatly captured by Francesco Guerrera and Patrick Jenkins as they reported on the 2011 Davos forum debates on new banking rules:

*Everyone agrees that stronger, safer banks will inevitably be less profitable. But how much less? And does it matter to the broader economy? Larry Summers, until recently US President Barack Obama's top economic adviser, insists it does. "The world is more likely to suffer from excessive risk aversion over the coming years, rather than insufficient risk aversion," he told a Credit Suisse lunch on Thursday. ... The constraints that such regulation will impose on banks' lending capacity has been a central theme of Davos 2011 - one that bankers argue is of critical importance to the outlook for global economic growth. "Governments want growth and without the money to fund it themselves they need the banks to play that role more than ever," says Gary Parr, deputy chairman of Lazard, the advisory bank. (A513/2011, FG/PJ.)*

The passage illustrates the stark contrast between the destabilising finance discourse, which dominated during the financial crisis, and the functional finance discourse that increasingly took hold in subsequent years. In this latter discourse, the risk-taking by agents in the financial sector in search of greater profits was no longer regarded as the root of instability but rather as the solution to the problem of growth. Correspondingly, regulation was no longer understood as a necessary way to rescue the banking industry, but as a penalty or sanction to the banks. This made it possible for investors and bank executives to claim that the proposed new rules and taxes threatened their ability to rebound from the crisis: all regulations that restricted the banks' ability to take risks and accumulate profits thus became to be seen as harmful and effectively pro-cyclical measures that would deepen the recession. In sum, by 2011 the debate on the financial markets appears to have shifted considerably: from the need to control and diminish the systemic risks banks and investors represented to the global economy, Davos attendees had moved to discussing how regulation would impose "constraints" on the capacity of banks to lend:

The discussions on the fallout of the financial crisis featured not only concerns about economic recession and the role of the banks in recovery from it. Developments in the financial markets themselves attracted much attention. FT journalists reported, for instance, on how credit is flowing in large quantities from the leading western economies to emerging markets: as western economies one after another fell into a recession, investors were seen as "escaping dismal returns in the rich economies" (A429/2010, AB) to emerging markets "where growth prospects are the strongest" (A442/2010, CG). In addition, Europe's mounting problems in the wake of the financial crisis prompted alarming commentary. Already in 2009, investors were

reportedly becoming increasingly concerned about the rising public debt of governments following the bank bail-out. Then, at the 2010 Davos forum George Papandreou, the Greek prime minister, attempted in vain to calm the creditors in the face of growing concerns about Greece's ability to fund its rising public debt. The FT commented on the Greek troubles in an editorial on 29 January 2010, arguing that "if enough investors fear that Greece cannot refinance, this possibility will become a self-fulfilling prophecy. The challenge is to gain investors' confidence not only that Greece can tackle the deficit – but that enough investors trust it to do so for it to continue refinancing." (A459/2010, Editorial.)

As the two major themes in the post-crisis debate on the financial markets suggest, investors continued to hold great power and influence in elite ontology of the global economy. In the conversation concerning global financial flows, investors appeared as disciplining actors who were still seeking the highest returns for their investments, forcing economies to create as attractive conditions as possible to creditors. The way the Greek government was discussed in terms of being held hostage to the confidence of investors, manifested an understanding of how the sovereignty of individual economies – at least in the eurozone – was compromised by the willingness of investors to finance public deficits. Therefore, just as in the years before the crisis, the post-crisis debate often presented investors and the financial markets within the *disciplinary finance* discourse, which naturalises the power of the financial markets over governments and other economic agents. By 2011, as the Greek problems transformed into a fully-fledged eurozone crisis, Chris Giles observed the general shift in economic policy discussion around the world: from the idea that governments should support economic growth with public spending, the debate had turned to the need to cut public deficits with policies of austerity:

*Fiscal stimulus is now a thing of the past. The US is again something of an outlier, with Congress approving the continuation of the George W. Bush tax cuts in December in a fiscal package that also included further extensions in unemployment benefits and a one-year reduction in payroll taxes. ... Elsewhere in advanced economies, public spending cuts and tax increases are firmly on the menu for 2011. Some countries are pursuing austerity with relish. In January, the German government said it hoped its budget deficit would fall firmly below the European 3 per cent limit after breaching the rules for only one year. The UK coalition government, with a much worse starting-point, has put deficit reduction at the centre of everything it does. ... Elsewhere in Europe, austerity is even tougher, but has been forced on countries that had few options left after hitting the limits of investor willingness to finance their fiscal deficits at reasonable cost. (A486/2011, CG.)*

Giles' argument demonstrates a rather nuanced understanding of the differential disciplinary power of finance over governments. As a policy

program austerity was a matter of choice for some governments, especially to those of the major economies including the United States, the UK and Germany.<sup>101</sup> For the rest of the European countries, on the contrary, austerity was forced due to the investors' loss of confidence and "willingness" to finance their public deficits. In a similarly weak position with regard to the international investors were the emerging economies, whose monetary policies were restricted by their "worry that if they raise interest rates further, a wall of money escaping the extremely low cash returns in the advanced world will force their currencies artificially high and undermine their long-term growth prospects" (A486/2011, CG). More generally, in the debate on the eurozone crisis and public deficits, creditor interest and debt discipline emerged as practically non-questionable principles in elite debate. Gillian Tett acknowledged as much when she assessed the problem that governments were facing in the "huge debts" they had accumulated in managing the financial crisis and its fallout: while tough austerity or inflation were both "pretty unpalatable" means of tackling the debt burden, there was really no alternative since the only other way was "through defaults, and that's ... pretty taboo as far as the Davos debate is concerned" (A423/2010, GT). Overall, even as elite debates featured a pragmatic and non-moralistic tone concerning the role of credit in the global economy, a common sense still regarded public debt as a problem, particularly in the crisis-ridden countries of the eurozone. Moreover, there was no questioning of the global system of US-led monetary order and the rules governing the creation and allocation of credit (see, e.g., Davidson 2009, 134–41; Varoufakis 2013).

The disciplinary finance discourse thus entailed an implicit recognition of the uneven distribution of power in the global political economy, in which size and institutional arrangements grant certain actors more freedom of manoeuvre than others. In this respect, the financial crisis, if anything, reinforced the perceptions of the centrality of the United States in the global economy. Indeed, if the years prior to the crisis were marked by frequent restlessness about a potential crash of the dollar as a consequence of the mounting US private and public deficits, this was no longer presented as a relevant concern after the crisis. The way US authorities dealt with the crisis by providing massive amounts of liquidity to the market essentially debunked

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<sup>101</sup> Notably, Giles' acknowledgment of the nature of the UK government's measures to cut public deficits as entirely optional and intentionally self-imposed austerity implicitly disclaims the government's official argument. Yet only two days later, Giles reported how Nick Clegg, the deputy prime minister, justified the British "austerity drive" as an "unavoidable decision" that was determined by the need to reach a fiscal balance lest "other people will force you" (A511/2011, CG/GP/MW). True to FT journalism's inherently "neutral" and non-confronting nature, this news report made no effort to probe the validity of Clegg's claim, leaving it to the reader to decide whether to treat Clegg's assertion of the power of investors to discipline the UK government as an expression of genuine belief or as a convenient rhetorical device.

any myths about the risks of the United States government of running out of credit.

Nevertheless, there is an area where the power of finance appears to overwhelm the capacity of countries to define the rules irrespective of their size, and that is the world of regulation. As FT reporters covered Davos debates on new regulatory measures in the wake of the crisis, they expressed scepticism about their impact. “Are policy changes now in place that reduce the likelihood of further severe crises? The answer, alas, seems to be no” opined Martin Wolf in his 2010 comment (A441/2010, MW). Similarly, Deven Sharma argued in 2011 that “recent reform efforts, in areas ranging from proprietary trading to credit derivatives and credit ratings, have been piecemeal and parochial” (A506/2011, DS), and a 2011 editorial warned policymakers in forceful terms against succumbing to the pressure of the financial industry, stating that “banks still have to be made safe to fail” in order to “restore market discipline to the financial sector” (A526/2011, Editorial).

These critiques of the post-crisis failure to implement a meaningful financial reform amounted to a tacit acknowledgement of the success of financial elites to shape the international regulatory response to the crisis. In fact, there appeared to be no ambiguity about the bankers’ positions concerning regulation nor about their intentions to influence governments and international officials. Already in 2008, Gillian Tett and Peter Thal Larsen observed that “investment banks - unsurprisingly - are keen to avoid any regulatory clampdown” and were on a “charm offensive” in Davos, “lobbying discreetly to offset the rising criticism of their finance model” (A349/2008, GT/PTL). Moreover, in her article ahead of the 2010 forum, Tett bluntly observed that “a host of senior bankers will be flying into Davos this year hoping to press their case for governments to impose only modest financial reforms” (A422/2010, GT).

Yet, in addition to the successful lobbying by industry leaders, there appeared to be a more profound reason for the failures of governments to act more forcefully on the financial institutions. This was related to the perception of a fundamental incapacity of states to regulate the financial markets. According to this reasoning, “regulators and banks are caught in ‘game of cat and mouse’” in which the banks tend to have the upper hand (A524/2011, TJ). Due to their ability to move capital globally, investment bankers were in a position to evade nationally and regionally imposed regulation, and due to the existence of “shadow banking”, investors had many more tools in their proposal than the regulators who tried to constrain them. Efficient regulation of financial markets thus appeared as an impossible task. Or, as Tony Jackson summed it up: “the mice will always win” (A524/2011, TJ).

In sum, the practical policy debates on the Great Recession and recovery featured discourses of the financial markets that were distinctly different from the critiques that were present in the conversations about the causes of the global financial crisis. In these debates, instead of being regarded as a “defective” element that threatens to drive the global economy into instability,

the financial system, and its banks and investors, emerged as enabling agents who finance growth and are therefore key to recovery. Moreover, due to their ability to move great amounts of capital across borders in search of higher yields, international investors were considered to be effectively limiting the available policy options of a great number of countries in the aftermath of the crisis; and as the all-important sources of credit, private financial institutions could even hold hostage indebted governments. As a result, as elite debate moved on from the immediate crisis assessments concerning “what went wrong” towards the more future-oriented discussion on the needed measures to lift the global economy out of the recession, the perceptions of the financial markets and the role of banks in the economy changed considerably. In many ways, the post-crisis debate reproduced the same perceptions of the financial markets that had been dominant already before the crisis.

### **Financialised ontology**

In his analysis on the influence of the financial media over international economic policy, Jeff Madrick (2002) observed that major crises have periodically shaken elite faith in orthodox economic policies. Examining the western financial press coverage of the Russian shock therapy and the liberalisation of Asian financial markets in the 1990s, he argued that, in the wake of the Asian financial crisis and the consequent Russian default in 1998, the newspapers began to present critiques of privatisation, neoliberal structural reforms and the liberalisation of financial markets. Such critical accounts typically took the form of explicit pronouncements and even dramatic about-faces from prominent economists that had previously been vocal proponents of the so-called Washington Consensus policies. The financial media, in other words, largely cued what was considered the prevailing wisdom over economic policies, and only the emergence of rifts among policymakers and experts following market failures allowed ideological disagreements surface in elite communication.

Based on the preceding analysis, the FT coverage of elite debates on the financial markets from 2001 to 2011 indicated similar patterns of consensus and disagreement. The 2007–9 financial crisis, in particular, can be regarded as a source of epistemic disorientation, shifting the prevailing discourses about financial markets in TEC. More precisely, the discursive impact of the crisis can be summarised in two main effects. First, it prompted vocal attacks on bankers and claims about the deficiencies of the financial system. Second, it reinforced the understanding that states were the ultimate guarantors and supervisors of financial markets. Yet both these discourses proved to be only temporary alterations in the way financial markets were made sense of in TEC.

Certainly, the threats posed to the global economy by the financial system featured prominently in elite debates immediately after the outbreak of the financial crisis. This *destabilising finance* discourse occupied an important position in the accounts of the crisis and involved the explicit recognition that

governments needed to bring the financial system under public control. These shifts in elite debate can be seen as epistemic elements for a potential redesign of the global financial architecture. They could operate both as sufficiently serious warnings against non-action and as empowering calls for action to reconsider some of the institutions and rules governing over global finance.

This sense of threat, which could potentially have paved the way to the questioning of the feasibility of the whole finance-led model of the global economy, was, however, quickly tamed under mundane disagreements on the pragmatics, politics and economics of financial regulation. Certainly, the debate on regulation, as it featured demands for greater transparency and oversight of financial institutions, reflected certain fundamental tenets of elite ontology. These concern, in particular, an understanding of the way in which the operation of financial markets and the global economy is dependent on trust. They also include an acknowledgment that openness, transparency and the availability of information are necessary elements in building that trust. In this sense, the post-crisis emphasis on regulation as the primary response to the crisis, as well as the key notions used in the debate, were logical responses which arose from the basic elite ontology of the global economy as a socially-embedded domain of economic and market activities (see Chapter 5.1). This also explains why, after the global financial crisis, policymakers and regulators have indeed taken steps to enforce more transparency and oversight in the financial markets, for instance, in the Basel III process (e.g., Wolf 2014a, 225–7).

The issue of regulation, however, failed to shift elite ontology in any meaningful way and brought little new insight into TEC concerning the governance of the global economy. Moreover, as the financial crisis was followed by a deep economic downturn in the west, the epistemic work on the global economy moved from a crisis mentality to a more pragmatic policy discourse on the economic recession and recovery. In this context, a more pro-finance discourse gained ground in elite communication. No longer appearing as a threatening force that needed to be brought under effective control, global capital flows emerged as an indispensable element of the global economy. The threat of the financial markets was replaced by other discourses, emphasising the enabling and indispensable role of finance in the global economy as a source of needed credit and growth. Discussions on regulation and recovery thus reproduced the functional role and disciplining power of the financial markets in the global economy. In sum, after the initial shock, the financial crisis seemed to do little to alter the prevailing discourses on the financial markets in TEC.

What explains this discrepancy between the crisis-analytical discourse, giving salience to the destabilising nature of finance, and the policy-action discourse, emphasising the functional and disciplinary roles of finance? An obvious factor to consider here is the influence of investment bankers and other powerful players in the financial markets to shape the post-crisis policy agenda. As observed by Freeland (2012, 258–60), the key message of the

financial institutions after the crisis consisted of warnings about the regulatory creep and its adverse effects on economic growth, and they attempted to naturalise the global financial crisis as an event in the normal and reoccurring cycle of the economy. There were also suggestions that regulation is futile because financial institutions can eventually get around them. From this perspective, the so-called “regulatory capture”, in which the private interests of the big banks effectively replace the public interest as the leading principle of the regulatory bodies of the financial industry (e.g., Baker 2010; Goldin and Vogel 2010), formed a key context in which the crisis was made sense of in TEC.

Any successes of the financial interests to dictate the reactions to the crisis should, however, be understood in light of the broader historical process of financialization (see Chapter 3.1) and the way it has been associated with a particular way of making sense of finance and its place in the economy. In this regard, and closely related to idea of the power of private financial institutions to shape the regulation of their own activities, Willem Buiter (2008, 99–103) introduced the notion of “cognitive regulatory capture” to help explain many of the policy decisions by the US Federal Reserve before and after the outbreak of the financial crisis. According to this view, central bankers at the Fed have adopted not just the objectives and interests, but also the perceptions of reality that prevail in Wall Street, leading them to believe that the profitability of the financial sector is the utmost objective that the central bank must protect. Jeff Faux (2006, 119–20) suggested that many politicians share a similar mind-set. For him, an illustrative case is Robert Rubin, a banker who worked as the economic adviser and US secretary of treasury in the Clinton administration in between jobs at Goldman Sachs and Citigroup. In his memoirs, Rubin outlined what Faux considered to be the principal rationale for securing the interests of investors in financial crises and large corporate defaults. The rationale is rooted in the belief that doing otherwise would threaten the stability of the national and global economy: exposing the big banks to the risks they take would lead to bank runs, as well as to devastating capital flights from emerging economies. Accordingly, rescuing global investors, investment banks and other financial institutions features at the top of the “to do” list in times of crisis for any responsible politician and central banker.

Rather than an identification with specific interests, it is thus the ontological understanding of the nature of the financialised economy that drives the pragmatic decision-making and related sense-making of policymakers and regulators in economic crises. This financialised ontology perceives finance as a functional element in the global economy and highlights the role of banks and investors as its primary drivers. It posits that all agents in the global economy are dependent on credit, which it assumes to be a limited resource. This belief obviously infers an enormous power to those who hold credit and the ability to lend. Investors can always look for the biggest possible returns in the global markets and, consequently, capital flows to those companies and economies that promise the highest returns on investment. As



a result, the global financial markets are considered to exert disciplining power in the global economy, often limiting the economic policy alternatives of governments to a minimum.

As much of the economic policy debates after the financial crisis focused on issues of credit flows and public debt, the post-crisis elite communication thus effectively reflected and reproduced an ontology of the global economy that is characterised by the hegemony of finance. Indeed, when it comes to the epistemic work of transnational elites on the financial crisis, there was a notable omission of certain decades-long structural processes as relevant causal accounts, including stagnant real wages, rising private indebtedness and the general inflation of the financial markets, especially in the United States, but also elsewhere in the western world (see, e.g., Crouch 2011; Streeck 2011; Varoufakis 2013). Perhaps tellingly, *financialization* was never mentioned in the analysed data. Moreover, despite the vocal attacks and denouncements of the financial industry, the centrality of finance in the global economy was never seriously questioned. There was no recognition, for instance, of the capacity of central banks, in principle, to finance public investment without the need for governments to borrow from the private sector (e.g., Wray 2012, 110–4). Nor was there any serious debate on a new business model for banks, and the need to promote “productive” capital against “speculative” capital never emerged as part of the discussion.

Overall, then, the analysis points as much to continuities as to changes in the way the financial markets were made sense of in TEC before and after the 2007–9 crisis. Considering the long history of financialization, this is not necessarily a surprising conclusion. According to Martin Konings (2016), the global financial crisis did not represent a radical break in elite understandings of finance precisely because the dominant neoliberal reason already informed them about the uncertainties and risks posed by a financialised economy. As a result, the crisis did not so much prompt elites to question their deeply-held beliefs and look for alternative policies to solve the situation as it activated “patterns of normalisation”, leading policymakers and regulators to resort to “the only possible course of action” (ibid., 282). Other studies have suggested similar conclusions: that the global financial crisis, if anything, has strengthened the previously prevalent beliefs among the elite about the global economy and financial markets (Mirowski 2013; Richardson et al. 2011, 196–7), according to which governments all around the world are forced to pay “close attention to international constraints and obligations, including those of the financial markets” (Streeck 2011, 26). Far from prompting a radical shift in the social ontology, the crisis may have only reinforced the pre-existing beliefs and strengthened the resolve of transnational elites to continue implementing the policies and doctrines they believe the global economy requires: saving the financial institutions while imposing debt discipline on the public sector.

## 6 TRANSNATIONAL ELITE AS AN ACTOR IDENTITY

As discussed in Chapter 5.1, it is commonplace in literature to characterise the notion of “the economy” as a fundamentally a-political imaginary, which evokes structures and abstract processes but does not provide basis for recognising intentional collective agency vis-à-vis those structures. According to Taylor (2004, 76–9) the modern imaginary of society as an economy is essentially an individualistic understanding. In the modern understanding of economic life, “there is no collective agent”, and the account even “amounts to a denial of such”. The economy is composed of egoistic individuals who come together in relations of exchange, while “an invisible hand” of market forces and laws acts on their behalf to provide a spontaneous order. Similarly, Cameron and Palan (2004, 21) argue that the imagined global economy differs from the imagined community of the nation-state in that representing the space as an “economy” means it is not recognised as a space of political engagement for a community or polity (also see Fraser 2014, 67). Accordingly, the imaginary of the global economy, particularly when perceived as “global markets” (Taylor 2004, 79), may well be devoid of any prescriptions for collective agency and, in effect, may operate as a major hindrance to the realisation of a self-organised elite. The very self-understanding of transnational elites, as it becomes articulated in relation with the global economy, may rest on a framework which makes the idea of an elite capable of political agency essentially impossible.

Nevertheless, while the economic imaginary operates as an “objectifying picture of social reality”, it co-exists in western modernity with the imaginary constitution of collective agencies (Taylor 2004, 77). Taylor (*ibid.*, 80–1) refers to the relationship between the two in terms of a tension between order and freedom: the ideal of human agency and freedom clashes with the imaginary of the economy as an objective structure and order. But far from excluding each other, the objectified category of the economy may, in fact, prompt attempts to transform the economy into collective agencies through mobilisation. Imagining society as an economy is not to articulate society in terms of collective action, but because it “explains” a certain social domain in terms of particular mechanisms the economic imaginary enables individuals and groups to make sense of their action in society (Taylor 2004, 165). Similarly, ideas concerning the world as a “global economy” are connected to the practices of those operating in it (Cameron and Palan 2004, 37–8). Hence the objectifying and active accounts of society play complementary roles in enabling social action.

This chapter analyses the negotiation over actor identities in TEC. As discussed in Chapter 4.2, actor identification is one of the three objects of epistemic work in political communication. Developing and negotiating over

the conceptions of relevant actors and their properties contributes to the self-understanding of the participants of communication by telling them who they are, what communities they belong to and how they exist in relation to other actors. Identification and definition of actors also enables the general sense of agency in the world and informs what kind of motives or traits these collective or individual actors have (Alasuutari and Qadir 2014, 75–6). Arguably, the paradigmatic dimension of this epistemic work on collective actor identities expresses deep-rooted cultural beliefs and conventions that normalise and legitimise certain groups, organisations and states as actors in modern society (see Meyer and Jepperson 2000). In journalism and other forms of public discourse, this normalisation of collective agency typically takes place through linguistic practices that describe actions and, instead of attributing them to individuals, they reify collective entities, such as the business community, the elite or a nation as unified actors. Again, this paradigmatic level of the discursive construction of actorhood mostly takes place in the background level of argumentation. In contrast, the practical level of epistemic work on actor identities concerns the more explicit expression of attributes that are used to define certain collective actors. This chapter concentrates specifically on the representations of the Davos forum participants and their discursive construction as transnational elite actors – while recognising that it is by no means the only actor category that is being developed in the material.

The negotiation over, and reinforcement of, a shared actor identity may have significant bearing on the conduct of transnational elites. Developing a conception of being member of a transnational elite shapes a person's understanding of one's place in the world and relations to other individuals and social groups. It involves the formation of particular social role expectations, or expected ways of conduct, as a member of an elite, thereby providing guidelines for action (cf. Tajfel 1981; Haslam et. al. 2011, 52–3).<sup>102</sup> A collective identity is, in this sense, prescriptive: identifying with

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<sup>102</sup> Instead of a collective identity, many social psychologists use the notion of a social identity to refer to the part of a person's self-conception which is distinct from her personal identity (see Côté and Levine 2002). In Henri Tajfel's social identity theory, for instance, social identity refers to "that part of an individual's self-concept which derives from his knowledge of his membership of a social group (or groups) together with the value and emotional significance attached to that membership" (Tajfel 1981, 255). Accordingly, I understand the concepts of social identity and collective identity as being basically interchangeable. Some social psychologists, however, want to make a distinction between social identity and collective identity as different "identity orientations" where social identity refers to the person's perceptions of oneself in the eyes of others and collective identity to one's sense of belonging to a particular community (see Cheek et al. 2013). While not necessarily subscribing to this terminological distinction, I have decided, for clarity's sake, to prefer the notion of collective identity over that of social identity. I use, however, the notions of collective identity, group identity and shared identity interchangeably in the text.

transnational elites helps individuals develop motives and purpose for their agency in the world (cf. Bicchieri and Muldoon 2011). At the same time, the prevailing understanding of a group's collective identity may guide elite agency by punishing deviation from and rewarding adherence to the norm (Hopf 2009, 281–3).

Developing a shared actor identity is also related to the potential collective agency of transnational elites. A shared identity is not a necessary precondition for the elites' political cooperation, but it reinforces their sense of belonging and feelings of loyalty towards each other, potentially engendering willingness to participate in collective efforts (cf. Brubaker and Cooper 2000, 7–8, 35). Members of a group may, after all, rationally agree on a mutually beneficial action but still fail to act upon it. Identifying with other members and the group as a whole increases the likelihood of successful collective action (Kantner 2006, 506; Turner 1999, 15). Economic globalisation processes, and the policies and decisions that have engendered them, is a case in point. As discussed in Chapter 3.1, national policymakers, international officials, bankers and business leaders have been key actors in promoting and enabling the internationalisation of production processes and free capital movements. Much of this policy conformity on an international basis has been premised on mutual agreement and consensus, rather than resulting from direct coercion. The formulation and promotion of certain ideas, for instance, about the beneficial nature of trade and market liberalisation, have obviously been key elements in the successful pursuit of such consensus (see Chapter 7). But policy conformity has arguably also been based on a successful identification of the political and business elites with their international peers. Conceiving oneself as part of the same group with internationally-operating bankers and business leaders increases the likelihood of international officials and national policymakers to acknowledge the interests of giant investment banks and firms, to make sense of policy issues in their terms, and to regard them more as friends rather than foes. At the same time, identification with members of other social groups, such as labour unions, civil society organisations and trade unions representing small businesses or national industries may diminish in importance, and their interests and perceptions may begin to seem increasingly foreign and parochial. An increasing strength of the sense of belonging to a transnational group of influencers may thus effectively naturalise policies of economic globalisation that conform to the interests of large banks and other TNCs.

In addition to its agency-constituting capacity, transnational elite identity is characterised by its constructed nature. As Thomas Risse (2010, 20) argues, collective identities can be defined as social constructions that regulate the behaviour and define the properties of the members of a group. As social constructions they are performed and reproduced in communication and consist of collective meanings or “shared interpretations of group traits or attributes” (Abdelal et al. 2009, 30). Therefore, the collective identity of a transnational elite should be understood as a social construction that binds

individuals together and is performed in their communicative interaction. It should be noted, however, that members tend to express differing perceptions and interpretations of the group and that the collective identity is both reproduced and shaped in this negotiation over the group's characteristics (Kantner 2006).

When approaching collective identities as social constructions that manifest themselves in communication it is important to acknowledge that what is being observed in textual analysis are not direct manifestations of objectively existing self-perceptions of individuals. Based on textual analysis alone, it is impossible to infer whether such constructions point to the cognitive self-perceptions and affective senses of belonging that are actually held by the people who communicate them. In other words, texts should be seen neither as unambiguous manifestations or expressions of a collective identity nor as conclusive evidence of the existence of such identification among the members of the communicating individuals and audiences.<sup>103</sup>

Nevertheless, texts can be regarded as constructions and representations of groups, their characteristics and the personal traits of their members. Therefore they offer their readers possibilities to identify with the group, in other words to shape, develop and reinforce collective identification, as well as certain models for acting as a member of that group. In this sense, an actor identity can be regarded as a subject position that the text offers to its reader (Althusser 1971; Eagleton 2007, 141–8; Hall 1985). Accordingly, as ideological discourse, TEC calls its participants into the subject position of an elite, a subjectivity that is produced in the processes of networking and interaction of transnational political and business leaders as well as the associated institutional practices of global governance (cf. Hall 1996, 5–6). Moreover, as discursive formations, identities are often constructed with the marking of difference and exclusion (Hall 1996, 4). According to Tajfel (1981, 258), the characteristics of the group gain much of their substance when expressed as perceived differences to other groups. When developing transnational elite identity, perceptions of relevant out-groups work as reference points against which the characteristics of transnational elites can be defined. Non-elite

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<sup>103</sup> In their critical examination of the social scientific uses of the concept, Brubaker and Cooper (2000) claim that “identity” often becomes meaningless when operationalised emphasising its fluid, constructed and “soft” nature. They suggest that concepts such as identification and social categorisation, which are both processual and active terms, should be preferred to identity in analytical usage. The authors make several valuable observations about potential weaknesses in studies that employ the notion of identity; nevertheless, in my view, their argument that dropping the term altogether in favour of closely related terms would clarify matters is not convincing. In this analysis, I refer to the transnational elite a socially constructed actor identity (or category) that operates as an object of identification to the readers of the *Financial Times*.

groups, then, potentially have an important role in the definition of what a transnational elite actually is and what holds it together as a group.

Based on these premises, the chapter analyses the representations of the Davos forum as an elite community and its discursive articulation with the actor identity of a transnational elite in the following sections from four perspectives. First, the analysis observes how the pronoun *we* appears in the data, especially in the talk of Davos participants, to express collective identification. Alluding to “us” is a typical way of creating a sense of community and togetherness (Kantner 2006), and the extent to which “we” and “us” is articulated in TEC provides insight to the tendency of its participants to recognise the transnational elite as a relevant reference group. The second section examines how Davos delegates are being represented as a group or community in the FT coverage. In particular, it observes how the discursive construction of the “Davos Man” works as a representative for a broader transnational elite, or as a mythical figure that helps to define certain key characteristics and boundaries of transnational elites. The third section of the chapter focuses on the representation of the global civil society as “the significant other” that helps to identify Davos participants as a transnational elite and define its character as individuals and as a group. Finally, the fourth section analyses how FT journalists write about the forum and how they position themselves in relation to the Davos community. The analysis suggests that FT journalism mediates the relationship between the reader and those gathered in Davos, thereby offering the reader a certain subject position. This arguably makes it possible for the readers of the FT to identify with the Davos community and potentially consider themselves as part of a broader transnational elite.

## **6.1 We, the elite?**

A sense of community and a group identity is typically expressed in the discursive construction of *we*-groups (Kantner 2006). A reference to “we” or an appeal to “us” in the discourse of Davos participants can be perceived as an indication that the speaker self-identifies herself as a member of a group or community. *We*-rhetoric thus discursively creates a group, separates it from others (“them”) and potentially reinforces a sense of community. Arguably, then, the extent to which TEC develops consciousness among its participants of being united as a group can be observed in the use of *we*-rhetoric.

These group identifications appear in various guises and seem to be used for at least three kinds of purposes in TEC. First, a participant of the Davos forum can make an allusion to *us* in order to persuade others behind a particular action. Let us examine, for instance, the following passage from a 2002 report on the forum debate concerning the Argentinian debt crisis, which had resulted in the Argentinian government defaulting on its external debt in December 2001. In New York, where the forum was exceptionally organised,

Peru's president Alejandro Toledo called for international efforts to help Argentina deal with the crisis:

*President Alejandro Toledo of Peru yesterday called on the international community to provide financial aid for Argentina. "We need to meet the challenge of resolving the problems of Argentina not just from a solidarity point of view but because the longer we take, the higher the cost will be," he told the World Economic Forum in New York. He said Argentina itself had to strengthen its institutions to prove its governability. "It has to show its willingness to put its house in order." But he added that direct financial aid from outside to underpin reforms and "cushion the social impact" of the Argentine crisis had to be provided. "We have to put out this fire," he said. His call was backed by Miguel Kiguel, the chairman of Argentina's Banco Hipotecario. "The international community needs to support Argentina. They played a role in what happened in Argentina; now they need to be there when Argentina needs help." (A74/2002, HC.)*

The passage illustrates the tendency in TEC to treat economic and financial problems in one country within the context of the global political economy (see Chapter 5.1). Indeed, the quotes of Toledo and the Argentinian banker Miguel Kiguel can be interpreted against the context of Argentina's debt default (see Cibils et al. 2002): the crisis resulted from a rapid flight of foreign capital from the country, exacerbating the economic depression and reflecting the dependence of economies on foreign investors and international capital flows. Furthermore, the crisis was a consequence of the rising interest rates on Argentina's external debt, which, in turn, had a great deal to do with the US Federal Reserve's 1994 decision to raise short-term interest rates, leading the Argentinian government to a vicious circle of raising new debt to be able to service the old. As a result, "the international community" – referred to as "we" in Toledo's remarks, and as "they" in Kiguel's remarks – thus operates as a shorthand for the foreign investors, policymakers and central bankers whose decisions have greatly influenced the crisis in Argentina. As many of these actors are present at the World Economic Forum, it makes sense for Toledo to allude to "us" and for the reporter to identify this "we" with the forum participants at large.

Overall, the FT coverage suggests that such use of we-rhetoric in a normative call for action is a regular feature, particularly in the discourse employed by state leaders and heads of international organisations in their keynote addresses at the forum. The "we" in such accounts is identified as a collective agent that is responsible for managing shared problems in the global political economy. The idea of Davos participants representing "the international community" and being collectively responsible for tackling global problems is, of course, forcefully promoted by the World Economic Forum and enshrined in its logo which includes the motto "Committed to improving the state of the world". This (self-)perception of the Davos forum participants' global agency enables the UN secretary general Kofi Annan, for

instance, to make the case in 2001 for policies of more inclusive globalisation by the following use of we-rhetoric: “My friends, the simple fact of the matter is this: if we cannot make globalisation work for all, in the end it will work for no one” (A30/2001, HC/GJ). Similarly, Gordon Brown’s 2008 call for action to address the global financial crisis employs the pronoun “we” to create the sense of collective obligation among the Davos participants: Brown addresses the “political and business leaders, gathered at the World Economic Forum this week” and argues that the crisis presents an opportunity for reform that “we should” agree on, as well as a challenge which “we cannot afford to fail” (A350/2008, GoB). Indeed, times of crisis appear to be particularly fruitful contexts for such grand pronouncements by political leaders and international officials. They are also instances which provide opportunities for policymakers and business leaders to create a sense of collective obligations and legitimise them in terms of shared interests. Evoking the “we”-group works as a useful rhetorical device for these purposes.

At times, however, corporate representatives also employ the notion of “we” in order to address the Davos community in the material. In the run-up to the 2010 forum, for instance, Mohamed El-Erian, CEO of Pimco, wrote in the Guide to Davos supplement about the major themes of debate in the upcoming meeting, calling specifically for debates on the “resetting of the global economy” and on the public sector deficits: “It is vital that we reset the global economy, and not go back to where we were” (A419/2010, MEE). Similarly, as Bill Gates, chairman of Microsoft promoted an international partnership between governments, international organisations and private sector funds to fight tuberculosis at the 2006 forum, he was quoted for characterising the challenge in the following manner: “This is a very tough disease. It’s going to take all of us (to succeed)” (A237/2006, AJ). In these cases, no apparent distinction between the corporate and public sectors is made by the speakers. Instead, the “we” addresses the Davos elite as a whole, evoking a community that transcends the boundaries of government and business, the state and civil society. When used in this way, the rhetoric manifests the corporate leaders’ acknowledgment of the porousness of the public-private boundaries in global governance (see Chapter 3.2), as well as their willingness to perceive themselves as belonging to a same group with politicians and government officials. Such instances, however, are rare and the corporate leaders seem to largely avoid addressing the Davos forum as a whole in their remarks. While political leaders and heads of international organisations often call for collective action and express international elite identification, business leaders employ we-rhetoric primarily to allude to a particular business sector or profession, whether it is the bankers, hedge fund directors or corporate executives. In other words, rather than transcending it, it is more typical, that corporate leaders discursively reproduce the division between the private and the public sectors when employing we-rhetoric.

Second, in addition to explicit calls to collective action, the notion of “we” is used by Davos participants as a means of self-observation. In these cases,



either the Davos community is evoked as an object of examination. Sometimes the examination may be critical, as in the case of a 2005 poll on the delegates, which revealed that 66 percent of the participants were male and 70 percent from North America and Europe and only 15 percent from Asia. The news story on the poll's results is complemented with a quote from the moderator of the panel session, noting that "we have some serious imbalances" (A174/2005). Here the speaker invites members of the Davos community to share a self-critical disposition about their nature as a group and about its collective gender, geographical and cultural biases. Yet we-rhetoric can also be used to express self-justificatory remarks. A 2001 forum debate on the globalisation protests is a case in point. As the global civil society aims much of its critique at the Davos forum and its participants, Laurent Fabius, the French finance minister, is quoted as saying: "We are said to be leaders of people but not representative – but many of us were elected by millions of people" (A23/2001, LB/HC). Here the self-observation of the Davos community as consisting of people who are partly elected by popular votes works as a way to justify the status of the participants as "leaders" and the social order more generally. Overall, while these forms of we-rhetoric express an identification of the Davos community by those on the inside, its discursive constructions take place much more from the "outside" in the form of representation and critique, as will be discussed in the following sections.

A third way of summoning the Davos community in the use of the pronoun "we" can be evinced in FT reports on the daily panel discussions of the Davos forum. Here "we" is used simply to refer to those present at the forum debates without representing any normative call for collective action or a conscious self-observation of the group's characteristics. As any communication at the forum is first and foremost directed at its other participants, this use of the pronoun can be regarded as part of any normal interaction between people: it simply expresses an individual's awareness of the existence of a group. It is significant, however, because it reproduces, on the level of discourse, the existence of the Davos community. Moreover, it sometimes attests to a sense of familiarity between those present at the meeting: many of those transnational elites who attend the Davos forum do so every year, which allows them to make observations about what usually happens in the discussions. Accordingly, a 2005 article reported on "a familiar flurry of speculation" at Davos over the Chinese monetary policy. Even as some experts predicted that the People's Bank of China was preparing to let the renminbi float – and thus to revalue against the dollar – Zhu Min, a senior Chinese banker, argued that such predictions were premature: "We will still be having this conversation in a year's time" (A185/2005, AB).

As the various uses of the notion of "we" and "us" illustrate, there is little doubt that Davos participants employ these notions in ways that attest to the existence of shared ideas of groupness. Thus the FT coverage of the Davos debates provides at least some evidence that members of the Davos forum express collective identification in their communication to other members of

the elite. Even so, we-rhetoric used in the sense is not a prevalent feature of the data. Even as references to “us” may well float around regularly in the actual debates and conversations at the forum, the journalistic coverage of the event does not consistently make use of the pronoun in this sense. Moreover, in addition to Davos participants as a whole, there are various other groups that “we” addresses in TEC. These alternative addressees include the business community, central bankers, the west, the non-US members of the international community, an individual country or government, an individual company or organisation, or the group of “young global leaders” of the World Economic Forum (see Chapter 2.2). The uses of the pronoun in reference to the Davos community should therefore be regarded as representing only a particular type of discourse, which does not clearly dominate in TEC. Instead the notion of “we” is also used in many other ways in the coverage, and it frequently summons into existence other groups or communities. These alternative reference-points for the pronoun “we” suggest that many alternative actor identities are present in TEC.

## **6.2 The Davos community: elite unity and divisions**

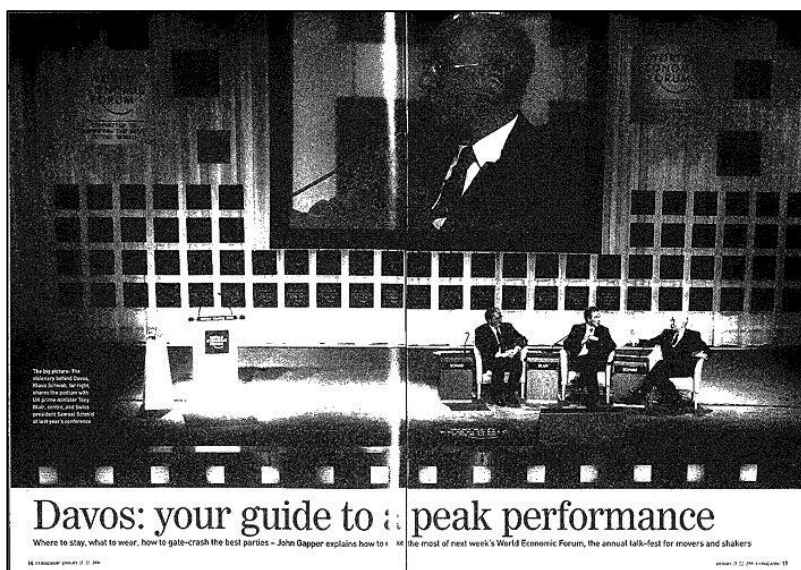
While we-rhetoric is an important indication of the existence of a speaker’s sense of belonging to a group, a collective identity may develop not so much in explicit addressing of the group by its members themselves – in fact, an outright appeal to a we-group may even render the group identity overtly explicit and prompt a reaction of rejection in the audience or addressee. Instead, particularly in public discourse, a collective actor may be identified as much from the discursive position of an outsider as it is from the insider position of its members addressing it in we-rhetoric. In fact, as a journalistic form of TEC, the FT discourse differs markedly from, for instance, interpersonal communication or political speeches, in which it is often logical to make more frequent use of we-rhetoric. In comparison, FT journalism is much more prone to assume a position of an outside observer of events, reporting on the actions of others (who did what to whom etc.), rather than directly addressing peers. In this sense, journalistic discourse is a form of TEC which reproduces actor identities primarily by naming, or identifying, actors as protagonists of reported events. Accordingly, the FT coverage constructs representations of the Davos forum and its participants, which may shape their public image and self-understanding as actors. FT journalism can hence be regarded as having an active role in either reinforcing or undermining the identification of Davos participants as a transnational elite, as well in shaping how this actor identity is being defined.

In terms of focus and coverage, the FT’s owners, editors and journalists seemed to consider the Davos forum and its participants of substantial importance during the early 2000s. Along with the daily news reporting from the forum, the FT published anticipatory articles before the start of the event,

and its annual special section on the world economic outlook was timed to coincide with the forum and typically referenced the event explicitly. Moreover, from 2008 onwards, the FT began to publish an entire supplement – the Guide to Davos – which aimed to familiarise the readers with the Davos forum (see Chapter 4.1). Each of the Guides contained an introductory article to the annual meeting which described the nature and history of the forum, while other articles presented some of the political, economic and social issues that were expected to form the central themes of that year’s conference.

Another set of articles, appearing either in the Guides to Davos or as part of the daily reporting from the forum, offered insider looks into the meeting, describing how it was organised, how the participants typically used their time during the conference and what happened outside the official program. Occasionally, there was even some practical information included for the attendees of the meeting. Some of the articles, therefore, were explicitly directed at the actual Davos participants, even though they may also have served the voyeuristic interest of the broader readership. In this regard, John Gapper’s article “Davos: your guide to a peak performance” from 2006 was suggestive (see Figure 6.1). Its subhead reads “Where to stay, what to wear, how to gate-crash the best parties – John Gapper explains how to make the most of next week’s World Economic Forum, the annual talk-fest for movers and shakers” (A195/2006, JG). Here the apparent message of the first part of the subhead – that the article was intended to be a personal guide to those attending the Davos forum – was somewhat belied by the need to spell out what the event actually is in the latter part of the header. This dual message neatly illustrates how the FT constantly played a double role of addressing the Davos attendees and mediating debates between them, on the one hand, and operating as a window into what takes place at the forum for its broader readership, on the other.

This discursively constructed connection between the FT readership and the Davos community will be further discussed in the final section of this chapter. For the present discussion, however, Gapper’s 2006 article provides an indication of the way in which the FT turned the readers’ attention to the Davos forum and thus discursively constructed it as an important event – and increasingly so during the 2000s. What justifies the great amount of journalistic coverage and commentary on what was essentially considered an “annual talk-fest”? The answer apparently lies in the people doing the talking: they are “movers and shakers”, and therefore their actions – and, purportedly, interactions – have significant repercussions for the FT’s readership. The subhead of the 2006 article is hence indicative of the way in which the FT constructs a representation of the Davos forum and its attendees as of being of high status and influence.



**Figure 6.1** Representing the Davos forum  
Source: FT Magazine, 21 January 2006, pp. 16–7.

### The power and responsibility of Davos Man

The 2006 headline was by no means the only association of the Davos forum with power and prestige. Other notable headlines included “Power élite at Davos set to vie with protesters for attention” (A1/2001); “Davos looks for best way to treat the great and the good” (A147/2005); “Leaders look to get back in black” (A251/2007); “High and mighty” (A281/2007); and “The world’s leaders head for the hills”.<sup>104</sup> Such labelling practices that attributed forum participants with significance, power and influence also appeared in the body texts of the articles. Overall, the notion of *elite* appeared 58 times in the material, and 40 of those occurrences explicitly referred to the participants of the Davos forum. The various formulations included *the global elite* (11 occurrences), *the world’s elite* (5), *the Davos elite* (3), *the global business elite* (2), *the global business and political elite* (1), *the business and policy-making elite* (1), *the ruling elite* (1), *the elite of the free market world* (1), *the international power elite* (1) and simply *the elite* (7). The Davos forum was therefore frequently associated with elite status both in the world as a whole and in the sectors of business and politics, and the participants were also occasionally represented as the most powerful members of world society.

The very idea of elites obviously fits poorly with the dominant western discourse according to which we live in essentially democratic societies. Therefore, when used by FT reporters in newspaper reports and columns, the notion of elite often entailed a hint of societal critique. It could easily be

<sup>104</sup> The latter is a subhead from the cover of the FT’s 2008 Guide to Davos, which appeared on 22 January.

associated with sarcastic or derogative characterisations of the Davos delegates, such as “bigwigs” (A304/2008, HS), “the high priests of capitalism” (A155/2005, RC), “the great and the good” (A147/2005), “top dogs” (A281/2007) and “business and political grandees” (A324/2008, GT), which indicate that FT journalists often employed rather pungent rhetoric when addressing the Davos community (see section 6.4 below). Thus, even as it effectively normalised the prestige and influence of the Davos elite, attributing the forum participants with “elite” status could be considered a somewhat controversial discursive practice, rendering explicit the unequal power relations in the world. In this respect, a much more popular rhetorical practice of associating the forum participants with power was to write of global “leaders” in the sectors of business and politics: in comparison to the 58 mentions of *elite*, the word *leaders* appeared 362 times in the material. To talk about leaders may be considered a much more acceptable and also perceivably more neutral identification compared to the notion of the elite. As opposed to rendering visible an *elite* that perhaps wishes to remain unidentified, the notion of *leaders* associated the people at Davos with positive attributes of prestige and leadership. Other such characterisations with a more neutral tone, which FT reporters used in place of *the elite* to allude to the power and influence of those gathered in Davos, included “the wealthy and powerful” (A24/2001, GJ/JoL), “the rich and powerful” (A45/2002), “the 2,000 high-powered guests from around the world” (A46/2002, HY), “influential men with their hands on the levers of the world economy” (A20/2001, Editorial), “those at the centre of economic and political power” (A63/2002, RC), “global decision-makers” (A308/2008, FG), “powerful people” (A359/2009, JG), and the already-mentioned “movers and shakers” (A22/2001, HC; A195/2006; A438/2010, GR).

In sum, the notions of *elite* and *leaders* were the most frequent and conspicuous among the various representational practices that associated the people in Davos with status, power and influence. Indeed, they should be regarded as highly suggestive and intentionally-used labels to define what unites the people at Davos, especially when contrasted with alternative and non-expressive references to forum *delegates* (160 mentions in the data), *participants* (103) and *attendees* (22), which do not imply any apparent interpretations about the nature and status of those present at the forum.

In addition to these two alternatives, FT journalists employed another notable representational practice when addressing the forum participants. This was to label them as the embodiments of “Davos Man”. As mentioned in Chapter 2.2, “Davos Man” originated from Huntington’s (1996) notorious thesis about the clash of civilizations, where he used it to describe an international elite community that shares the political and cultural beliefs and values of internationalism, cosmopolitanism and market liberalism (see also Huntington 2004). The FT made relatively frequent use of the moniker, with *Davos Man* appearing a total of 38 times in the material (in 22 separate

articles) to describe the forum and its participants. Table 6.1 illustrates some of the headlines and passages employing the moniker.

**Table 6.1** Appearances of “Davos Man”

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Davos Man takes to the streets of New York (A48/2002, headline)

It seemed then as though “Davos man”, effortlessly bestriding the twin peaks of business and high policy, was master of all he surveyed. But now he – and participants are still predominantly men – has come down to earth. (A80/2003, GJ/WH.)

The future need not be as bleak as Davos Man fears (A110/2003, headline)

Davos man does not seem to be particularly worried by the business implications of chaos in the Middle East. There were 17 sessions at the forum devoted to climate change - and just one to global political risk. A debate on “globalisation at the crossroads” considered three main threats to the world economy - failed trade talks, financial regulation and global economic imbalances. Nobody mentioned the war. (A295/2007, GR.)

Up here in Davos, in the mountain air, the usual philanthropic suspects have gathered for the World Economic Forum. Bono, George Soros and Bill and Melinda Gates are all here. One old hand is out of town, however: Bill Clinton, the former US president and quintessential Davos man. Davos is a place ideally made for Mr Clinton in his post-presidential incarnation. He embodies the aspects of the US that are still admired by the rest of the world after nearly eight years of George W. Bush. He is eloquent, thoughtful, sensitive to inequality and suffering outside US borders and determined to do something about it. (A338/2008, JG.)

[T]hese are difficult times for “Davos Man”, the globe-trotting internationalist who trusts in free enterprise, ethical responsibility and the ability of people like him (and her) to improve the world. The financial crisis helped to elect Barack Obama, who is more of a Davos Man than his predecessor, George W. Bush. Mr Obama’s international outlook and background, including his school days in Indonesia, would make him at home in Davos (although he is not attending). (A359/2009, JG.)

There are rock festivals and book festivals – and then there is the annual globalisation festival, otherwise known as the World Economic Forum in Davos. For the past decade, the Davos meeting has brought together big business, high finance and top politics to promote and celebrate the integration of the global economy. Whatever their business rivalries or political differences, the Davos delegates all agreed that the road to peace and prosperity lay through more international trade and investment - globalisation, in short. But this year the forum has had to confront a new phenomenon - deglobalisation. The world that Davos Man created is slipping into reverse. International trade and investment is falling and protectionist barriers are on the rise. Economies are shrinking and unemployment is growing. (A412/2009, GR.)

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As the passages illustrate, the FT occasionally treated *Davos Man* as a popular meme which required no explanation. It could therefore be used in headlines as a convenient stand-in for the more ungainly “World Economic Forum” to inform readers about the meeting in general. Accordingly, the 2002 headline “Davos Man takes to the streets of New York” communicated simply the fact that the conference was taking place exceptionally in New York as opposed to its traditional location in Davos, and there were no further references to the notion in the article. At other times, FT journalists used *Davos Man* as a reference to the forum’s participants. As Guy de Jonquières and William Hall, for instance, described the collective mood of forum participants in 2003, they noted a “stark contrast” to the “wave of exuberance” of the late 1990s when “Davos man” seemed to be “master of all he surveyed” (A80/2003, GJ/WH). After the end of the market boom, in other words, the mood of the business and political leaders present at the forum purportedly had lowered from the earlier heights. In his 2003 column “The future need not be as bleak as Davos Man fears”, Martin Wolf made a similar observation about the prevalent mood of uncertainty at Davos. Yet, to allay the fears of Davos Man, Wolf addressed the forum participants in an encouraging manner, arguing that political and economic challenges were far from insurmountable (A110/2003, MW). Finally, when Gideon Rachman, in his 2007 column, assessed that year’s meeting’s agenda in retrospect, pointing out the scarcity of debates on global security issues, he concluded that “Davos man” appeared to have little concern about potential new military conflicts in the Middle East (A295/2007, GR).

In all these examples, the notion operates as a simple stand-in for the forum’s participants. Obviously, the term simultaneously conflates the forum participants into a single figure with an intentionality, agency and even feelings.<sup>105</sup> As when employing the other generalised notions of *the elite*, *leaders*, *delegates*, *participants* and *attendees*, FT journalists thus frequently treated the Davos people as a group and attributed them discursively with collective agency.

At other times, however, FT journalists used *Davos Man* more deliberately, demonstrating awareness of the broader cultural implications of the notion and explaining its connotations to the reader. For instance, in two

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<sup>105</sup> Evidently, the obvious problem that the moniker also attributes the forum participants with a common gender did not prevent FT reporters from using it. However, as the passages in Table 6.1 from Guy de Jonquières and William Hall’s article (A80/2003, GJ/WH), as well as from John Gapper’s article (A359/2009, JG) demonstrate, the reporters occasionally made an implicit self-referential commentary to express their recognition that this naming convention was badly outdated for the times that value gender equality and neutrality. Indeed, due to its blatantly patriarchal and even sexist ring, the usage of the moniker occasionally gave the reporting and commentary a somewhat critical and gender-conscious tone. Even so, explicit and extended critiques of the Davos forum for its gender bias were not present in the material.

of his articles published in 2008 and 2009, John Gapper employed the term in connection with particular individuals, including three US presidents. The earlier of the two texts concentrates on Bill Clinton and develops into an open critique of his role and behaviour in support of his wife in the 2008 US election campaign. Significant for our purposes is the way Gapper, in the opening sentences of the column, associates Clinton with celebrated philanthropists due to his prominent role in the Clinton Global Initiative, an annual forum that raises funds for development aid (see Table 6.1). Gapper claims that Clinton's public image after his presidency has been positively shaped by these philanthropic efforts, making him a "quintessential Davos man". The main traits of this benevolent character are then described in terms of "eloquent", "thoughtful", "sensitive to inequality and suffering" in the world, "and determined to do something about it". (A338/2008, JG.) Similarly, Gapper's 2009 article associates newly-elected Barack Obama with the figure of Davos Man and describes the latter in terms of a "globe-trotting internationalist who trusts in free enterprise, ethical responsibility and the ability of people like him (and her) to improve the world" (A359/2009, JG). Thus, whereas the first text associates the term with certain civilised and enlightened manners, the second includes more cultural, political and ideological traits, including an international background or lifestyle, an internationalist outlook and the promotion of "free enterprise". In addition, both descriptions include references to a sense of ethical responsibility, capacity and willingness to help the less privileged. Indeed, the latter passage makes an indirect reference to the World Economic Forum's slogan "Committed to improving the state of the world". Overall, then, the notion of Davos Man, as used by Gapper, implies certain cultural dispositions that are purportedly shared by a certain type of elite.

The final example in Table 6.1 is a passage from Gideon Rachman's 2009 column "When globalisation goes into reverse" (A412/2009, GR). The article tracks what Rachman presents as worrying signs of a "new phenomenon" in the wake of the global financial crisis: cross-border trade and investments are shrinking, and there is a general shift towards more protectionist policies around the world. Putatively, then, the decade-long march of globalisation, in the meaning of global economic integration, has suddenly been overturned. Rachman's central idea is to associate the globalisation process with the Davos forum, which he characterises as "the annual globalisation festival" that brings together "big business, high finance and top politics to promote and celebrate the integration of the global economy" (see Chapter 7.2). In this way, elites of these three institutional spheres are brought together and embodied in the figure of Davos Man. Moreover, Rachman suggests that a globalising world has been collectively "created" by those three elites. This effectively attributes Davos Man with historical agency: it refers to the leading force actively driving global economic integration. "Davos Man", in other words, implies that these elite participants are a united group of people with a common credo and shared agency.



Employing the figure of Davos Man was certainly not the only way in which FT journalists attributed the forum participants with common characteristics and shared ideas, thoughts, views, moods and even collective actions. After all, the people gathered at Davos were repeatedly assumed to share certain perceptions, understandings and even feelings. During the 2001 meeting, for instance, Guy de Jonquières and John Lloyd reported on how “two thousand business and political leaders have been experiencing a distinctly ‘morning after’ feeling in Davos” in wake of the recent market failure precipitated by the dotcom bubble (A24/2001, GJ/JoL). A few days later, Hugh Carnegie reported on the forum debates on global problems, describing how the “breast-beating in Davos about the failings of globalisation took on the air of a collective confessional” and how “the World Economic Forum turned into an unprecedented public expression of guilty conscience” (A38/2001, HC). As these early examples illustrate, it was customary for FT journalists to treat Davos participants as a united group, ascribing it collective beliefs, attitudes, feelings and even a sense of shared fate. Indeed, as de Jonquières and Lloyd’s reported in 2001 on the “nervousness” the Davos people feel, they referred to worrying macro-economic indicators predicting a US, and also potentially an international, slowdown in growth. In this way, the Davos elite emerged as a group whose fortunes are collectively determined by the ups and downs of the global economy.

As the previous example indicates, the discursive construction of the transnational elite was often closely associated with epistemic work on the global economy (see Chapter 5.1). Allusions to “leaders”, “influencers” and “movers and shakers” already indicated that Davos participants were typically addressed in FT journalism as individuals who have the capacity to influence and even control the global political economy through engaging in, directing or regulating economic activities. However, presenting Davos participants as powerful often served the purpose of criticism. Particularly issues that were identified as global problems or crises prompted reporters and commentators to look for those responsible and critically address political and business leaders for perceived failures. In this regard, the chaos and panic surrounding the 2007–9 financial crisis provided a good indication of how FT journalism, through the attribution of accountability, normalised elite agency in the global economy. As the 2008 Davos forum took place amid great uncertainty caused by the on-going turmoil precipitated by the rapid fall of the US financial markets, Chris Giles and Gillian Tett recalled a popular event from the previous year’s forum in which participants had been put in a dark room:

*The hot ticket at Davos last year was the “dialogue in the dark” event, when delegates at the World Economic Forum were plunged into complete darkness to experience the loss of sight. This seems an apt metaphor for the blindness of the world’s elite to the fragility of the global financial system. (A300/2008, CG/GT.)*

In the passage, Giles and Tett allude to the “the blindness of the world’s elite”, implying that decision-makers were unable to prevent the financial crisis because they did not recognise and correct, in time, the systemic weaknesses of the global economy. For the reporters, the unfolding crisis thus represented a failure of transnational elites to properly manage the global economy. Nevertheless, as we saw in Chapter 5.2, the financial market crash also triggered a set of new issues, from financial regulation to global economic recovery, for transnational elites to tackle. Indeed, as Tett (A311/2008, GT) reported a day later, “central bankers and regulators” were already discussing “what needs to be done next in terms of reshaping the financial system”. From this perspective, critiques of “blindness” and of the failure to prevent the crisis do not amount to a denial of the economic-political agency of transnational elites: when it comes to the FT’s perceptions of transnational elites, failure to act does not translate into an incapacity to act with regard to the global economy. Quite the contrary, the critiques operated as affirmations of the power and responsibility of Davos participants.

In sum, identifying transnational elites in terms of their influence over the global economy is as much a normative as it is a descriptive practice (see Abdelal et al. 2009). The various labelling practices and critical attributions of responsibility can therefore be interpreted as epistemic work on the transnational elite’s normative agency (cf. Alasuutari and Qadir 2016, 11). This posits that, as powerful actors, transnational elites must assume a governing, or managerial, role with regard to the economy. Accordingly, they do not only influence and steer the global economy in their daily decisions concerning regulation, investments and monetary and fiscal policies. They also have responsibility for broader or longer-term tasks, including the stabilisation of the global economy, as well as preventing and solving crises. This “duty to govern” (Mitzen 2011, 63) is attributed to those who are seen to have the capacity and power to act with regard to global economy. The agency of transnational elites, in short, is articulated in terms of protecting and maintaining the global economy, and, in this way, the conception of agency is associated with certain accountability.

### **Representing the liberal-international community**

Allusions to the power and responsibility of Davos attendees can be regarded as epistemic work on the paradigmatic level of actor identification (see Chapter 4.4): it is about developing fundamental notions concerning the possibilities and limits of transnational elite agency in the global political economy. However, epistemic work on the transnational elite as an actor identity also includes a more pragmatic dimension, concerning their actual traits and characteristics. In this regard, besides its allusion to the shared agency of Davos participants, the notion of Davos Man is a significant discursive convention due to its representative function. This is evident, for instance, in the three latter examples presented above in Table 6.1. In these

examples, Davos Man alluded to a broad and less than clearly demarcated formation which is nevertheless united by a shared cultural disposition, political ideology and institutional position. This was an “emerging class” of “transnationalists” who are closely involved “in transnational institutions, networks and activities” (Huntington 2004).

Davos forum participants, in other words, are often assumed to embody a broader group of people, having a certain representational position with regard to a wider transnational elite community whose members share certain characteristics. The notion of Davos Man operates in this sense as a kind of bridge between the concrete group of Davos participants and the broader idea of a transnational elite, allowing the people left outside of the forum to potentially develop a sense of similarity, belonging and identification with the Davos crowd. Whereas the Davos forum is a reasonably well-defined notion, referring to a concrete group of individuals, the transnational elite is necessarily a more vaguely defined actor category and identity. Davos forum participants operate as a public face to this broader elite, helping to define the nature of the elite community and its members. Insofar as the forum participants are associated with transnational elite status, their representative role, as it is embodied in the notion of Davos Man, enables the readers to also potentially identify with the status group. Practical epistemic work on the Davos elite, including definitions and characterisations of the group, may thus strengthen broader transnational elite identification with implications for individual and collective agency (cf. Alasuutari and Qadir 2014, 75).

A good illustration of how the transnational elite community was being practically worked on in the FT, through the summoning of the Davos forum as an “imagined community” (Anderson 1991), is offered by a 2004 editorial titled “Waiting for Bush to speak unto us”. The editorial anticipated the upcoming State of the Union address by US president George W. Bush while also weighing on the geopolitical and economic fallout of his administration’s policies. Here is the opening passage of the editorial:

*It is a time of trepidation for us all - the great and good or just the rich and influential now heading for Davos for next week's World Economic Forum - as President George W. Bush prepares to deliver his State of the Union address on Tuesday. (A111/2004, Editorial.)*

As can be seen, the editorial begins with a suggestion that Bush’s address marks a “time of trepidation for us all”, while defining this “us” as the political, economic and social elite that is heading to Davos – including, of course, FT editors and correspondents. The passage, in other words, constructs a we-community of Davos-goers who anxiously await to hear what Bush has to say to them. The reason for such collective concern, the editorial argues, is to be found in the US foreign policy during the Bush presidency, which the editorial associates closely with “the geopolitical ructions of the past year”. Even as it concedes certain foreign policy successes, the editorial presents US policies under Bush mostly as causes for concern, or even as threats to the Davos

community, and particularly to its business contingency. This is because of their potentially destabilising impacts on the geopolitical situation and on the global economy: while geopolitical upheavals could hamper transnational trade and business operations, the US economic policies and the growing US budget and trade deficits could well lead to a sudden economic crisis. The editorial concludes with an observation that the US policies in all probability continue to be dictated by national “self-interests”; yet it also makes the case that more “enlightened” policies by the Bush administration are to be hoped for in the future.

*In the end, the world can rely on America's “enlightened self-interest”, as Colin Powell, secretary of state, has claimed. But let us hope for somewhat greater enlightenment this year and in a second term if Mr Bush wins. (A111/2004, Editorial.)*

Critical commentary concerning the war on terrorism and other domains of the US foreign policy are by no means limited in the FT to this particular editorial. On the contrary, US foreign policy is a recurring theme in the “World outlook” supplements published each year in advance of the Davos forum. Moreover, in the daily meeting coverage, debates over US-related geopolitical conflicts occupy a prominent place especially in 2003 (Iraq war) and 2004 (war on terrorism and Iraq war). While there is little evidence of any radical questioning of the more fundamental logics and presumptions that guide the West’s approach to international terrorism, most of these articles adopt a predominantly critical stance on US foreign policy generally and the “global war on terrorism”, in particular. What renders the cited editorial especially illuminating, however, is the way it implies a separation between the Davos community and the political leadership of the United States:

*[T]here is a question mark over the way the US is fighting terrorism. No one can argue with this US priority, which is emphasised by the fact that the US is sending John Ashcroft, attorney-general, as well as Dick Cheney, vice-president, to Davos. But what they will hear there is growing concern that blanket security checks on immigration and transport could seriously disrupt trade and business interchange. (A111/2004, Editorial.)*

The passage informs the readers that the US administration is being represented at the Davos forum by attorney-general John Ashcroft and vice-president Dick Cheney. Yet the FT expects that in Davos they will not exactly be warmly welcomed. Instead, they will face “growing concerns” about the harmful impacts on trade and business of some of the measures adopted in the war on terrorism. By discursively juxtaposing the Davos participants and the representatives of the Bush administration, the editorial suggests not only that the Davos community does not agree on US foreign policies, but also that the Bush administration does not represent the community. This implication was also typical to other FT commentaries of US foreign policy, which repeatedly evoked the Bush administration as a potential threat to business operations

and to global economic stability and growth. Moreover, the editorial can be read as an implicit acknowledgment of the existence of certain boundaries and exclusivity to the Davos elite: despite attending the forum, representatives of the Bush administration are perhaps not considered to genuinely be a part of the Davos community.<sup>106</sup>

There is a further connotation attached to the Davos forum which is present in the quoted editorial. This can be evinced in the way it connects “the world” with the “us” of the Davos community: the opening sentence, with a reference to “us” and followed by an allusion to the forum, is structurally bridged to the text’s final paragraph, where “us” is associated with “the world”. Such discursive chains imply a conception of the Davos attendees as representatives of “the international community”. This association is further reinforced in one of the editorial’s middle paragraphs, which outlines some of the Bush administration’s purportedly more positive achievements, particularly in the Middle East:

*There is clear progress in parts of the Middle East with a new constitution in Afghanistan and the capture of Mr Hussein, though the turning-point in Iraq will come only when Washington hands power over to a legitimate local government. Libya has confessed to developing weapons of mass destruction, which Iran, for its part, has strengthened its treaty commitment to forgo. The presence of Libyan and Iraqi ministers at Davos will symbolise an end to their countries’ ostracism. (A111/2004, Editorial.)*

In this passage, the editorial considers the Libyan and Iraqi political representation at the Davos forum as an indication of the end of these countries’ “ostracism”. Attending the meeting, in other words, signals that the countries have become recognised members of the international community, and their leaders are now included in the international business and policy-making elite. More generally in the FT coverage, the idea that attending the Davos forum signals participation in the international community is implied, particularly in the case of non-western leaders of countries that have been considered either unfit or unwilling to enter into economic and political interaction with the west, or that have otherwise been at odds with western powers. Davos thus operates as one forum in which countries and their leaders can reclaim their status of being part of the international community.

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<sup>106</sup> The representation of the Davos forum as being staunchly anti-Bush reached its apogee in the 2005 forum, when the FT reports on the British prime minister Tony Blair’s speech at the forum. Headlined “Blair calls for unity in the face of world challenges”, the story describes how Blair “urged 2000 business and political leaders gathered at the World Economic Forum” to acknowledge an apparent “evolution in US policy” and “bury their differences with Washington” (A179/2005, RC/KG/JT). Indeed, that Blair had to act as an apologist for the Bush administration in front of the Davos crowd works as a powerful indication of Bush’s unpopularity among the global elite at the time.

In this understanding of the Davos community as representative of “the international community”, participation at the forum suggests a mutual acceptance on the part of the Davos community and the individual. The Davos elite must see the leader and the country fit to join the community, and the participating leader needs to show willingness to accept the basic principles and commitments of transnational elites. Therefore, in the case of the Bush administration, the problem was not only that it carried out a foreign policy strategy that seemed to threaten the interests of the Davos community. Even more importantly, FT reporting suggested that it was a set of values, amounting to an entire worldview, which set the Bush administration apart from the “us” of the “enlightened” Davos elite. Indeed, as the two previously-quoted articles by John Gapper from 2008 and 2009 indicated, Bush and his international reputation were sometimes quite openly juxtaposed with the notion of Davos Man and the values and dispositions it entails (see Table 6.1). The idea of the international community that the Davos forum represents, operated thus as a reference to a community whose membership is dependent not entirely on a position of power but on the willingness of the individual to accept and adopt an internationalist outlook and a corresponding set of values and policy principles (see also Chapter 1.3). Accordingly, while the Democrats Bill Clinton and Barack Obama were characterised as “Davos men” by Gapper, Bush was not, implying that not even Western leaders are automatically regarded as being part of the community.<sup>107</sup>

### **Communal hierarchies and divisions**

As we discussed earlier, the notions of “us”, “the elite”, “leaders” and “Davos Man” condensed the idea that the participants of the Davos forum form a group, united by a sense of mutual belonging, privileged status, institutional position of power and certain cultural and ideological traits. However, such discursive constructions and representations of unity and homogeneity of the Davos community were accompanied in the material with frequent allusions to its diversity. The heterogeneity of the community was represented, first of all, by the various actor categories used by reporters when identifying forum participants. They included business leaders, bankers, politicians, central

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<sup>107</sup> International elite criticism of US foreign policy is by no means confined to the FT and, putatively, to the World Economic Forum. Gill (1990, 175–6) observes that the Trilateral Commission has frequently voiced critiques of US policies. This is because the economic and foreign policies pursued by the US administrations have often been interpreted as signs of economic nationalism or unilateralism which purportedly harm the general interests of global business. Moreover, the Trilateral Commission has often demarcated the boundaries of the internationalist community in such a way that leaves the US president outside. This has been particularly the case with Republican presidents, whereas many Democrat presidents have received much more favourable estimations.

bankers, international officials, religious leaders, economists, academics and celebrities, as well as union leaders and heads of international NGOs. Particularly the routine distinction between the business contingency, on the one hand, and the politicians and officials (who are frequently dubbed “bureaucrats” or “regulators”), on the other, indicated that, despite the very purpose of the Davos forum to bring people into interaction over the two institutional spheres, the boundary between the realms of business and politics remained an essential feature of the self-presentation and self-understanding of actors in TEC. Moreover, as suggested by the earlier observations concerning the mutual blame game between bankers and policymakers in the midst of the global financial crisis (see Chapter 5.2), the relationship between groups sometimes appeared to be rather tense and characterised by mutual contempt. Observing the way that Bilderberg group attendees talked about each other, Richardson and colleagues (2011, 86–8) made similar arguments, noting that the discursive boundary-construction between the political and business members often involved negative stereotypical characterisations of the other group. Yet they also emphasised that such boundary-work was contrasted by rhetoric that transcended the business–politics divide. When it comes to the Davos forum, the figure of “Davos Man” as its key embodiment can be regarded as one such rhetorical device. As a symbol of a cosmopolitan internationalist who embraces free-market liberalism, “Davos Man” makes no assumption about the position of the person in the business-policy-bureaucracy triangle. For business leaders, in particular, the notion implies capacity and willingness to transcend narrow corporate interests and predispose an interest in global questions that do not limit themselves to purely “economic” issues.

For Richardson and colleagues (2011, 91–2), the rhetoric that undermined the boundaries between business and politics was reproduced by members of the Bilderberg group in the way that they addressed the intimate interaction between the public and private sectors as an essentially natural and taken-for-granted relationship. Indeed, the rationale for public-private collaboration was rarely questioned by them. This can be seen as an indication of the way that transnational elite individuals can effortlessly move between positions in business and government, which is reflected in their self-understanding as actors and in how they make sense of the interaction across these realms (see Chapter 1.2). That a similar dialectic between boundary-construction and boundary-transcendence seemed to operate in the FT suggests that TEC entails both elements that emphasise the contrasts of these two actor identities and factors that undermine them.

The second major dimension in representing the diversity within the Davos forum concerned the nationalities of the participants. State leaders typically command public attention at the forum by their presence, and the FT often trumpeted their keynote speeches with sizable headlines. Moreover, at times FT reporters paid specific attention to certain “country delegations”. Of particular interest in this regard were the representatives of the US

administration. Indeed, in the absence of the US president, FT reporters tended to speculate and inform readers about which members of the president's cabinet would attend the forum. Other countries received more sporadic attention. In 2006, for instance, the FT reported that the number of delegates from India had leaped to 80 from 30 in the previous year. Jo Johnson (A208/2006, JJ) reasoned that the notable increase in attendance was part of the Indian government's carefully-designed PR campaign to market the country as "the world's fastest growing free-market democracy". To reward India's efforts "to dominate the agenda of policymakers, investors and the media" at Davos (A208/2006, JJ), FT's 2006 forum coverage featured several articles on India, including reports on its legislative reforms that would advance the openness of its markets to foreign direct investment.

The discursive focus on countries and nationalities was associated, either implicitly or explicitly, with hierarchies among the forum's participants. Regarding politicians and national officials, the primary focus of the FT was on US, German, French and UK political executives, ministers and central bankers, implying that, as political representatives of the world's "leading economies" they were important actors. In addition, as the frequent allusions to "emerging economies" in the coverage indicate (see Chapter 5.1), certain non-western countries were also considered to be significant. In practice, however, the FT's attention was limited to the political leaders from the so-called BRIC countries (Brazil, Russia, India and China). Accordingly, the FT published news stories when Brazil's Lula da Silva visited Davos in 2003 and 2005, and members of the Indian delegation, led by finance minister Palaniappan Chidambaram, were interviewed in 2006. Moreover, when in 2009, both China's premier Wen Jiabao and Russia's president Vladimir Putin gave keynote addresses at Davos, they were front-page news in the FT. Representatives of other countries received no such treatment. This nationality bias in coverage was compounded where the visibility of members of the business contingency was concerned: Wall Street and City bankers, executives of well-known western corporations and a few corporate economists dominated much of the coverage, even as comments from non-western business leaders, particularly from China, Japan and India, were also part of the reporting.

Certainly, when it comes to assigning seats in the panels and controlling access to the various events at the Davos forum, the WEF organisation itself imposed a strict hierarchy among the participants. Delegates were given badges of different colours which granted them access to selected sessions depending on their status, and similar restrictions applied to the private parties organised by bankers and business leaders. FT reporters regularly made observations of such unequal treatment of Davos participants in their descriptions of the forum, characterising them, for instance, in terms of "status games" (A289/2007, GR) and "caste system rules" (A517/2011, GT), or as "a masterpiece of dividing and conquering that leaves everybody hoping to occupy a better position next time" (A195/2006, JG). These descriptions



highlighted that wealth, status, personal contacts and general “importance” played an important role in the hierarchical organisation of the social interaction at the Davos forum.<sup>108</sup>

Significantly, however, through their differential treatment of Davos attendees – with a heavy focus on a small number of national leaders, business executives, bankers, international officials, economists and celebrities – the FT itself effectively reinforced these status hierarchies. As a result, the FT, in its representation of the Davos community, reproduced the hierarchy of a world as a global political economy, where the most significant individuals are western investment bankers, big business executives, US government leaders, some European leaders, heads of BRIC countries, central bankers and a small number of international officials. Hence the imagined world order remained highly western-dominated, even as the highlighting of Chinese and Indian politicians and business leaders functioned as an acknowledgment of their growing importance. Accordingly, Alan Beattie noted in his 2005 report that the “impressive line-up of chief executives from China and India [at Davos] underlines where the real future leaders of the world economy are likely to come from” (A145/2005, AB). But if the Chinese and the Indian were considered to be the leaders of the “future”, the FT’s heavy emphasis on western participants was apparently grounded on the assumption that they represent the contemporary leaders of the world.<sup>109</sup>

Representing the Davos forum in terms of power hierarchies among its participants had therefore much to do with the epistemic work on the basic ontology of the global political economy (see Chapter 5.1). More importantly, the implicit and explicit references to nationalities also presented alternative actor identities to that constructed, for instance, in the notions of “the global elite” and Davos Man. Indeed, the references to nationalities often implied that, far from being a united, transnational or even “non-national” community, the Davos forum was divided along national or regional lines. The coverage alluded, in particular, to two major rifts that divided the Davos community into conflicting groups. The first rift emerged between European and US representatives. A 2003 Observer column – a regular feature that works as a space for FT reporters to express, anonymously, some of their more sarcastic and ironic remarks – commented on a round table organised at the forum to address this division in the following manner:

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<sup>108</sup> In a similar manner, Gill (1990, 155) argues how a certain hierarchy prevails among the participants of the Trilateral Commission: institutional position, experience and seniority in the network determine one’s position in the hierarchy, and accordingly, the top stratum is occupied by senior politicians, top bankers and corporate leaders, higher ranked policy specialists and influential lawyers.

<sup>109</sup> In this sense, the cultural identity of the discursively constructed transnational elite remains, in many ways, western (cf. Richardson et al. 2011, 113–4).

*Davos is a psychotherapy session for the transatlantic relationship: a 60-strong round table produced a long list of reasons for the rift, but as its rapporteur Phil Condit, Boeing chairman, admitted, reached few solutions. It was better at metaphors: Strobe Talbott, Brookings Institution chairman, argued: "Europe is Eeyore, somewhat despondent, occasionally saying Oh My, Oh My. The US is Tigger, bouncing wildly about to the distraction of Eeyore." (A100/2003.)*

As the Observer column suggests, the existence of certain long-standing, if not permanent, disagreements and tensions in the "transatlantic relationship" was acknowledged by the Davos forum. Frequently alluded to as "transatlantic disputes" or even "hostilities", the rift was clearly apparent in the years before the financial crisis. The column's citation of Strobe Talbott's Winnie the Pooh references aside, allusions to fundamental philosophical and ideological differences between Europeans and Americans were rare in the material. Instead, tensions were highlighted with regard to a number of more concrete policy issues. When the FT reported on the WTO's Doha round of negotiations on the liberalisation of trade, for instance, correspondents often focused on the disputes between the EU and the United States. Transatlantic rifts were also associated with questions of foreign policy, culminating in "the spat between Europeans and Americans about Iraq" (A137/2004, AB). The policy approach to climate change was cited as another area that increased tensions in "transatlantic relations" (A253/2007, QP); as was macroeconomic policy, where the FT occasionally highlighted differences between Europeans and Americans concerning the management of the US trade balance and currency exchange rate. Overall, then, "Europeans" and "Americans" were often presented at odds with regard to controversial issues in the global political economy, reinforcing an idea that the two actor groups were repeatedly in conflict with each other.

The other recurrently appearing rift was located between the United States and China. This "Sino-American divide" (A145/2005, AB) played out at the Davos forum particularly in FT reports on the debates concerning the imbalanced trade relations between the two countries, which had led, over the years, to growing trade and budget deficits in the United States and to simultaneous large surpluses in China (see, e.g., Bird 2012; Garrett 2010, 32–4). The FT often presented these "global imbalances" as a threat to global economic stability. Moreover, because monetary and economic policies were considered to have an impact on these national trade balances, politicians and central bankers were held at least partly responsible for the growing imbalances. However, there seemed to be little agreement on how to deal with the trade imbalance, and, as FT reporters often indicated, the delegates from the two countries tended to blame each other for the situation. Alan Beattie noted in his 2005 article on the matter, for instance, that while China was blamed for keeping its currency undervalued in relation to the US dollar, Chinese authorities, including Li Ruogu, the People's Bank of China's deputy

governor, responded by saying that “the US should cut its own trade deficit rather than lecturing others” (A145/2005, AB).

### **Elements of unity**

As suggested by the reporting on the hierarchies and recurring disagreements between Davos members, as well as allusions to rifts within the international community, the FT-mediated TEC often circulated common-sense perceptions of a divided elite, most typically along national or regional lines. Thus, the FT coverage did not necessarily assume any unity among transnational elites in terms of a sense of belonging, interests or policy preferences. As illustrated in the debates on the rivalries and disagreements between European, American and Chinese elites, TEC often made sense of the international community in terms of national interests and ideological divisions. Instead of a common identity of the Davos Man, elite communication thus frequently reproduced national and regional actor identities.

However, if references to hierarchies and divisions tended to represent Davos participants as divided while reinforcing conflicting actor identities, the FT coverage indicated that there were at least three elements in TEC that worked to downplay such divisions and reproduced an idea of a united Davos community. First, as discussed in the early part of this section, perceptions of *elite* status and position of *leadership* represented Davos attendees as connected in terms of influence, power, prestige and societal significance. Second, everyday references to global realities, observed specifically in terms of the global economic and political developments, often created a sense that those gathered in Davos were united by a common experience. As the reporters assessed the world outlooks or described the general atmosphere at the annual forum, whether in the context of upbeat expectations or plummeting stock markets, what came through was an assumption that everyone in Davos was uniformly tied to this common reality. For instance, when Guy de Jonquières and John Lloyd described in 2001 how “two thousand business and political leaders have been experiencing a distinctly ‘morning after’ feeling in Davos this week” (A24/2001, GJ/JoL), they referred less to heavy partying at the forum but rather to the general sense of failure and regret among the attendees after the spectacular collapse of the dotcom bubble. Rather than indicating how the sudden downturn was hurting certain businesses or individual political leaders while others might actually benefit from it economically or in terms of power, they suggested that the leading international businesspeople and politicians had taken a collective blow. Such an argument makes sense only if one assumes that a common position of leadership presents certain “objective” realities that make the Davos elite a distinct group. From this perspective, the market crash represented a collective blow for the Davos community because it undermined their credibility and legitimacy as a status group and as power-holders, potentially weakening or even threatening their

position. Such reporting thus reproduced the conception that Davos participants shared a common experience – and even common fate that was determined by the turns of the global economy.

Finally, in addition to a common context of action and a shared experience of leadership, Davos participants appeared as a coherent elite group with regard to their out-groups in the global civil society. Indeed, the conception of a Davos elite united in terms of power, interests and ideology emerged in TEC perhaps most forcefully at the turn of the century, when it was contrasted with the global civil society movement that took its aim at the ideologies and institutions of neoliberal globalisation. The following section examines how this social movement was constructed in FT journalism as a significant “other” that helped to define the Davos community and the transnational elite as an actor identity.

### **6.3 The global civil society: coming together in the face of an adversary**

As discussed previously, the FT coverage of the Davos forum entailed relatively little explicit talk about “us”. Rather than being a label for self-identification, Davos participants appeared to be more clearly identified as a group by FT reporters who operated as its “outside observers”. Accordingly, the previous section made several observations about the constructed unity of the Davos elite. When it comes to representing the Davos community, however, its character was defined most notably in relation to its “other”. As Tajfel (1981, 258) argued, the characteristics of one group gain much of their significance only in relation to the perceived differences to other groups. The discursive construction of collective actor identities therefore relies, to a great extent, on relevant out-groups with which to compare the group and define what holds it together. In other words, non-elite groups potentially have an important role in the definition of what the Davos elite actually is and what it represents.

In this regard, a significant episode in TEC took place in the early 2000s as the Davos forum was publicly challenged by activists and civil society groups. This anti-Davos mobilisation was part of the broader wave of transnational activism and civil society organisation around the turn of the millennium in opposition to the neoliberal globalisation policies of major states and international organisations (see, e.g., Hardt and Negri 2006, 215, 294).<sup>110</sup> While its role in halting, for instance, the WTO-led process of trade

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<sup>110</sup> The so-called global justice movement, obviously, had roots in previous social movements. The IMF and the World Bank had been targets of civil society protests since the 1980s, mainly for their imposition of neoliberal economic policies on debt-ridden developing countries. With the liberalisation of trade and investment in the 1990s, these and other international organisations were increasingly identified by western labour movements and other civil

liberalisation following the Seattle protests in 1999, let alone its success in overturning the overall progress of neoliberal globalisation, is debatable, the movement certainly had a significant impact on the global public sphere as images of protests disseminated in the news media during international summits and meetings of international organisations. Indeed, the amount of attention civil society movements critical of globalisation were able to garner among both elite and mass publics may have been their greatest form of influence (see, e.g., Cottle and Lester 2011), promoting public recognition of the political nature of economic decisions and agreements reached at these elite forums (Teivainen 2012). Arguably, by gaining international media attention through conspicuous forms of grassroots mobilisation and protests, transnational civil society organisations managed to bring new issues to the international political agenda. Policy-making elites, in other words, felt pressure to publicly address some of the issues promoted by international CSOs and social movements. The agenda at the World Economic Forum also began to shift in the late 1990s. From an exclusive concentration on economic policy, markets and business matters, the Davos forum moved towards a more comprehensive global agenda of political, social and economic issues, thus demonstrating increasing recognition of the role of business in broader social processes (Pigman 2007; Friesen 2012).

Besides managing to leave its mark on the issues debated in international forums and media, the social movements drew international media attention to themselves as a network of civil society organisations and as an emerging political force in world society. This is particularly significant with regard to the Davos community because the transnational network of NGOs and activist groups positioned themselves explicitly as its non-elite counterpart and adversary. Accordingly, the World Social Forum (WSF), the movement's main show of force which was held for the first time in 2001, coincided annually with the World Economic Forum. Many of the WSF's communiqués presented it as an alternative to the Davos forum and in opposition to the ideology and interests reigning at Davos. In addition, the World Economic Forums of 2001 and 2002, in particular, were marked by large street protests outside the venue, in Davos and New York, respectively.

In many ways, then, the global justice movement established itself publicly as an adversary of the Davos elite. This section observes how the global justice movement featured in the FT coverage of the Davos forum and concentrates on following issues: how the movement and its critiques entered TEC as a topic of conversation; how it was recognised as an adversary to the

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society organisations as symbols and key institutions of neoliberal globalisation. Towards the end of the 1990s, the global justice movement began to represent a transnational coalescence of developing country organisations, labour movements and environmentalists who mobilised against the threatening social and environmental consequences of the neoliberal policies of economic globalisation (see Steger 2009, 197–212).

Davos participants; how the FT covered the reactions of the Davos forum to this public opposition; and how this juxtaposition between the Davos elite and the global justice movement reproduced and defined the transnational elite as an actor identity. While a great deal could be written about how the FT represents what it typically terms as “anti-globalisation” protesters, here the primary interest is in the ways in which covering the movement operates as a form of identifying and defining its counter-part: the Davos elite.

### **Defined by the other**

As an indication of the global justice movement’s partial success in penetrating the barriers of entry into the elite media agenda internationally, the FT covered the WSF with correspondents filing reports directly from Porto Alegre, Brazil, where the forum was held from 2001 to 2003, and then again in 2005, as well as from Caracas, Venezuela, in 2006. Reports on the street protest against the Davos forum were published in 2001 and 2002, in particular. During the 2002 forum in New York, the WSF and street protesters even emerged as the most frequent individual topic of coverage with eight stories dedicated to this theme (see Table 4.2 in Chapter 4). In addition, several other stories in these years, especially on the topics of globalisation and the WEF/Davos elite, featured allusions to the civil society critics of globalisation, and the movement continued to be acknowledged in the FT up to 2006.

A 2001 article by Guy de Jonquières and John Lloyd is illustrative of various conventions in the FT coverage of the WSF. Titled “To have and have not”, the one-page analysis brought together de Jonquières reporting from Davos and Lloyd from Porto Alegre, observing how “this week’s annual gathering of the world’s elite in the Swiss Alps is being mirrored by an anti-globalisation forum taking place in Brazil”. Among other themes discussed in the article, the reporters noted how the Davos forum had come under strong criticism for failing to address global inequalities and how the organisers sought to respond to the critique. The article also featured observations of the WSF, as well as interview quotes from Bernard Cassens, a senior editor at *Le Monde Diplomatique*, who was one of the main organisers of the 2001 WSF. Here are some key passages from the article:

*[At the Davos forum,] mixed feelings have also surfaced in discussions on this year’s headline Davos theme, “Sustaining growth and bridging the divides”. Stung by criticisms that the forum is just a rich persons’ club, the organisers have sought to include more representatives from developing countries, who account for half the 400 politicians present. Politicians from countries including India, Brazil and Tanzania have bombarded the wealthy and powerful with calls for a better deal on trade and investment, spiced with accusations of hypocrisy and unfairness by industrialised countries. Yashwant Sinha, India’s finance minister, berated the “north” for a catalogue of sins, ranging from protectionism to luring away his country’s educated citizens and subscribing to double standards over*

*environment policy. But the most rousing speech so far was by Vicente Fox, Mexico's new president, who said more needed to be done to combat the spiritual deprivation created by globalisation. "Attempts to sugar-coat the current form of globalisation with compensating policies aren't nearly enough." It is debatable how far this year's meeting will bridge the north-south divide or create a more compassionate public image for a gathering derided by critics as a citadel of bloodless capitalism. Some delegates think all the talk of inclusive policies and global corporate responsibility will evaporate once economic conditions get really tough. Amid all the swirling anxieties and uncertainties, one principle at least appears to unite those invited to Davos. Even the critics of globalisation accept that the process is an inexorable reality. The differences are about how it should be managed and the benefits shared. ...*

*The themes of the World Social Forum are those of the demonstrators of Seattle, Washington, Prague and other conferences of the global elite last year. They include how to produce and distribute wealth for all; how to construct a financial system that will tend to equality; how to "transform scientific development into human development"; and how to explore "the limitations and possibilities of planetary citizenship" ... Mr Cassens, in the cool of his hotel cafe, gave some indication of the forum's ambitions. "This will now happen every year, like Davos, and it will become bigger and better. We will keep opposing the meetings of the global organisations, like those of the World Trade Organisation. But we will also build an alternative. We are not yet ready to have a definite programme, a 'little red book'. We have modest aims to begin a process." (A24/2001, GJ/JoL.)*

The first observation to make from the passage, and which is indicative of the more general thrust of the material is that, far from ignoring the rising momentum of transnational civil society mobilisation at the beginning of the 2000s, the FT granted them a degree of legitimacy by sending reporters to cover the WSF. The paper even introduced some of the movement's arguments to its readers. Similarly, in their 2002 article Raymond Colitt and James Harding (A47/2002, RC/JH) acknowledged that the "forum has gained international attention and recognition", citing selected well-known names among WSF participants, including Mary Robinson, UN High Commissioner for Human Rights, and Juan Somavia, director-general of the International Labour Organisation.

The second notable characteristic of the FT's coverage of the WSF is the positioning of the movement in direct association with and opposition to those gathered in Davos. While de Jonquières and Lloyd's article was somewhat exceptional in that it combined lengthy reporting from both events, reports from the WSF typically included at least one explicit reference to the Davos

forum.<sup>111</sup> The journalistic convention of presenting the civil society movement in direct confrontation with the Davos forum was underlined by deliberate layout choices: practically all reports on the WSF were positioned on the same page as and next to the news and reports from the Davos forum, making the two groups appear in juxtaposition to each other. Moreover, when interpreting the relationship between the Davos participants and civil society, FT reporters often explicitly pitted the two groups against each other. As the headline “To have and have not” in de Jonquières and John Lloyd’s article suggests, in this juxtaposition the global justice movement typically came to represent the plight of the world’s poor, while the Davos forum represented the power and wealth of the transnational elites. Other characterisations of the split included “two sides of the globalisation debate” and “two opposite worlds of economic and political thought” (see Table 6.2 below).

By highlighting the elite-civil society juxtaposition, the FT effectively brought attention to how the Davos forum had become a target of opposition and critique. Indeed, the 2001 Davos forum was not challenged only by the WSF but had also been marred by clashes between local police and street protesters outside Davos. In their vivid rhetoric, de Jonquières and Lloyd identified some of the arguments of the anti-Davos activists and demonstrators, including “criticisms that the forum is just a rich persons’ club” and “a citadel of bloodless capitalism”. By highlighting some of the negative characterisations of the Davos forum among the critical civil society, the reporters thus attempted to explain to their readers why the meeting between transnational business leaders and policymakers had become a target of the activists’ ire. Another article by Guy de Jonquières and Holly Yeager explained that, for its opponents, the forum represented an exercise of power and influence “behind closed doors”, amounting to nothing less than “an incestuous conspiracy” (A44/2002, GJ/HY).

Table 6.2 compiles key characterisations with which Davos participants were juxtaposed with the civil society movements or the public at large, in the coverage of civil society activism. The table also includes some of the representations of the global justice movement’s agenda in the material, as well as their critiques against the Davos forum. As the various representations of the movement indicate, the opposition to the Davos forum was not limited to the apparent problems of legitimacy in business and political leaders meeting outside of the public view. FT reporters also explained it in terms of various ideological, political and socioeconomic dimensions. Accordingly, when explaining the aims and agendas of the global justice movement, FT

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<sup>111</sup> It should be noted that the analysis in this section is based on the articles on the WSF and the global justice movement which contained a reference to the Davos forum or which appeared on the same page with reports and articles on the Davos forum. It is thus possible that the analysed material does not contain all the articles referring to the global civil society movements that appeared in the FT during the periods of data collection.



reporters employed terms such as “opposition to current economic orthodoxy” and an “attack on globalisation and the overbearing influence of financial markets”.

**Table 6.2** Allusions to divisions, representations of the global justice movement and critiques of the Davos forum

<b><i>Allusions to divisions</i></b>	<p>“the haves and have-nots” (A24/2001, GJ/JoL)</p> <p>“two sides of the globalisation debate” (A31/2001, GD)</p> <p>“the powerful and wealthy” and “the powerless and poor” (A30/2001, HC/GJ)</p> <p>“the divide between global capitalism and its critics” (A40/2001, Editorial)</p> <p>“the global elite” and “downtrodden masses” (A69/2002, KA)</p> <p>“two opposite worlds of economic and political thought” (A95/2003, RC)</p> <p>“victors of capitalism” and “the losers” (A125/2004, MW)</p>
<b><i>Representations of global justice movement and activism</i></b>	<p>“challenging the economic world order and its organisations” (A14/2001, RC)</p> <p>“attack on globalisation and the overbearing influence of financial markets” (A25/2001, GD)</p> <p>“against the hegemony of neoliberalism” (A25/2001, GD)</p> <p>“opposition to current economic orthodoxy” (A24/2001, GJ/JoL)</p> <p>“against globalisation and neo-liberal economics” (A24/2001, GJ/JoL)</p> <p>“critics of globalisation” (A30/2001, HC/GJ)</p> <p>“the critics of multinational business and free trade” (A40/2001, Editorial)</p> <p>“anger at free-market liberalism” (A65/2002, JH)</p> <p>“against the concentration of wealth, the proliferation of poverty and inequalities, and the destruction of our Earth” (A76/2002, RC)</p> <p>opposition to “free-market capitalism” (A125/2004, MW)</p>
<b><i>Critiques of the Davos forum and its participants</i></b>	<p>“a rich persons’ club” (A24/2001, GJ/JoL)</p> <p>“a citadel of bloodless capitalism” (A24/2001, GJ/JoL)</p> <p>“worsening poverty” (A30/2001, HC/GJ)</p> <p>“an incestuous conspiracy” (A44/2002, GJ/HY)</p> <p>“corruption of businessmen and politicians” (A76/2002, RC)</p>

With such discursive consolidation of two sides as opposites, FT reporting on the WSF indicated that Davos forum participants were facing a new adversary who was staging an attack on their personal reputation, the legitimacy of their privileged position and the soundness of their policy ideas. The way the lines between the two groups were drawn in the FT suggests, in other words, that the global civil society of protesters, activists, movements, or simply people living in poverty, emerged in TEC as the significant “other” of the Davos elite and could thus form a significant element in the development of the transnational elite as an actor identity. Civil society opposition effectively worked as a way to define certain essential characteristics of what was shared by Davos attendees, and in reflection of the representations of this “other”, it was possible to define what the Davos elite as a group was about (cf. Tajfel 1981, 256). Correspondingly, due to the Davos participants’ representative role in TEC, the emergence of the global justice movement offered a way to articulate the basic beliefs and character of transnational elites as a broader actor category.

In this regard, it is notable that, in its representation of the civil society critiques and agendas, the FT acknowledged such things as the “hegemony of neoliberalism”, “free-market capitalism” and “economic orthodoxy” as valid representations of reality – at least from a particular, non-elite, viewpoint (see Table 6.2). In this discourse reflecting civil society critiques, what distinguished Davos participants from their adversary was their elite status, affluence, decision-making power, access to private negotiations, a pro-globalisation stance, neoliberal policy preferences, belief in “economic orthodoxy” and the active promotion of the power of finance in the global economy. The Davos forum thus became discursively constructed as a symbol of “free-market liberalism” and “global capitalism”, implying that its participants were united by a common set of beliefs and objectives.

In some respects, the division between “the haves and have-nots” reproduced certain positive characteristics of Davos participants, not only indicating their consensual and united character but also associating them with power, prerogative and elite status. Yet, with the inclusion of social movement voices – and the reporters’ interpretations thereof – negative and critical conceptions of the Davos forum and its attendees also seeped into TEC. While much of the movement’s critique was institutional, structural and ideological in nature, thereby directing attention away from individual responsibility, part of its rhetoric was directly “anti-elite” in nature. Consequently, the coverage of the activist movement introduced critical questioning of the moral character of the Davos elite into TEC. As the passage above from de Jonquières and Lloyd’s article indicated, the very notion of being “elite” now associated negatively with “hypocrisy” and “unfairness”, as well as with policies and business practices that exacerbated “the north-south divide”. Elsewhere, when citing other concerns of the civil society movements, FT reporters also associated the Davos forum unfavourably with global poverty, inequality, exploitation and environmental degradation, as well as

with corruption and disregard for the plight of the less fortunate. Thus the very legitimacy of transnational elites, and particularly their policies and use of power, became contested.

### **Reclaiming elite identity**

From the perspective of public epistemic work, civil society critiques of represented negative characterisations of the Davos elite as actors. The FT's reproduction of anti-elite rhetoric indicated that negative representations of the Davos elite, held by "outsiders", entered TEC. This, in turn, suggests that the transnational elites could no longer ignore protests against the social consequences of the policies of neoliberal globalisation and the business activities of TNCs. As much of these critiques identified TNCs, governments and international organisations as the primary agents of neoliberal globalisation, they also attributed business leaders, politicians and international officials with personal responsibility over the negative social impacts of globalisation. The political critique by protesters and WSF participants cast the Davos elite in a negative light and questioned both their activities and moral character as individuals. As a result, members of the Davos forum faced a challenge to their positive self-perception as actors.

According to Tajfel (1981, 258–9), all groups need to protect the collective identity of their members by maintaining their positively-valued distinctiveness to other groups. Obviously, the observed allusions to wealth, power and elite status would likely serve this purpose; as would negative representations of those propagating anti-elite discourses (cf. Patomäki 2010, 57–9). Accordingly, the expression of highly critical and negative views on the Davos elite was somewhat moderated by the way that FT reporters balanced them with equally derogative characterisations of the activists. Such attributes as "outsiders", "angry", "emotional", "raucous" or simply "anti-" effectively served to reproduce typical elite media practices of representing activists through negative stereotypes and characteristics. In addition, FT reporters occasionally framed the critical characterisations of Davos participants essentially as negative stereotypes that were intentionally formulated by the protest movements to garner support for their own cause. Therefore, rather than something that should be taken seriously, the negative characterisations were sometimes made to appear more like populist and intentional public image constructions by the opponents of the elite.

Yet the public attacks against Davos participants could not be shrugged off merely as publicity stunts. Instead, the FT coverage suggests that civil society critiques prompted transnational elites to reflect on their own role as actors in world society. The following passages from the FT's 2001 editorial titled "Global business", published a day after the closing of the 2001 Davos forum, illustrates some of this identity-work:

*The water cannon has become an uncomfortable symbol of the divide between global capitalism and its critics. At the World Economic Forum that ended in Davos yesterday, armed police kept the protesters at bay. But the generalissimos of big business did parley with their more respectable critics. That is good. However, the Davos forum should be much more careful to distinguish business objectives from the wider interests of the liberal market system. There is far too great a tendency to think that what is good for big business (rightly understood) is also good for the global economy and the people who toil in it.*

*The business leaders listened to the pleas of African heads of state. They heard a call from Vicente Fox, Mexico's president, for an attack on world poverty. Some joined Kofi Annan, the United Nations secretary-general, in a campaign to involve more businesses in the infrastructure problems of the developing world. Others debated electronically with assorted idealists and romantic revolutionaries at a rival conference in Brazil. Such self-criticism is welcome, especially if it promotes philanthropy or enlightened business practices. So are attempts to create a dialogue with the critics of multinational business and free trade. (A40/2001, Editorial.)*

The editorial sums up and comments on some of the main developments during the 2001 forum, including the violent clashes between police and street protesters, and the “parley” the members of the Davos forum had with representatives of the WSF. It also marks the appearances of African leaders, president Fox and Kofi Annan at Davos making “pleas”, launching “attacks” and campaigning in favour of the world’s poor. Indeed, the FT’s interest on the global justice movement in 2001 and 2002 coincided with a heightened focus on the appearances of political representatives from the developing world at the Davos forum. As the earlier-quoted 2001 article by Guy de Jonquières and John Lloyd already indicated, the Davos forum had answered to civil society critiques by inviting some 200 politicians from the developing world, and they had used the opportunity to present critiques on the unfavourable terms of international trade and investment.

Similarly, in another article, Hugh Carnegie noted how “Africa has gained an unusually high profile in Davos” in an effort to “blunt criticism” over the forum’s alleged disregard of “inequalities in the world’s economy”. In this case, the critique was not attributed so much to the social movements and protesters. “Africa’s frustration over the shortcomings of globalisation” was instead voiced by Benjamin William Mkapa, Tanzania’s president. (A22/2001, HC.) He was joined by Thabo Mbeki, president of South Africa, who presented an economic policy plan at the forum, to save Africa from “poverty and chaos” (A15/2001, VM). The concentration on Africa was complemented with broader issues of poverty, inequality and global divides. In this respect, Lionel Barber and Hugh Carnegie reported on the speech by Vicente Fox, president of Mexico, and described it as “a clarion call for the world’s poor” that had been “greeted with enthusiastic applause” from the forum’s attendees (A23/2001, LB/HC). A repeated message in these public calls by the forum participants was that the

demonstrators' fears and critiques concerning globalisation must be addressed by governments, international organisations and businesses, and by the entire Davos community. Instead of undermining the critique, the forum participants seemed to join it by raising some of the concerns of the global justice movement within the meeting itself.

The rise of the civil society movement thus prompted the Davos forum to address some of the problems of globalisation. As the FT emphasised in the 2001 editorial cited above, public criticism encouraged Davos participants to engage in some self-critical reflection regarding their own responsibility in tackling those problems. The editorial, however, also voiced some scepticism regarding some of these reactions and presented a critical look on the promotion of corporate social responsibility as the way to solve the problems of "global capitalism". The paper argued that, instead of portraying themselves as working in the general interest of the world's population, transnational business leaders should make it clear that "since their job is to make money, their embrace of wider social objectives is fundamentally for self-interest and not from benevolence". Thus, even as the editorial expressed its faith in "the liberal market system", which had "brought huge benefits to the world", it also acknowledged the dangers of business-led globalisation and recognised the need to curb the excessive power of business.

A 2002 editorial titled "Global warnings" continued along similar themes. This time the paper assessed the state of the globalisation debate. The editorial presented many of the arguments of the movement critical of globalisation, arguing that the activists and protesters who are concerned about the "marginalisation of the poorest countries" and who make demands for "reducing poverty, "investing in development" and more equitable capitalism "deserve a hearing". Noting that the protesting organisations enjoyed widespread popular support, the editorial concluded by arguing that "business and government leaders at the WEF must engage to show that the system they represent can deliver prosperity for all". (A55/2002, Editorial.)

Together, the two editorials indicated a marked shift in the agenda of both the Davos forum and TEC more generally. Instead of ignoring or downplaying the issues highlighted by civil society, such as global poverty and inequality, the Davos forum demonstrated a degree of awareness of their importance. The editorials also implied that political leaders and transnational business executives partly acknowledged their power and responsibility in the face of these global problems. As a whole, the FT coverage of the global justice movement demonstrated the awareness of international business and policymaking elites about civil society criticism against their own role in world society. Thus the paper brought an element of self-critique into TEC.

In addition to adopting, or co-opting, the global justice movement's critiques of neoliberal globalisation, attempts to incorporate the civil society itself into the Davos process formed part of the forum's response. Accordingly, the WEF increased the number of invited NGO participants in the annual meeting, thereby giving them a chance to meet business leaders and

policymakers and to participate in the panels on such issues as climate change and development. Moreover, during the 2001 forum Geoff Dyer reported on a teleconference debate between representatives of the WSF and the Davos forum (A31/2001, GD), and Raymond Colitt reported on how “behind the scenes, representatives of multilateral agencies and corporations on one side and protestors on the other have been working to establish a dialogue” (A63/2002, RC). Such allusions to inclusion and dialogue were thus additional elements in the coverage regarding the response of the Davos forum participants to their civil society adversaries.

Overall, the ability to be self-critical, and the willingness to respond to and establish dialogue with the critics of globalisation emerged as key character traits of Davos participants in FT-mediated TEC. Through actions and expressions of their capacity to search for mutual understanding with their adversaries, business executives and political leaders demonstrated their compassion and virtuous character. These representations thus effectively countered the civil society critiques that defined Davos members as a self-interested elite working against the interests of the world’s poor. Indeed, as the Davos forum showed its readiness for acknowledging responsibility and addressing the problems of poverty and inequality, a juxtaposition between the interests of the poor and the rich was rendered irrelevant. In his 2002 op-ed, Kofi Annan, the UN Secretary General, argued as much in an attempt to justify his personal attendance at the gathering of “the glitterati and the global elite”.

*Many people are asking me why I have agreed to attend the World Economic Forum this year. Some even seem to think that by doing so I align myself with the glitterati and the global elite, turning my back on the downtrodden masses who - in these people’s eyes - are the victims of globalisation. If anything, the opposite is true. I see the forum as an opportunity to address that global elite on behalf of those downtrodden masses: on behalf, especially, of well over 1bn people in today’s world who are living without enough food to eat, without safe water to drink, without primary schooling or healthcare for their children - in short, without the most basic requirements of human dignity. Personally, I do not believe that those people are victims of globalisation. Their problem is not that they are included in the global market but, in most cases, that they are excluded from it. But it is up to the global elite - to business and political leaders from the more fortunate countries - to prove that perception wrong, with actions that translate into concrete results for the downtrodden, exploited and excluded. (A69/2002, KA.)*

With the globalisation protests and the perceived rise of an anti-elite sentiment, close relations with the Davos elite seemed to be a burden to all those who wished to present themselves as the defenders of the “have-nots” at the beginning of the 2000s. This even included Annan who chose to defend his participation at the forum. Far from downplaying the significance of the Davos forum as a gathering, or the extent to which power is concentrated into the

hands of a small elite group, Annan's text developed into a validation of transnational elites as a powerful group of people that may well work for the interests of the masses. Certainly, Annan demanded that transnational companies "take the lead" in mobilising "global science and technology to tackle the interlocking crises of hunger, disease, environmental degradation and conflict". Yet his key message to the critics of neoliberal globalisation was that inclusion in the "global market" was in the benefit of the global poor. Consequently, Annan implied that the business executives and political leaders at Davos were on the right side of history when promoting global economic integration. The Davos forum could now present itself as a defender of the poor. There were no longer grounds for outlining a fundamental divide between the interests of "the global elite" and those of the "downtrodden masses".

In sum, as civil society critiques entered TEC, they reinforced the sense that transnational business executives and political leaders were somehow responsible for global problems, such as poverty and inequality, as well as failing to improve the living conditions and opportunities of the world's majorities. This conflict between the protesters and the elites, which reproduced negative views on the Davos elite, was played out in the FT coverage of the WSF. However, as Davos participants demonstrated their willingness to take responsibility and address civil society concerns, the elite's interests needed no longer be contrasted with those of the masses. On the contrary, the chosen set of policy prescriptions would ensure that the pursuit of liberal market policies of globalisation contributed to the benefit of all. The division between transnational elites and civil society ended up being interpreted as an unfortunate rift, not something inevitable but based on anti-elitism, misunderstandings and lack of dialogue. The solution thus reinforced the possibilities for a positive identification with transnational elites.

### **Public challenge and transnational elite identity**

To summarise the preceding analysis, the beginning of the 2000s was characterised by the reproduction of transnational elite identity in the representations of its significant out-group, the global civil society. The transnational network of activists explicitly addressed the Davos forum and identified its participants as a transnational elite by positioning itself clearly as its adversary. The Davos forum and some of its participants reacted to this public critique in several ways, including public interventions that addressed some of the movement's concerns. The Davos forum also extended more invitations to civil society organisations to participate in the forum. Through these forms of engagement, a mutual recognition emerged between the Davos elite and the civil society representatives of the WSF. Arguably, such public confrontation served to reinforce the collective identity of both groups and, consequently, the period of public protests by the transnational civil society

provided valuable insights into the substantive content of the transnational elite as an actor identity.

In addition to its influence on the international policy agenda, the transnational civil society has an impact on public awareness concerning global politics and power. By selecting international organisations and forums as their primary targets, instead of individual nation-states or governments, the global justice movement helped to create a deeper sense of the concentration of the transnational exercise of power. In tandem, it brought the global political and economic elites under a new kind of critical scrutiny. The movement identified the existence of a certain group of institutionally powerful people behind the neoliberal restructuring of the global economy. As the street demonstrations and WSF gatherings coinciding with and addressing the WEF annual meeting indicated, the Davos elite appeared to the protesters as the main driver of neoliberal globalisation that the movement opposed. In this way, the Davos elite represented the single most important adversary for the global justice movement.

In the FT-mediated TEC, a clear-cut division emerged between the Davos forum and the WSF, as well as between the social groups they represented. The perceived and self-proclaimed opposition of the transnational civil society against the Davos forum thus discursively reproduced the transnational business and policymaking elite as a unified group. In the FT, the civil society mobilising that addressed the WEF became part of TEC, and in that sense FT reporting on the global justice movement turned into a conversation about transnational elites themselves. The FT coverage of the global justice movement was thus especially relevant for its contribution to the construction of the transnational elite identity.

In their study, Bennett and colleagues (2004) examined the 2001–2003 coverage of the World Economic Forums and World Social Forums in the *New York Times*, analysing how well journalists enabled open deliberation on globalisation between the two groups. Their observations concerning the relative marginalisation of the global civil society actors in terms of access and recognition as compared to the privileged position of the WEF participants in the coverage corresponds with much of the analysis in this section regarding the FT's coverage of the two forums. Yet there is also a marked difference in this analysis and the conclusions made by Bennett and colleagues regarding the relevance of the increased debate on global inequalities prompted by the rise of civil society mobilisation. While taking note of the growing focus on activist issues at the Davos forum, Bennett and colleagues (2004, 450–1) regarded this shift more as an attempt to improve the public image of the forum and the elites than as a genuine move towards engaging their critics to open dialogue. Thus they concluded that the *New York Times* effectively turned into a vehicle of the Davos forum's re-branding campaign.

In my view, however, the shift in agenda can also be seen as prompting a change in the Davos elite's self-conceptions. By its emergence as a recognisable collective actor and explicit orientation as an opponent of the Davos elite, the



global justice movement helped reinforce the sense of togetherness among them. It operated as the most significant “other” to the Davos group; one that most clearly identified it as a transnational elite and hence potentially contributed to the development and strengthening of its collective identity. Nevertheless, as Michael Barnett (1999, 9) pointed out, collective identities are potentially contingent because they are dependent on the interaction with others, as well as the changing contexts within which this interaction takes place. Accordingly, when the issues to be addressed change, this also inevitably changes the perceptions of what is important to the people debating them.

Following Barnett’s insights, it was precisely due to this relational aspect of identity formation that the global justice movement was so significant for the reproduction and definition of the transnational elite as an actor identity. Due to the movement’s public critiques, the Davos forum could no longer ignore problems of neoliberal globalisation. Instead it had to somehow address these problems and thus to demonstrate global consciousness and responsibility for solving them. This willingness and ability to “interact” with the other potentially reinforced and strengthened the self-understanding of transnational elites – but the interaction also potentially, and partially, transformed that identity.

Instead of merely “re-branding” the forum, elite journalism as a form of intra-elite communication thus participated in reproducing and redefining the transnational elite as a collective actor identity. Through the construction of the division between the Davos elite and transnational civil society actors, the FT strengthened the (self-)awareness of the Davos forum participants as a powerful group that shapes global processes. In the process, the identification of the Davos people as “the global elite” was imbued with both positive and negative connotations. On the one hand, elite status related to power, influence, prestige and privilege, rendering the identity attractive and something to strive for. On the other hand, the notion was stained by connotations to greed, hypocrisy and self-interestedness, being against the poor and having contradicting interests with the world’s majority.

In the face of such challenge to the transnational elites’ self-identity, there was a demand for the reinforcement of positive self-representations. These took the form of representations of self-critique, openness to complaints from the outsiders, as well as the willingness and ability to respond to such criticism. Dialogue with one’s adversaries emerged as a particularly relevant response and trait of the elite and contributed significantly to repairing the damages done by the protesters to the self-image of transnational elites. Such demonstration of respect despite differences in opinion forms one of the key norms in the behavioural code of transnational elites, as does the ability to present one’s views in a constructive, non-confrontational manner (Richardson et al. 2011, 55, 118). These kinds of diplomatic skills emerged here as a quality and a natural disposition that distinguished transnational elites favourably from their adversaries.

## **6.4 FT journalism and transnational elite identification**

In the previous sections of this chapter, we have seen how Davos forum participants referred to "us" when addressing their peers; how FT reporters represented forum members as an elite group and normalised their collective actorhood in the figure of the Davos Man; and how the FT coverage of the global justice movement as the significant "other" helped to define the characteristics of the Davos elite. All these discursive practices can be interpreted as contributing to the identification of Davos members as a collective agent, thereby exemplifying the kind of public epistemic work which allows transnational elites to make sense of themselves as actors. Yet while the focus thus far has been on the representation and identification of the Davos forum participants as collective agents, the purpose has not been to argue that the actor identity of the transnational elite is necessarily restricted to them. Nor should the representations of Davos participants be regarded as an indication that the forum members somehow form a unified group. The aim has been rather to observe how addressing Davos participants enables, in a more general sense, the identification and definition of transnational elite agency. From this perspective, the figure of the Davos Man ought to be seen as a representative of a broader transnational elite, defining its principal characteristics.

Newspapers, television and other forms of mass media have an important role in reproducing collective identities and reinforcing a sense of belonging to large communities whose members do not personally know each other (e.g., Anderson 1991; Risse 2010). A relatively small number of elite actors tend to dominate international media publicity, and therefore they play key roles in the "imagined communities" that form around business media outlets and publications. From this perspective, the FT's coverage of the annual Davos forum gains further significance. The forum is an event during which Davos participants, through the FT, speak to the broader elite community of international business and politics. As much as this communication involves the dissemination of ideas and arguments, it also includes an implicit invitation to the readers to accept the economic, political and ideological leadership of Davos participants. Moreover, even while the average readers of the FT, typically international business executives, professionals, policymakers or officials, are unlikely to obtain personal access to the highly exclusive crowd of the Davos forum, they may still identify themselves in many ways with the "Davos community" and make sense of their own position and agency in society in relation to the Davos elite. Through its representative role, the Davos elite may render the transnational elite an attractive actor identity.

While leading businesspeople, politicians and international officials occasionally publish columns and op-eds in the FT in order to directly address the paper's elite readership, most of the time the journalists operate as the gatekeepers in the FT-mediated elite interaction. In other words, reporters act

as the primary mediators of the "quasi-interaction" (Thompson 1995) that takes place between the Davos elite and the FT's readers. The FT offers a window to what happens at the Davos forum, as well as to the actions and ideas of its participants and enables an imagined connection between the readers and the elite contingency that gathers in Davos. The transnational elite as an actor identity potentially emerges precisely in this self-reflection and self-identification of the FT's readership as it enters into quasi-interaction with Davos participants (cf. Reilly 1999). At the same time, given the role FT journalists play in mediating the communication between the Davos elite and the paper's readership, the ways in which journalists represent the forum and its participants have major significance in shaping this connection.

Accordingly, this final section of the chapter takes a closer look at how FT journalism operated as a mediator between the Davos people and the FT's broader readership. The focus is on how the journalists related to the Davos forum participants and how their discursive practices, when reporting from the forum, invited readers to adopt certain subject positions in relation to the Davos elite. As Hartley (1982, 87–8, 93) and Fowler (1991, 232) have pointed out, the news media have particular ways of addressing their audience based on the characteristics they assume their readers, viewers and listeners to have. In the process of trying to appeal to their audience, editors and journalists construct an ideal reader or viewer and tend to support their positive self-identification. Accordingly, the readership of the FT may be understood as an imagined community insofar as the readers are invited to understand themselves as part of a group of like-minded peers that are connected by occupation, status, experiences, economic circumstances and political challenges. Starting from the premise that the Davos elite fulfils a representational role, forming a basis for and defining the key features of the broader transnational elite as an actor identity, the aim is to inquire to what extent FT journalism potentially fostered positive identification among its readers with Davos participants.

### **Unmasking the Davos elite**

Let us start with a passage from the introductory article "Davos: your guide to a peak performance" by John Gapper, which was already referred to at the beginning of section 6.2. As the headline indicates, Gapper wrote the article to an imaginary attendee of the Davos forum. This is how it begins:

*You have got the invitation. You are one of those noble folks with a social conscience and an important job who wants to make the world a better place. Alternatively, you are joining a sinister club that plots global domination from a small Swiss village. Whatever. You are going to Davos. So here is the lowdown. First, they hold the World Economic Forum half-way up a mountain. That is no problem if you own a private plane or can hire a helicopter to get there (for guidance on the latter, see the programme you have been sent). Just make sure that, once you reach Davos, you also*

*rent one of those silver chauffeur-driven Audis or BMWs that swish around with snow-chains on their tyres. You can't afford any of that? Oh dear. Well then, get a plane to Zurich and catch the train to Davos. ...*

*If you have made it to Davos, the Platz/Dorf thing is a significant clue as to the days ahead. Platz is, socially and geographically, the top end of town. It has the conference centre and the hotels where most of the social events and drinks parties are held. ... [I]f you are in Dorf, you will probably feel like a second-class citizen who has been barred from the top table. This, you will find, is the essence of Davos: there are circles within circles and elites within elites. An invitation to attend only gets you on to the first square of the board. (A195/2006, JG.)*

The article goes on to provide tips about some of the most interesting events, presentations and parties at the forum. Thus, even as the article purports to be a guide, it in fact offers an insider view on what goes on during the meeting to those not attending. As we can see from the quoted passage, Gapper addressed a Davos-goer whose actual wealth and institutional position he did not know. Accordingly, he presented various alternatives for the means of travel and the place to stay – and, later in the article, for the panels and parties to attend to – according to the wealth, status and personal connections of the presumed reader of the “guide”. By distinguishing more than one “yous”, the article therefore implied that many of the Davos participants are not, or do not see themselves as, particularly wealthy, powerful or important. Still, it is notable how, even as the various allusions to being deprived of top status tend to invite the reader into the position of an “ordinary person”, Gapper also undermined this effect with his reference to feeling “like a second-class citizen”, which has a strongly ironic tone. This implies a recognition that even the “first square of the board” at Davos is inhabited by “elites”. Moreover, further in the article, Gapper described how the social stratification at the forum invites not so much scorn at the constant status competition it causes; it rather tends to make attendees try harder to succeed in that competition. The article thus implied that hierarchies are natural and elite status is something to strive for. Indeed, barring another unmistakably ironic reference to a “sinister club that plots global domination”, Gapper never implied that there should be anything questionable or undesirable about being “elite”.

The notion of a sinister club, of course, plays with the popularly-known conspiracy theories surrounding the Davos forum and other private gatherings of international business leaders and policymakers. Notably, however, what directly precedes this conspiracy theory reference in the passage above is an allusion to what could be termed as the semi-official narrative promoted by the Davos forum itself. Indeed, the suggestion that the reader is “one of those noble folks with a social conscience and an important job who wants to make the world a better place” is a rather direct reference to the forum’s official motto “Committed to improving the state of the world”, and captured in this definition, then, is essentially the figure of the Davos Man (see section 6.2

above). By contrasting the image of a conspirator with that of the Davos Man, both described in equally witty terms, the passage implies that both of these figures are essentially myths that should not be taken seriously. While perhaps higher in terms of their wealth, social status and the importance of their “jobs”, Davos participants are no more noble and socially conscious than the FT’s reader.

In this way, Gapper’s irony disclaimed and even ridiculed the “moral conception of the elite” apparent in the Davos forum’s official rhetoric, which effectively serves to legitimise the power and influence of the elites on the basis of their virtuous moral character (cf. Mills 1956, 13–5; see Chapter 3.4). The text can thus be interpreted as a form of unmasking the elite which deprives the Davos people from their moral superiority of character, bringing them down to earth and onto the same level as the “rest of us”. From this perspective it is notable how, beyond the observed passage, the employment of irony and sarcasm, which at times borders outright sneer or ridicule, was a feature that recurred with striking frequency in the FT coverage of the Davos forum. This practice could already be witnessed in some of the labels FT reporters used to address forum participants (see Section 6.2): “the great and the good”, “high and mighty” and “business and political grandees” all come across as attributes that ironically over-emphasise privileged position and moral virtuousness. John Plender’s allusion to “big business plutocrats [who] gather in Davos”, in turn, can be seen as an outright insult, particularly when connected to his assertion that “they should not forget why they are among the world’s least loved people” (A149/2005, JP).

Sarcastic commentary extended to the reporters’ descriptions of what takes place at the forum. The following Observer column, a regular feature of the FT that allowed reporters to write commentary in a particularly witty manner from the cover of apparent anonymity, works as a good illustration. Titled “Alpine spirit”, the headline makes use of a familiar talking point at the forum known as the “Davos spirit”, which refers to the collegial, friendly and confidential atmosphere that purportedly rules at the forum and distinguishes it from other elite meetings of transnational scope. To give the notion an ironic twist, the column makes light-hearted mockery out of the “spiritual” events in the 2005 programme while throwing gibes at individual companies and attendees:

*Davos Man does have a soul, too. Take Thursday, when he could spend the afternoon at a three-hour workshop led by Benjamin Zander, conductor of the Boston Philharmonic orchestra, and his wife, Rosemary, which promised to “offer decision-makers new ways to transform their personal and professional lives”. Then there was an hour-long “celebration of faith” led by a motley assortment of leaders representing all points on the spiritual spectrum: from the Grand Mufti of Bosnia to Chief Arvol Looking Horse, spiritual leader of the Bigfoot Riders. Next came a dinner that promised to “define the characteristics and stages of personal reinvention” with the likes of musicians Peter Gabriel and Lionel Richie; Bertrand*

*Piccard, the round-the-world balloonist; and the author Paulo Coelho. Observer was too occupied with weightier concerns to attend, but hopes at least someone from Shell took the opportunity. One irony is that Jose Maria Figueres, the former Costa Rican president who as former co-chief executive of the WEF helped devise the programme, was unable to attend. He resigned last October after admitting receiving Dollars 900,000 for consulting services to a French telecoms firm, which he did not disclose, and could do with a makeover. (A188/2005.)*

Observer columns, and other short features like the Davos Digest and People columns, were convenient spaces when FT reporters sought to present some witty commentary on the forum and its individual participants. Moreover, as the example suggests, the marketing discourse and pseudo-psychological self-help rhetoric which colour some of the more esoteric sessions in the Davos forum programme, offered easy targets for such witticism. Such commentary invites readers to shake their heads in amused disbelief at the apparent marketing balderdash and, at the same time, at the vanity or even naivety of the Davos delegates who purportedly attend these sessions. They thus speak to an imagined readership of level-headed and rational people, who can see through marketing rhetoric and can only wonder what place spiritual self-enhancement has in a conference dedicated to the “weightier concerns” of international business and politics.

Aside from topic-related sarcasm, these columns often worked as spaces for throwing gibes at Davos participants involved in personal and corporate scandals. The closing remarks of the quoted Observer column make reference to the scandal that involved the World Economic Forum in 2004, when Jose Maria Figueres had to resign from an executive position in the organisation over a failure to disclose his full earnings to Costa Rican tax authorities. Earlier in the column, another swipe is directed at Shell, which was also embroiled in a recently-erupted scandal, when it was uncovered that the company had overstated its oil reserves.<sup>112</sup> Such innuendos were a recurring feature in the coverage in the early 2000s, in particular, when a series of corporate scandals, including most famously Enron, Arthur Andersen and Parmalat, tarred the reputation of several business leaders.

In addition to irony and sarcasm, FT reporters used other textual means to effectively unmask and reveal the “true” character of Davos participants. The most conspicuous of such journalistic practices was the presentation of observations concerning various rhetorical strategies and image management pursuits that the forum and its participants purportedly engaged in. When quoting or commenting on people at the forum, FT reporters often described what they saw as intentional measures by organisations or individuals to build

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<sup>112</sup> The ensuing investigation led Shell eventually to pay over \$400 million in fines and compensation to shareholders in 2007.

or maintain a positive public image. Concerning the forum as a whole, the annual list of participating organisations and individuals was typically interpreted in a frame of public relations management as, for instance, business leaders and companies embroiled in scandals cancelled their attendance or were scrapped from the list. Similarly, when the Davos forum extended invitations in the early 2000s to international NGOs as a response to the heightened civil society critique against the meeting, FT reporters interpreted this as an effort to “appear” to be in dialogue with broader society. Similarly, when the forum organisation decided in 2003 to hand out a smaller amount of gifts and freebies to attendees, as well as to tone down the official final gala of the meeting, FT reporters interpreted this as an attempt to signal acknowledgement of the “hard times” and hence to counter the image of the annual gathering as a party for an uncaring elite distanced from reality.

Concerning individual organisations and leaders, FT reports occasionally suggested that company executives used the Davos forum for PR efforts, such as corporate greenwashing, or that political leaders came to Davos for public image construction purposes. Moreover, instead of simply reporting the views of their interviewees, FT journalists often added their own interpretations about the hidden agendas behind the statements. They would imply, for instance, that their interviewees were simply repeating their institution’s official talking-points, or they would explicitly characterise a panel speaker’s remark as an intentional public display of a certain stance (rather than revealing the true views of the speaker). To some extent, such explicit disclosure by FT journalists of the PR strategies and intentional practices of image control appeared to “deconstruct” these actions. By bringing out the purportedly true intentions and motivations behind the public performances of the Davos delegates, reporters tended to diminish the perceived sincerity and credibility of the elites, while, of course, reinforcing the sense that the reporters themselves were keeping a critical and analytical distance to the elites they were reporting on.

Personal gibes and inferences about hidden motives were obviously in stark contrast to the ordinary news reporting from the forum which was mostly cleansed of such personal opining and in which speakers and interviewees were referred to in ways that worked to reinforce their esteem, credibility and importance as decision-makers and influencers. Observed in this broader context of news reporting, the practices of mocking and questioning the Davos participants can be interpreted as a kind of discursive counter-balance to the official rhetoric. It effectively functions as a way to symbolically degrade the powerful by the less powerful. As such, these rhetorical strategies work as an indirect form of acknowledgment of the power and importance of the Davos elite. There would, after all, be no point in ridiculing a nobody.

Finally, aside from the various practices of sarcastic commentary and unmasking of the Davos elite’s image management strategies, the FT expressed more direct and issue-specific critiques against Davos participants. In these cases, critical commentary was not prompted by corruption or other

personal blunders, but was instead directed at the performance of politicians, officials and businesspeople as holders of important office. A 2005 editorial titled “Davos’s poverty of leadership”, for instance, criticised the forum participants for avoiding discussions on difficult issues: for a meeting that was billed “Taking Responsibility for Tough Choices”, the editorial argued that “tough choices were thin on the ground”. It maintained how “leadership is about making tough choices, and there is not enough leadership around” when it came to making “hard trade-offs” concerning, for instance, the costs for businesses from efforts to slow down climate change. (A186/2005, Editorial.)

Again, the critique presented here can be regarded as a form of unmasking in the sense that it directs attention to the contradiction between the favourable image that the forum attempts to give of itself and the reality as perceived by the paper. Moreover, the editorial’s criticism of the lack of leadership offers an illustration of the way the entire Davos community becomes negatively implicated on the grounds of its allegedly subpar performance in global economic governance. As the global economy is perceived, in TEC, to be in a state of nearly constant uncertainty and instability (see Chapter 5.1), Davos participants were typically judged based on their ability to individually and collectively make decisions that would improve the market situation and prevent the threats from materialising. Consequently, economic crises and market shocks, when interpreted as results of failed decisions on the part of business enterprises, regulators and policymakers, demonstrated the incompetence of these global decision-makers. In such interpretations, the blaming finger of FT journalists often pointed to individual decision-makers or a certain elite contingency, and occasionally the critique was also directed collectively at the Davos elite.

### **Distancing and familiarity**

Through their various forms and practices of unmasking criticism of the Davos forum and its participants, FT reporters reproduced typical features of political and business journalism, which is often expected by practitioners and audiences alike to maintain critical and analytical distance to those in power (Carpenter et al. 2015; Hellmueller and Mellado 2015; Mellado 2015). Doyle (2006), for instance, interviewed business and financial journalists, including journalists working for the FT, and discovered that all of them emphasised the “need to retain a critical distance in relation to corporate sources” (ibid., 439). Indeed, even as the simultaneous need to secure future access inevitably moderates journalists’ capacity for criticising the powerful, FT reporters, due to the importance of their publication among international business media, may be especially well-equipped to perform an independent watchdog role with regard to corporations and political leaders (ibid., 440).

In terms of regulating the quasi-interaction between the reader and Davos participants, these journalistic practices of distancing and criticism may have significant repercussions for the FT’s potential promotion of elite



identification among its readership. Describing the forum and its events in ironic tones, FT journalists often invited readers to set themselves apart from, if not above, the apparent balderdash that the participants engaged in at the forum. References to certain esoteric events at the forum, in particular, tended to represent Davos participants as a starry-eyed or even naïve bunch and emphasised the virtues of level-headedness and rationalism. Describing status hierarchies implied the vanity of those at the top, and naming forum attendees with certain derogatory labels, associated with their status as “the elite”, even invited the reader to adopt a certain anti-elitist position.

It should be noted, however, that this stance is not to be confused with populist anti-elitism: FT journalists seldom positioned themselves directly against the elites or spoke on behalf of other social groups or the general public. On the contrary, when making anti-elitist remarks, the reporters often made sure to also marginalise and ridicule populist viewpoints. The previously-observed passage from John Gapper’s article is an illustrative example. After summarising, in an ironic tone, the self-promoted image of the cosmopolitan Davos Man, Gapper offered, as its polar opposite, the notion that the Davos forum is a “sinister club that plots global domination from a small Swiss village”. Both views were obviously not meant to be taken seriously by the reader, and thus the civil society movements’ criticism of the Davos forum as a form of elite networking and interaction that reproduces unequal power relations in world society became effectively associated with deluded conspiracy theories. As the example suggests, anti-elitist rhetoric tended to be used not so much to outline a populist perspective but rather for stylistic effect, and in order to discursively occupy a certain middle ground between the uncritical adoration and cynical denouncement of the Davos elite.

More generally, the expression of sarcasm directed at Davos forum participants, as well as the use of derogative labels to address them, clearly indicated that FT journalists were aware of the critical public perceptions that exist about the World Economic Forum, of its reputation and of its symbolic significance for many counter-hegemonic groups. But there was a marked difference between the general tone of FT commentary and civil society critiques: the way FT journalists employed derogative labels when referring to the Davos elite was far from the kind of cynical condemnation or angry ridicule one could witness in a citizen protest during a global summit or in a publication of an anti-elite group. In contrast, the FT’s sarcasm was light-hearted and took mostly a form of insider-jokes and friendly jabs at individual Davos participants, or the entire Davos community.

The unfavourable notions of the Davos elite that were reproduced in FT journalism, can in fact be interpreted as a levelling strategy that was used to bring the most celebrated and prestigious members of the transnational elite to the same level with the paper’s readers. In a sense, this discursive practice of levelling fits well with the notion of the economy as a separate social sphere as it is articulated in TEC (see Chapter 5.1). Indeed, the modern imaginary of the economy has traditionally been associated with an anti-elitist position and

the notion of equality: in the sphere of the economy and markets, all actors are regarded as equals (Taylor 2004, 74). Through its practices of “unmasking” the Davos elite, FT journalism effectively played to this market ideology of equality by encouraging its readers to perceive themselves as equals to those gathering in Davos. However, far from the position of a “common person”, the self-perception thus promoted was one of a level-headed business executive, policymaker, official or professional who is well capable of reflexive and critical scrutiny of the business leaders and policymakers gathering at Davos but who does not hold any deep suspicion towards, or grudge with, these world-societal elites.

Viewing FT journalism as a form of intra- or inter-elite communication, in which both the readers and the elite sources of coverage perceive themselves as belonging to the same class or community, the displayed irony and sarcasm can even be interpreted as a form of reflexive self-deprecation (cf. Reilly 1999, 220). Far from denouncing its objects and creating a sense of otherness between the Davos elite and the readership, it may rather promote a sense of familiarity and closeness. Such sense of familiarity could be reinforced, for instance, by the correspondents’ occasional deviation from the usual practice of formal address when referring to Davos attendees. Particularly in the Observer columns and other short commentaries, the reporters occasionally took the liberty of using only first names or well-known nicknames of the Davos people they wrote about. In this context of intimacy, even harsh and insulting labels, such as a “plutocrat”, could be interpreted as an instance of friendly mocking. Similarly, regular allusions to various image-control strategies by interviewees and organisations may be understood not so much as a form of deconstruction or as an establishment of critical journalistic distance, but as an implicit confirmation of the unwritten rules of the game in business and politics as they are conducted in the public sphere. From this perspective, the coverage contributed to a sense that the Davos people, the journalists and the FT readers were all aware of a certain representative function of transnational elites and their public performances. The need to hide one’s true intentions when speaking in public was a natural part of the game, and the Davos participants, the journalist and the readers were “in it together”.

Adding to the discursively-constructed sense of affinity between the readership and Davos members, FT journalists occasionally explicitly expressed their own identification with the elite. This took place through the use of similar “we” rhetoric that was already observed in the quotations of Davos participants themselves (see Section 6.1). As the previously-observed editorial from 2004 indicated, FT editorials, in particular, made use of the notions of “we” and “us” to identify the paper with the Davos community or to create a sense of a broader international elite community (see Section 6.2). Moreover, as the following closing passage from a 2007 column by Martin Wolf illustrates, at least some members of the FT’s editorial staff did not

perceive any contradiction in identifying themselves with the perspective of the world leaders they reported on:

*This year's "Davos dilemma" - the contrast between the world's favourable economics and troublesome politics - is clear enough. But its resolution is not. A range of possible outcomes, from the perverse and catastrophic to the uncomfortable and even benign, is conceivable. The outcome is not inevitable. We can choose. We have a duty to make the right choices - to choose co-operation over conflict, and, as Tony Blair put it, openness over turning one's back on the world. The time to choose is now. (A297/2007, MW.)*

In the column, Wolf took a look back on some of the main themes of debate in the 2007 meeting and articulated four alternative near-term scenarios for the global political economy. As was customary to FT journalism in general, and Wolf in particular, the narrative was about a future full of uncertainty and risks of varying size and immediacy: from “perverse and catastrophic to the uncomfortable and even benign”, all options were on the table as far as short-term global political and economic developments were concerned. Yet, as Wolf often liked to emphasise in his columns, what ultimately determined the “outcome” was political leadership, or even better, collective action on the part of the international elite community. “We can choose”, he argues in the passage above. The employment of “we” can here be interpreted as Wolf’s appeal to collective responsibility (“we have a duty”). The implication is that readers should identify themselves with the columnist as fellow members of the international elite community, and think and act according to the preference outlined by the author. Aside from Wolf, such an explicit evocation of an international elite community was occasionally displayed by Gideon Rachman and other columnists, as well as by FT editorials, when presenting a more or less articulated political demand or moral argument.

Overall, then, despite various discursive strategies of establishing critical separation from Davos participants, there were several discursive practices through which FT journalism made it possible for readers to identify with the Davos community, albeit in a self-reflexive manner. This entailed observing the community analytically, and even critically, but at the same time having a sense of being in many ways part of it. Even as the way FT editors and reporters addressed and wrote about the forum and its participants occasionally presented the Davos crowd in an unfavourable light, the prominent discourse did not reproduce the kind of anti-elitist rhetoric which would create a distance, or a sense of mutual otherness, between the readers and Davos members. On the contrary, the promotion of familiarity and the use of “we” rhetoric suggested that a potential identification with the Davos elite, and a

sense of belonging to an international elite community, could well be reinforced in TEC with the aid of FT journalism, and not in spite of it.<sup>113</sup>

### **Weak and strong identification**

This chapter has been guided by the assumption that communication in the forums and media of transnational elites shapes the collective self-perceptions of its participants. As suggested in the previous sections, reinforcing a sense of a group or community, naming the community and its members, and formulating ideas about the characteristics that its members share are key elements in the practical epistemic work on actor identities. Obviously, different forms of communication have different ways of reinforcing collective identification and a sense of belonging. The FT as a mediated and journalistic form of TEC addresses and forms a relationship with a broad readership community, assuming that its members share certain traits. The discourses reproduced and disseminated in the FT thus invite readers to adopt certain subject positions.

The principal focus in the chapter has been on the ways in which identifications of the Davos forum participants as a group or community were expressed in the FT's coverage of the forum. The underlying idea here is that, due to its prevalent public profile, the Davos forum forms an important object of elite identification. Being invited by the World Economic Forum to participate in the annual conference is an important recognition of an individual's status and, as the preceding analysis suggests, attendance at the forum generally symbolises membership in an international elite community. Consequently, Davos attendees assume a certain representative function as a public face for a broader international elite. The public narratives of the Davos forum shape understandings of what the transnational elite community is like,

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<sup>113</sup> This positive identification with the Davos elite may be an important element in the success of the wealthiest 0.1 percent of the population to continue to gain the public acceptance of their wealth and power among the wider elite of "ordinary" business leaders, politicians and bureaucrats. Freeland (2012, 80–4) argues that, historically, the "merely rich" in the United States have closely identified with the "very rich". Yet tensions among the elites may be growing as the richest 0.1 percent have pulled far ahead of the "merely rich" over the past several years. The richest 0.1 percent, after all, are a very small minority (in the world, there are just 1810 US dollar billionaires in 2016, according to Forbes.com) which is highly dependent on the support of the richest 0.9 percent below them – especially as the 99 percent may be increasingly turning against them. In this respect, a sense of familiarity, a perception of fundamental equality that is part of the economic imagination, and an identification with the status and actorhood of transnational elites may well work as key ideological factors that undermine any sense of a fundamental conflict of interest between the wealthiest and most powerful groups in world society.

who belongs to it and what its position in the world is. In this representational role, the Davos Man emerges as a recognised, ideal-typical embodiment of the transnational elite, alluding to its unity and defining the shared character traits of its members. Accordingly, as the FT covers the Davos forum and constructs representations of the Davos Man, the transnational elite as an actor identity is indirectly defined. This association of Davos delegates with an international elite may have at least two possible effects. On the one hand, it is possible to imagine the Davos elite as one particular elite group among others. On the other hand, it makes it possible for the FT's readership to form an imagined connection with the Davos elite and to identify themselves in its public image. The Davos community thus serves as an object of potential identification for the FT's readership. By bringing its readers into a quasi-interaction with the Davos forum delegates, FT journalism invites its readers into the subject position of the transnational elite.

The discursive construction of the transnational elite as a collective actor identity involves labelling and defining people who share certain common characteristics. This obviously has the effect of concealing any differences and divisions between the members of the group. In this regard, it should be noted that representations of Davos participants as a single group were by no means a dominant feature in the material. On the contrary, a frequent practice in FT journalism was to draw attention to the existence of separate groups among the people gathering in Davos, such as business leaders, bankers, politicians, bureaucrats, economists and celebrities, without presuming any unity or groupness of the forum participants as a whole. Dividing the participants along national lines or into country blocs, such as Europeans or corporate leaders from emerging countries, was another habitual practice in the forum coverage. This is not an unexpected finding considering that reifying countries and country blocs as actors in the international sphere is a typical practice in international political and economic news reporting. The news value, after all, often lies in the actions that certain elite actors take in relation to others. While a detailed quantitative analysis of the occurrence of various actor groups in the material was beyond the scope of this study, it was probably more an exception than a rule that the journalistic focus turned on the actions of the Davos community as a unified group rather than on its professional or national sub-groups.

Accordingly, the transnational elite as an actor identity that is epistemically worked on in TEC must necessarily co-exist with other actor identities. In some ways, the transnational elite can be perceived to exist in opposition to various other available subjectivities. When, for instance, differences between "Europeans" and "Americans" are emphasised (see section 6.2 above), or policy discussions on the financial markets are narrated in terms of struggles between "bankers" and "regulators" (see Chapter 5.2), the readers are invited to accept such actor categories as mutually exclusive – and to choose their side. However, besides being in a contradictory relationship, the actor identity of the transnational elite can also be perceived in a

relationship of mutual reinforcement with these alternative subject positions. In fact, the very meaning of the transnational elite as a subject position presupposes the existence of these other elite positions: to be transnational elite, one must (already) be a national political leader, a central banker, an international business leader, a high official of an international organisation, a renowned private sector economist and so on. The transnational elite may thus operate as an umbrella category, which covers and brings together a number of alternative subject positions.

The strength and significance of the transnational elite as an actor identity should not be overestimated. Collective identification does not automatically follow from any objectively existing similarities in the class or status position, social background, lifestyle or other characteristics of individuals (Brubaker and Cooper 2000, 19–20). What is required for a shared identity of a transnational elite to develop is that a person's self-understanding becomes partly articulated in terms of being a member of the group.<sup>114</sup> This potential sense of belonging to a transnational elite is, obviously, just one actor identity among others that international business leaders and policymakers may experience and perform in their interactions with others. People typically identify with multiple groups (Held 2002; Pries 2012), which tends to relativize and diminish the significance of any one actor identity.

More generally, it has often been argued that, in (late) modernity, identities are increasingly “reflexive” and therefore more consciously and “independently” constructed by individuals (e.g., Giddens 1990, 32–3, 52–5, 75–80; Taylor 2004, 54–5).<sup>115</sup> In her discussion on the European identity, Cathleen Kantner (2006) argues that strong collective identities are rare in modern societies. By this she means that collective identities do not usually involve recognition of shared interests. They are therefore “weak” in the sense that while people may acknowledge their membership in a group that exists for a cooperative enterprise, they do not develop a sense of ethical commitment to the group. Therefore, the “weak” collective identity does not significantly diminish the extent to which the individual pursues her “own” goals and desires. The motive for cooperation derives from the pursuit of individual interest rather than from a shared, ethically-motivated project. In

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<sup>114</sup> The notion of identity development points to the processual nature of a person's self-understanding: while the notion of identity refers to a set of ideas that are relatively stable over time and make an experience of personal continuity possible, it is not to be understood as a totally fixed or unchanging element of the personal self (see Berger and Luckmann 1967).

<sup>115</sup> However, as Matthew Adams (2003) points out, this should not be interpreted as an argument that culture and society no longer play a role in the construction of the self and identity. Quite the contrary, individuals are always socially embedded and they learn their identity in an interaction with others: only within these social frameworks may we then learn to be individuals (Taylor 2004, 64–5).

contrast, individuals entertaining a “strong” collective identity cooperate with other group members out of a sense of a common good and collective interest. Kantner (*ibid.*, 513) assumes that such strong collective identities usually relate to communities into which individuals are born and raised. Yet she also acknowledges that people may decide to come together and form new communities in the pursuit of a common project.

Kantner’s classification of “weak” and “strong” collective identities rests on a sharp distinction between individual interests and collective goals and seems to reproduce a rather simplistic dichotomy between a personal identity and a collective identity. There seem to be little reason to take for granted such separation between a person’s ideas about herself and her interests as an individual and as a member of a group (Bicchieri and Muldoon 2011; Turner 1999, 28–32). On the one hand, conceptions of personal identity are inextricably tied to language, conversation, communicated ideas and comparisons to others, and therefore social relations and groups always influence the way personal identity is experienced (Berger and Luckmann 1967, 172). On the other hand, one seldom thinks about oneself purely as an individual and not in terms of a certain collective identity or a social role. Therefore, as Haslam and colleagues (2011, 54) argue, identifications based on group membership are as much expressions of the self as the so-called personal identity. Accordingly, many studies in social psychology indicate that people describe themselves at least as often in terms of collective identities as they do by references to the personal self (Onorato and Turner 2004). Such views tend to undermine the relevance of arguments concerning the increasingly “independent” construction of identities and “individual” interests as suggested by the theoretical accounts of reflexive modernisation. There are many reasons to assume that groups influence the way their people perceive themselves and their personal interests.

Despite these reservations, Kantner’s distinction between “weak” and “strong” collective identities is suggestive and can be regarded as ideal-typical ends in a continuum. Accordingly, we can assume that actor identities may exist to varying degrees of strength and stability. Through time, a certain actor identity can lose or gain in force in relation to other, competing, identities. National identity, for instance, has not only become an almost ubiquitous phenomenon globally, but it has also in many places gained strength in relation to local, religious, ethnic or class identities, thus becoming more powerful as an integrating and organising element on a societal level (Smith 1991). In the case of the transnational elite, the increasing identification of international business leaders and policymakers to this actor category would not necessarily have to mean that their sense of national identity would consequently disappear. Indeed, there is no reason to assume that transnational elites would become “non-national” or entirely disembedded from national relations, culture and feelings of national belonging. The strengthening of the “post-national” elite identity would imply, however, that there are more and more contexts of interaction and decision-making in which

global decision-makers perceive themselves as members of a transnational elite instead of members of national community (cf. Held 2002). Consequently, it would reinforce feelings of loyalty towards international elite peers, increase the sense of obligation to follow the perceived dominant norms and values of transnational elites, and provide particular guidelines for making sense of the environment in which they act, of their position in the world, as well as of their available alternatives of action. The transnational elite as an actor identity, in other words, would gain strength as a regulative force, both cognitive and affective, in the sense-making and decision-making of business leaders and politicians.

The analysis in this chapter has been limited to an inquiry into the potential of transnational elite identification in the FT-mediated TEC. Observing how the transnational elite as an actor identity is defined and represented in association with the Davos forum participants, the analysis has merely indicated the presence of that actor category as a potential subject position or object of identification. As such, the analysis has provided few indications regarding the strength or weakness of this actor identity. Obviously, beyond labels and characterisations, there are a number of factors that can serve as a basis for the formation and strengthening of collective identification within a group, including (perceived) proximity, similarity, positive interdependence, cooperative interaction, shared interests or threats, or a common history, fate and culture (Risse 2010, 25–6; Turner 1999, 15). It could be argued that, in the case of transnational elites, many of these prerequisites remain decisively weak, particularly when compared to the sense of proximity and similarity among national elites provided by similarities in their class backgrounds, upbringing, education, working life, career paths and associational life (Mills 1956). Even as international business and policy elites often share many traits, hailing from upper class families, sharing similar education backgrounds and adopting mobile lifestyles approximating something of a transnational elite culture, the differences in national contexts and the relative scarcity of day-to-day interaction may hinder the creation of a sense of proximity and similarity among transnational elites.

Conversely, compared to larger segments of people, the relatively small number of elite individuals may make it significantly easier for them to create transnational group identities (cf. Risse 2010). Indeed, the mobility and ability to establish connections over geographic distances increase the likelihood of transnational elites creating forms of trans-local and transnational togetherness (Patomäki 2010, 71). In addition, as Mills (1956, 281–3) argued, the similarity of the social background is not in itself a necessary requirement for the appropriation of shared world-view and values. Elite circles themselves, through their selection criteria and constant testing and vetting of prospective new members (see Richardson et al. 2011, 119–20), tend to create what Mills called “a quite homogeneous social type”.

Thus, and despite the above-mentioned hindrances and limitations, there seem to be no insurmountable obstacles for transnational elites to



develop a sense of group membership. However, for the transnational elite identity to become an increasingly important factor in shaping the agency of business leaders and policymakers, it needs to maintain and strengthen its appeal (cf. Tajfel 1981, 256). Accordingly, the growing significance of the transnational elite identity can be seen to be dependent on its capacity to define values, goals and ideals that appear to the members of the group as attractive, binding and perhaps even self-evident. In this regard, Kantner (2006, 516) argues that in-group debates, particularly around important policy issues that bind the group together, are conducive to the reinforcement of a collective identity. Indeed, rather than being grounded in explicit naming, a group identity may be more effectively reproduced in communication in which certain issues are presented and defined as shared problems and a common perception of social reality is negotiated. From this perspective, the major identity-building power of the FT and the Davos forum is connected to their character as platforms on which members of transnational elites can convene and address each other. By facilitating debates around issues that matter to its readership, the FT can be seen as contributing to a potential collective identification among transnational elites. The next chapter observes some of these more indirect ways in communication that may work to construct shared ideas of the group and its members, reinforce collective identification and foster a sense of belonging to a transnational elite.

## 7 THE GLOBALISING ELITE: VALUES, IDEALS AND SOCIAL PURPOSE

As discussed in the previous chapter, the development of the transnational elite as an actor identity enhances the potential for collective agency among those who identify with this subject position. At the same time, the discursive articulation of an actor identity is closely associated with specific ideas of its collective agency. In its public manifestations in FT journalism, transnational elites effectively are what they do. These ideas of conduct can be regarded as not only descriptive but also prescriptive, articulating certain values and ideals which (ought to) guide elite agency. Developing and negotiating such shared values and ideals about what is good and desirable can be regarded as a key dimension in the epistemic work that takes place in TEC (cf. Alasuutari and Qadir 2014, 76–7). Moreover, as Christine Korsgaard (2009, 20–1) points out, identity should not be seen as merely a set of prescriptions or principles for action, but also as “a role with a point”. Accordingly, the transnational elite as a collective actor identity contains more than just normative prescriptions of agency, or the dos and don’ts of being elite. There is also the broader idea of social purpose that should be analysed. Indeed, as Freeland (2012, 71–2) argues, elites tend to feel the need to see themselves as progressive forces in society – and, crucially, in the globally-oriented minds of the elite, this no longer means so much acting locally or even nationally, but globally.

In the FT coverage of the Davos forum, the formulation of normative and value-related prescriptions of agency is closely associated with the debates on the global economy. As observed in Chapter 5.1, the elite ontology of the global economy involves structures and abstract processes but also social activities based on human intentions, expectations, understandings and psychology. Consequently, the ontology of a socially-embedded global economy paves the way for a normative conception of agency, outlining ideas about what agents in the global economy do, or ought to do. Yet, the FT agenda also includes a wide array of issues that are not necessarily directly related to the core, traditionally understood, economic concerns. Accordingly, the Davos elite are presented in a way that sees them concerned with a broader set of questions than merely those that are immediately related to the bottom line. These “extra-economic” values and ideals call for elite agency that serves a greater good and advances the interests of humanity as a whole (cf. Richardson et al. 2011, 74–5).

This chapter observes this epistemic work on the guiding values and ideals in TEC. The analysis here is specifically informed by the notion of “social purpose”: it assumes that in formulating certain values and ideals, FT journalism articulates what elite decision-makers of global business and politics should do and, at the same time, fosters a sense of social and historical purpose. As prescriptions for action, elite values and ideals thus define certain

desirable social and political objectives in the global economy and world society. The chapter begins with a discussion on two key values and ideals associated with the global economy, growth and freedom, which together translate into the policy objective of liberalisation. Subsequently, the chapter moves on to examine how the elite's social purpose in world society is articulated in terms of globalisation and cosmopolitan commitments. The final section of the chapter observes how the changing political-economic realities after the global financial crisis impact on the epistemic work on these political objectives. It also discusses how the idea of "globalisation consensus" is used rhetorically to appeal to the transnational elite's sense of common purpose in the face of growing disagreements and divides.

## 7.1 Economic growth and freedom

### The growth imperative

In terms of specific values and ideals, perhaps the most important objective in the global economy is to secure continued and uninterrupted economic growth. As a capitalist system, the global economy creates a constant demand for growth, and this "systemic thrust" (Fraser 2014, 57–8) to accumulation is strongly reflected in TEC. Accordingly, as already observed in Chapter 5.1, *growth* was a ubiquitous notion in the coverage with 695 total appearances in the material, indicating the high degree of its naturalisation as a self-evident value and objective. However, we also observed that the global economy was often articulated in terms of a fragile system in which the stability of growth is constantly at risk. Business and policymaking elites were expected to act upon various opportunities and challenges to ensure continuous growth. From this perspective, the FT's yearly coverage of the Davos debates amounts to a representation of the shifting emphases in the elite agenda on how to fulfil the growth imperative. An editorial commenting on the 2006 Davos forum debates on the global economic prospects offers a good example of the way in which growth tended to be naturalised as a value and connected to various practical activities and challenges. Titled "Corporate confidence, geopolitical unease", the editorial makes the case that the optimism evident in the Davos debates needed to be tempered by the recognition of various uncertainties in, and threats to, global economic growth:

*Not even the unpleasant surprise of weak fourth quarter growth in the US could shake the strong belief at this year's World Economic Forum that 2006 will be a good year for business. The world economy is starting to fire on multiple cylinders, with decent prospects for growth in Japan and the eurozone, and China promising to generate more domestic consumption. ... Business scents the sweet smell of success. The integration of China and India into the world economy at a moment when technology is digitising*

*and disaggregating old business models offers companies huge opportunities to cut costs and increase efficiency. ... At this juncture the greatest danger may lie in complacency. Concerns about global economic imbalances have eased markedly. However, it still remains doubtful that a transition from US consumer-led global growth to expansion led by the eurozone, Japan and China will proceed smoothly.*

*Some essential pieces of the optimists' jigsaw are still missing. The general mood of profit and possibility makes the reluctance of the business leaders in Davos to unleash a global investment boom all the more puzzling. Part of the answer must be that they still privately fear that the current pattern of growth is not sustainable. Yet some of the answer surely lies outside the world of business. Alongside corporate confidence is a nervous awareness of the rapid transmission of unforeseen risks - whether the victory of Hamas in last week's Palestinian elections, the spread of bird flu from Asia or the development of Iran's nuclear programme - in an ever-more interconnected world. Turbulent world politics crowd in on the comfortable business environment. One reason why a successful conclusion of the Doha trade round is so important is that it would not just enhance commercial opportunities, but it would also demonstrate the international community's capacity to defy the forces of disintegration and harness the power of commerce to bind it closer together. (A239/2006, Editorial.)*

As the editorial indicates, the notion of growth was typically operationalised in FT journalism as an aggregate macroeconomic indicator. Growth referred to an increase, or “expansion” in the official rates of GDP, and it was only implicitly presented as a value, or a social or policy objective, in itself. While it is certainly possible, in principle, to make arguments like “we need growth” or “we have to engender more growth”, it was much more typical for FT journalists to outline other objectives that were, purportedly, related to economic growth. In the quoted passage, such alternative ideas about what is good or desirable include “consumption”, “investment”, “cost cuts”, “efficiency”, “expansion” and “business” in general. Another frequently-used notion that alluded to the growth ideal without explicitly mentioning it was “recovery”. Especially in wake of the market shocks and economic crises of 2001 and 2007–9, which caused a dent in GDP growth, there was a surge of talk about recovery, referring to the need to get the economy back to the pre-crisis rates of growth.<sup>116</sup> In this way, in addition to the ubiquitous use of the notion of growth itself, the growth imperative was often articulated in the material through various associated terms according to the most pressing concerns regarding the global economy in any given year.

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<sup>116</sup> The notion of *recovery* appears 165 times in the material. Of these, 59 occur in 2002–2004 and 63 in 2010–2011.

As in the case of the management of the global economy, growth often appeared as a collective responsibility of transnational elites. The quoted editorial, for instance, refers to the “US consumer-led global growth” and to the “expansion led by the eurozone, Japan and China”. These four leading economies, in other words, appeared to be jointly responsible for global growth. Moreover, allusions to “the world of business” and to “the international community” associated global economic growth as a collective task without pointing any specific group of actors as the drivers of growth. References to “unforeseen risks”, from geopolitical threats to the avian flu, as well as to the “commercial opportunities” promised by a new international agreement on trade liberalisation, implied that transnational elites need to tackle the challenges and seize the opportunities of growth in a co-operative effort.

While emphasising growth as a collective imperative, the editorial also specifically mentions companies and business leaders, implying that the realisation of the prospects of growth was ultimately dependent on their decisions to expand business operations. This is why the FT expresses its puzzlement over the apparent contradiction between the “strong belief” among Davos participants in “the world economy” that was “starting to fire on multiple cylinders”, on one hand, and the business leaders’ apparent unwillingness to take advantage of the improved profit opportunities and “unleash a global investment boom”, on the other. In this account, the drive of private companies for profit represents the key dynamic of the global economy and source of its growth. Provided that the necessary economic conditions exist (improved demand prospects in Japan, Europe and China), it was the task of corporate leaders to maintain growth by investing, cutting costs and enhancing efficiency.

The editorial thus illustrates a broader discourse apparent in the material in which various actors fulfil different roles in the global economy. In this distribution of tasks, the private sector operates as the locus where growth takes, or should take, place. Business leaders, bankers and investors emerge in this account as key drivers of growth through their practices of lending and investing. The conception of their central role in growth creation also brings forward a variety of expectations related to their conduct: the corporate elite contribute to the global economy by extending their operations to new markets, by creating transnational production chains and by engaging in international trade. Moreover, ideally functioning markets that are free and competitive presume certain rules of conduct, and the normative agency of the corporate elite is formulated in a close relationship to this ideal. Corporate executives are expected, for instance, to make responsible investment decisions, seek profit without taking too big risks, and not to pile up too much debt. Consequently, market failures not only disclose deficiencies in the regulation of economies and markets, but they also imply violations against the normative agency of the corporate elite. This is why public accounts of economic crises tend to turn into narratives of human weakness and flaws of

moral character (Mirowski 2013, 256–8). Accordingly, in the wake of financial collapses, the perceived failure of the executives, lenders and investors to act rationally and accountably, and their propensity to become greedy and submit to unrealistic growth expectations frequently prompted critical commentary in the FT (see Chapter 5.2). Corruption and unlawful business practices were other subjects of moral condemnation, prompted particularly by large-scale corporate scandals (see Chapter 6.4). Indeed, violations of the norms of corporate governance were condemned not only because highly publicised exposés were seen to tarnish the public image of business and to erode the public’s trust in the corporate community. There was also the concern that illegal and corrupt business practices could actually harm the markets by shaking “wider business confidence” and discouraging investments into companies (A212/2006, DR).

But while the role of companies and investors in creating growth was recognised by FT journalism, and they could even occasionally be criticised for holding back or endangering growth, the private sector was not necessarily at the heart of the growth discourse. In fact, much of the discussion on the global economy revolved around the need to create favourable growth *conditions* that would allow for the businesses and investors to fulfil their natural purpose of creating growth out of a successful pursuit of profit. The following two passages are illustrative in this sense. In the first, Chris Giles reasons in 2009 on the prospects of lifting the global economy from the recessionary cycle of the financial crisis; in the second, Andrew Edgecliffe-Johnson explains in 2008 why both investors and companies are increasingly looking for business opportunities in Africa.

*Companies are not spending money, partly because they can’t get credit, but also because there is no confidence. If you can turn those two things round and get companies to think about investing later on in the year, then you might see the “green shoots of recovery”. (A362/2009, CG.)*

*The corporate world is looking around in its domestic markets in the west and asking if they will provide the growth which their investors are expecting and the answer is typically no. ... When you come to Africa ... the growth rates on offer compared to what is possible within Europe or some of the established Asian markets are so attractive they cannot be ignored. (A310/2008, AEJ.)*

In both passages, companies emerge as the key drivers of growth; yet they also appear as fundamentally dependent on the broader conditions in which their growth is possible. In Giles’s account, corporate investment is the source of growth; yet companies are not investing, or “spending money”, because they lack access to finance as well as confidence in their future profits. Arranging credit and creating a climate of confidence in future profits thus emerge as the two primary preconditions for companies to put the economy on the path of recovery. In Edgecliffe-Johnson’s analysis, companies are looking to grow, or

increase their profits in order to fulfil the expectations of their investors. In this respect, Africa emerges as a particularly promising environment for their operations, because there the overall “growth rates on offer” are much higher than in the western markets or even some of the Asian markets. In this account, therefore, there is a straightforward equation of growth with private profit. The potential growth, or profit, rates of companies are nonetheless set not so much by their own operations but by economies as a whole. Consequently, it is mostly the task of economies to “provide the growth” which company owners and investors expect from them. Giles’s allusion to confidence and Edgecliffe-Johnson’s reference to the “growth rates on offer” imply that also the non-business sector, and particularly the government, has an important role in generating private sector growth. In order for economies to grow, governments and other actors “outside the world of business”, as the previously-quoted editorial puts it, need to support private-sector profit-seeking.

The clearest indicator of locating the responsibility for engendering growth outside the private sector are the critiques politicians and officials face when certain economies fail to engender acceptable growth rates. Indeed, national political leaders are often criticised for the lack of economic growth. In 2002, for instance, when Gerhard Schröder outlined German economic policies at the Davos forum, Lionel Barber’s report presented the chancellor as defending himself and the German government against “critics at home and abroad ... suggesting that Germany had become the sick man of Europe because of its low growth and high unemployment”. According to the article, Schröder’s defence centred on the government’s corporate tax reforms which had purportedly made “Germany highly attractive for foreign investors”. (A61/2002, LB.) In this case, as in many others, FT journalists understood the role of governments in the global economy in terms of creating favourable conditions for growth that takes place in the private sector.

The FT’s growth discourse, in other words, revealed a rather strict separation between private-sector and non-business actors. Because growth was seen to take place in the private sector, business leaders, bankers and investors emerged as its main generators. While governments were seen to bear great responsibility over economic growth, their agency was considered to be limited to creating the conditions which enable private profit-making and offer lucrative investment opportunities, particularly to foreign investors. In this account, the capacity of governments themselves to engender growth through, for instance, production, investment and employment, was not acknowledged.

In the global financial crisis, however, this division of labour between the public and private sectors became somewhat blurred. As governments and central banks engaged in efforts to shore up crumbling banks and businesses through monetary and fiscal expansion, it was evident that non-business actors took on a direct role in managing economic processes. In the following years, several crisis accounts in the FT applauded the governments of major

economies for their role not only in rescuing the financial system, but also in mitigating the damages to the overall global economy. The following two passages serve as good illustrations of this reasoning. The first passage is from Chris Giles's report on the 2010 World Economic Outlook by the IMF, which analysed the reasons for the rapid recovery of the global economy from the deep slump of 2008 and early 2009. The second passage is from Martin Wolf's column "What the world must do to sustain its convalescence", describing a debate on the global economy that Wolf himself moderated at the 2010 Davos forum.

*The Fund attributed the surprising strength of the world economy to a rebound in confidence that helped people around the world be more confident about taking risks and boosting economic activity. But officials warned that temporary policy had been vital in securing growth. Olivier Blanchard, IMF chief economist, said: "For the moment, the recovery is very much based on policy decisions and policy actions. The question is 'When does private demand come and take over?' Right now it's OK, but a year down the line, it will be a big question." (A442/2010, CG.)*

*The starting point for the discussion was an obvious one: the policy interventions of late 2008 and 2009 have been a resounding success ... The world economy survived the heart attack in the financial system. It did so as a result of fiscal and monetary stimuli that are unprecedented in peacetime. These actions were essential and successful. ... The big questions for this year are how quickly to withdraw the monetary and fiscal stimulus and which should be withdrawn first. (A474/2010, MW.)*

As the passages indicate, both the economists at the IMF and the policymakers and experts at the Davos forum attributed the "surprising" turnaround in the global economy, after the "heart attack" of 2008–9, to the actions of governments. The IMF chief economist acknowledged that "the recovery is very much based on policy decisions and policy actions", helping "people around the world" to take risks and "boost economic activity". Similarly, Wolf observed that there was no doubt among the Davos forum participants that the governments' actions in the financial crisis had not only been necessary but also overwhelmingly successful. Of course, by spelling out the "obvious", Wolf's article implies that there was no room at the Davos table for orthodox neoliberals who might argue that, instead of saving the economy, the governments had only disrupted the normal operation of markets while creating all sorts of moral hazards by rescuing insolvent and incompetent businesses. Indeed, these latter kinds of arguments did not feature in the FT coverage of the debates on the crisis. Overall, then, it seemed to become a non-disputable argument that whenever the private sector is unable or unwilling to take the "risks" needed to generate growth, as was apparent in the midst of the financial crisis, the governments need to step in.

However, what makes the quoted passages particularly noteworthy is the way that they frame government agency in the economy as something



temporary and unprecedented: Giles referred explicitly to “temporary policy”, and Wolf articulated government action in terms of “policy interventions”. Instead of the state being seen as a formidable economic agent in its own right for which management of economic processes is part of its normal operations, the actions by central bankers and governments are perceived as an anomaly and understood as temporary “stimuli”. Because the government only makes extraordinary “interventions” in the economy and can, at best, provide “temporary”, short-term, “stimuli” for growth, the “big question” is when will the government “withdraw” from the economy. Again, the very notion of stimulus implies that the government in itself is unable to generate growth and only provides “stimuli” for the private sector where genuine growth takes place. Wolf’s account could thus be interpreted as an indication of the continuing power of neoliberalism to shape the language with which the economy is made sense of.

A somewhat more direct acknowledgment of the government’s ability to create growth is made in the preceding passage by Olivier Blanchard, the IMF’s chief economist. His rhetorical question about private demand “taking over” from “policy actions” as the driver of growth implies the acknowledgment that in that moment growth, understood here in terms of an increase in aggregate demand, is actually being generated by the public sector. Yet the passage demonstrates that for both Blanchard and Giles this is an obvious problem – Giles even frames the economist’s observation about the vitality of policy in securing growth as a “warning”. As these examples indicate, the occasional acknowledgement of the capacity of the non-business sector to generate growth was typically accompanied in the FT with warnings and a general sense that there was something inherently wrong and deeply problematic about this role of the government. A return to the normal state of things, in which the private sector takes up its role as the growth driver, was thus a self-evident objective, and the only “big question” concerned the timing of this shift. There was no suggestion in the FT’s post-crisis debate that it should actually be the permanent role of the government to generate necessary demand in the economy in order to guarantee desired rates of growth, or to pursue other objectives such as full employment, as the Keynesian understanding of the role of the state in the economy would suggest (e.g., Davidson 2009; Wray 2012, 187–98).

### **Liberating the global economy**

In a 2005 column titled “The irresistible pull of a free and prosperous Europe”, Martin Wolf reviewed the year’s Davos meeting and highlighted the speeches given by Turkish and Ukrainian heads of state. With full admiration towards these “impressive leaders”, Wolf presented their addresses at the forum as affirmations of their countries’ inherent desire to join the EU and expressed his personal support for their respective bids:

*The inspiring moments [at the Davos forum] were ... the statements by Recep Tayyip Erdogan, Turkey's prime minister and, still more, by Viktor Yushchenko, the newly elected president of Ukraine. ... Mr Erdogan remarked that joining the EU would lead to a "reconciliation of civilisations". Mr Yushchenko was able to state that "the people of Ukraine declared that they chose to be part of Europe during the Orange Revolution". On the wintry streets, millions declared that they wished to be free. What better definition can there be of what the EU stands for? In Davos, these two impressive leaders stated the desire of their peoples to share in the liberty and prosperity of contemporary Europe. ... Turkey and Ukraine prefer freedom to serfdom, democracy to dictatorship, prosperity to poverty and peace to war. They aspire to join a club of states built on these values. Such fervour deserves its obvious reward. Both these countries must gain membership. (A193/2005, MW.)*

In Wolf's argument, by confirming their countries' commitment to pursue EU membership, the leaders of Turkey and Ukraine effectively demonstrated the attraction of the EU as an embodiment of freedom, democracy, prosperity and peace. In fact for Wolf, the Orange Revolution in Ukraine, where "millions declared that they wished to be free", was just the latest example of the inspirational example of western Europe in the world. He goes on to argue that, after World War 2, Western Europe has operated as a beacon of hope for repressed peoples from Spain and Portugal to the former communist countries of Eastern Europe and helped them in their demand for greater freedoms from their governments.

While the celebration of western Europe and the EU as bastions of freedom and prosperity is an indication of the general strength of these ideals in TEC, Wolf has a more specific purpose in this column. After paying tribute to Erdogan's and Yushchenko's commitment to joining "the club" of countries that believe in freedom and prosperity, he addresses the on-going debates in the UK on the new EU constitution and takes note of the "deep-seated hostility" among the British towards the EU. For him, the "irony of ironies" is the possibility that the UK would be on its way out of the EU just as Turkey and Ukraine are seeking to join. Wolf locates the reasons for such anti-EU attitudes among the British partly in the widespread "belief that the EU's economy is a calamity". Yet, according to Wolf, this is a false perception. As he argues:

*The EU is not the collapsing behemoth of fevered imaginings. A compelling indication of this truth comes from the 2005 Index of Economic Freedom ... No fewer than 10 of its top 20 countries are EU members. Luxembourg, Estonia, Ireland, the UK and Denmark are all ranked above the US. True, Italy is 26th and France 44th. But this variation proves that the EU does not compel countries to follow bad policies; it merely allows them, within limits, to do so. The UK's recent success similarly shows that membership is far from a hindrance to good performance. ... None of this is to suggest that the EU's economy is functioning perfectly. Aggregate demand has been*

*far too weak in recent year, while the economies of the three big eurozone economies remain over-regulated. But the EU continues to provide the opportunities for rapid catch-up exploited, in the recent past, by Ireland, Portugal and Spain. More important, it has forced political reforms across the continent. The EU has been far more successful in generating economic and political reform in its "near abroad" than the US has been in Central and South America. (A193/2005, MW.)*

The latter part of Wolf's column is illustrative in the way it connects the abstract principle of freedom to the realm of the economy. In his attempt to persuade the UK audience to acknowledge the economic success of the EU, Wolf resorts to an index which purportedly demonstrates the high level of "economic freedom" in many EU countries. At the same time, the index works to separate "bad policies" of Italy and France from the apparently good policies that enhance economic freedom. Moreover, economic freedom associates positively with "economic reform" and "good performance" in terms of growth while contrasting negatively with "over-regulation". In this way, Wolf translates the ideal of freedom into the language of economic policy with the intention of persuading his readers that the EU operates as a global model and enforcer of greater economic freedom.

In economic policy discourse, the value of freedom typically translates into the ideal of free and competitive markets of equal exchange. Because the precondition of free exchange between market actors is freedom from any outside control, negative liberty is, alongside growth, a central value in capitalist societies (Fraser 2014, 67). Accordingly, the idea of *liberalisation* emerged in the material as an unequivocally desirable policy objective that can be applied to various areas and circumstances and evoked as a response to a multitude of problems in the economy. As it happens, the economy and markets can never be completely "free", and hence there is always more liberalisation to be achieved. The context of the global recovery after the slowdown of the early 2000s offers an illustrative example. As the European economy was failing to keep pace with the growth rates of the United States and China, Brian Groom reported on the discussions at the 2003 Davos forum over the European economic policy, describing how Gerard Kleisterlee, chief executive of Royal Philips Electronics, "voiced European industry's frustration with the slow progress of the EU's three-year-old Lisbon process of economic liberalisation" (A97/2003, BG). Similarly, George Parker's 2005 article described the critiques aired at the forum about the inability of the EU to raise its growth rate as planned and pointed to the "missed opportunities and failed promises" of European leaders in the implementation of the Lisbon Agenda of economic reforms (A158/2005, GP). In this way, economic liberalisation emerged as the self-evident solution to the EU's lagging growth. While Europe as a whole could be applauded as a bastion of "economic freedom" in global comparison, as Wolf did in the quoted passage above, it was also perfectly logical for European decision-makers to be criticised for their failure to carry out further liberalising reforms.

Because the norm of liberalisation applies universally to countries around the world, independently of the present state of their “economic freedom”, regions, governments and politicians can be critically examined according to their willingness and ability to accomplish reforms that advance liberalisation. For instance, in his 2004 analysis of the Latin American economic outlook, Richard Lapper noted that the recent turn towards more left-wing governments in many of the region’s economies demonstrated an unmistakable “mood shift” with regard to liberalisation: even as Venezuela’s Hugo Chavez “pursued relatively moderate economic policies respecting privatised banks and utilities and pursuing friendly relations with international oil companies”, “Mexican congressmen have repeatedly blocked electricity liberalisation”, Uruguay blocked “private involvement” in its oil company, Costa Rica kept holding “state monopolies of the telecoms and electricity industries”, and even the Dominican Republic, “one of the liberalisers of the 1990s”, renationalised electricity distributors (A121/2004, RL). Similarly, in his 2004 report on the Davos panel discussing the Chinese economy, Guy de Jonquières quoted Donald Evans, US commerce secretary, who commended Chinese leaders for the country’s “economic performance”, for their willingness to open trade and, for their “embrace of free market principles”, while also voicing his concern over “centrally planned policies” and “protectionist” tendencies within the Chinese leadership (A135/2004, GJ). Comparable observations about the willingness or unwillingness of national governments to engage in further liberalisation were made about India in the 2006 coverage and the Persian Gulf states in the 2010 coverage.

In the FT’s economic policy discourse, economic freedom and liberalisation appeared rarely as intrinsic ideals that are valuable in themselves. Instead, as the previous examples indicated, liberalising reforms were typically presented as desirable policies because they enable greater economic growth: policies that enhance “economic freedom” are necessary precisely because they engender a higher rate of economic growth, or improve “economic performance”. In this way, the capitalistic growth imperative and liberalisation became closely interlinked. At the same time, associating economic reforms with the value of freedom provided the policy with added legitimacy.

Liberalisation was also often presented as a way to attract foreign investment, the importance of which was emphasised particularly in relation to non-western economies, from Lula Da Silva’s Brazil to the oil-rich states of the Gulf. For instance, Raymond Colitt described in a 2005 article how Brazil’s president Lula da Silva was heading to the Davos forum with the intention of inviting foreign investors to help “modernise Brazil’s transport system” and thus make the nation more competitive as an “aspiring global trade power” (A155/2005, RC). In these explanations, attracting foreign investors is all about creating a “conducive environment”, which, in turn, requires liberalising reforms. In addition to the usual set of privatisations, the freeing of capital flows and deregulatory reforms intended to level the playing field between

domestic and foreign companies and investors, liberalising reforms in these accounts also referred to the establishment of credible regulatory and judicial institutions, as well as to reducing the levels of corruption.

To non-western country leaders, liberalisation emerged as a central duty because it promised an increased inflow of foreign investment, which arguably provided economic growth and welfare. Policies of liberalisation were thus implicitly justified by referring to the opportunities they create for foreign businesses. This was, obviously, another example of the normalisation of private corporations as the primary growth drivers in the global economy. Moreover, “opening” markets and deregulating cross-border capital flows “liberates” companies that operate on a transnational basis, and therefore the norm of liberalisation emphasised the role that TNCs play in the global economy as generators of growth and welfare. This association between policies of liberalisation, TNCs and higher economic growth and welfare was occasionally made explicit by FT reporters. In 2003, for instance, Martin Wolf argued that the entry of TNCs into domestic markets had beneficial consequences, leading to higher wages and increased exports (A83/2003, MW).

In the international sphere, the principle of liberalisation was closely associated with world trade negotiations. Free trade was consistently presented as a desirable, if not self-evident, objective, and alternatives to trade liberalisation – policy measures that aim to limit or regulate trade and cross-border investment – were condemned as harmful protectionism. Indeed, international trade emerged in the FT coverage as perhaps the most conspicuous domain for the reinforcement of liberalisation as a policy norm. Alternative policies were presented as actions that ran not only against what was deemed as the rational economic policy for any national economy, but also against the greater common good: global economic growth. Trade liberalisation also became closely associated, if not explicitly equated, with another key policy objective: integration into the global economy. The following section observes global integration, or globalisation, and trade liberalisation as central “social purposes” in transnational elite agency.

## **7.2 Globalisation and cosmopolitan commitments**

As discussed in Chapter 3, globalisation as a social process of global economic integration has often been associated with the activities of international business and political elites. Indeed, one way of understanding globalisation is to see it as the material consequences of the strategic and tactical actions of TNCs, IGOs and governments, which are based on a shared conception and discourse of the globalising economy (cf. Cameron and Palan 2004, 2–3). The notion of (economic) globalisation, then, operates as a form of shorthand description, or reification, of the actions performed by transnational elites, whose decisions are based on a shared understanding of what the global

economy is and how it operates. The World Economic Forum, in turn, has long recognised the significance of globalisation as an economic development and, as discussed in Chapter 2.2, has been its enthusiastic proponent. By elevating globalisation to central place on the Davos agenda, the forum has promoted and advanced consciousness of the global condition among business and political elites since the 1970s. Meanwhile, the forum has attempted to influence and shape its participants' understandings of globalisation, even as its own views of the process have shifted over time (Pigman 2007).

### **Defining globalisation**

With globalisation constituting a central element in the forum agenda, the globalisation debate also has a strong presence in the FT-mediated elite communication. Overall, *globalisation* appears in the material no less than 330 times, and, on average, every fourth article contains the word. It is a particularly hot topic in the early years of the 2000s, with well over 50 per cent of the articles in the 2001 and 2002 coverage including the notion. After this initial flurry of debate over the concept, the topicality of the issue somewhat diminishes. Still, between 2003 to 2011, a share between 14 and 23 percent of articles annually mention the term at least once.

Globalisation does not always have an exclusively economic connotation in FT journalism. Occasionally it is used to describe the transnational scope of certain non-economic phenomena, including terrorism and migration. However, these uses of the notion are rare, and the overwhelmingly dominant perspective on globalisation is distinctly economic. In the most typical usage of the term, globalisation is simply another word for integration as in “global economic integration” or “the global integration of markets”. Throughout the material, globalisation manifests itself in concrete developments and processes, such as in the growth on international and interregional trade, in the increase of cross-border flows of capital, or in the geographic expansion of the networks of production and distribution. When such flows and networks grow from one year to the next, globalisation is seen to be advancing. This also means that markets and the economy become more integrated globally when the flows and connections that make up a particular market or economy extend geographically and render it less local or national in nature.

In academic literature, globalisation is often treated as a theoretical concept or as an ideological construction that serves to justify particular political ends and means (e.g., Ampuja, 2012; Cameron and Palan 2004; Rosenberg 2005; Scott 1997; Steger 2005). In FT journalism, however, the notion is anchored in concrete activities and processes, many of which can be statistically measured. Therefore, globalisation emerges as a real-world phenomenon that can be established as a “fact”. Gerard Baker and Quentin Peel, for instance, argued in their 2002 article that “globalisation is an objective fact, a reflection of dramatic technological change, not a policy” (A49/2002, GB/QP); and an editorial published on the same day made the

case that “globalisation is an economic reality, even if the growth of world trade may have slowed, and investment flows are down” (A55/2002, Editorial). Presenting such explicit conceptual definitions may be regarded as somewhat unusual for journalism, and should be interpreted within the context of a contested debate around the nature of globalisation that took place in the international public sphere in the late 1990s and early 2000s. From this perspective, FT argumentation may stem from the need to make a case specifically against those who might criticise globalisation as nothing but a fad, representing a fashionable but temporary idea circulating in the public discourse, yet lacking any concreteness to it. To distance itself from the doubters, the FT emphasised that globalisation was not simply another empty catchword popularised by public relations and marketing talk, nor was it a name for a particular policy or ideology. Even as its ubiquity and liberal use in business and political rhetoric inevitably prompted suspicions, globalisation was “real” because the notion referred to “objectively” measurable trends, such as world trade and cross-border investments.

Portraying globalisation as an objective fact, and not a matter of policy or choice, easily attributes the notion with an almost natural force-like status. Indeed, globalisation was frequently articulated in FT journalism in terms of a process that has a number of driving “forces”, including technology, communications, and the movement of goods, services and capital. Globalisation, like other economic processes, often appeared as something that simply happens due to the intervention of some invisible hand or law of economics which no human agency can control. This made it possible for Guy de Jonquières and John Lloyd to argue that “even the critics of globalisation accept that the process is an inexorable reality” (A24/2001, GJ/JoL). Such allusions to the inexorability of globalisation, of course, are by no means extraordinary. Critical analyses have often pointed out how in political rhetoric, and especially in neoliberal discourse, globalisation tends to be presented as an inevitable process that is driven by no human agency, thereby effectively emptying the concept of any political dimension (e.g., Amoore et al. 2000).

However, to treat globalisation as a real development in the global economy does not necessarily imply an understanding of it as a self-directing process. In his numerous contributions to making sense of the phenomenon, the FT’s Martin Wolf made exactly this case. In 2001, for instance, he argued that “economic globalisation is the product of two distinct, but mutually reinforcing, forces: reductions in the cost of transport and communications; and liberalisation of barriers to movement of goods, services, capital and labour” (A10/2001, MW). In Wolf’s analyses, which took stock of these “mutually reinforcing forces”, globalisation was articulated as a process the continuity of which was essentially dependent on a number of conditioning factors. For one, technological innovation needed to advance; and there needed to be an increase in cross-border trade. Moreover, because economic activities were about the “movement of goods, services, capital and labour”,

they were always hindered by controls and barriers. Therefore, global economic integration was dependent on the lowering of those barriers. Globalisation was, in essence, about the greater “freedom” of flows.

In this way, Wolf closely associated globalisation with “liberalisation”, which he understood as enabling and advancing cross-border flows and economic processes. Yet, precisely because cross-border activities and flows can, in principle, grow indefinitely, and the economy and markets can always become less bounded by geography and regulatory restrictions, the world economy could never become fully globalised. Like liberalisation, globalisation was, by definition, a never-ending pursuit, “an unfinished revolution” (A83/2003, MW), but one whose uninterrupted advance cannot be taken for granted. Indeed, for Wolf the idea that globalisation takes place due to the operation of some transhistorical and impersonal forces scarcely appeared convincing. In fact, he explicitly rejected interpretations of globalisation as an inexorable process: for him, “the best way to view globalisation is, in effect, as an ongoing process that is not new, has not progressed very far, and is far from irreversible” (A10/2001, MW).

As the prevalent perspective on globalisation moved away from the view of it as a self-directing force and towards a policy-driven process, global economic integration became articulated with elite agency. Globalisation was, in essence and by definition, what transnational elites do. It consisted of agreements, policies and “decisions to liberalise” (A83/2003, MW) cross-border activities, to render national boundaries more porous and to open markets to new competitors. These tasks were the primary responsibility of political leaders, international officials and regulators. However, whereas political decisions enabled globalisation, it was economic activities and business decisions, including trading and investing across borders, offshoring production, transporting goods and innovating technologies, that ultimately realised the process. Therefore, business leaders who engaged in, directed and funded such activities, essentially performed globalisation. Accordingly, in his 2005 article on the business practices of outsourcing of offshoring, Dan Roberts quoted Arie Lewin, a Duke University professor, confirming that “companies are learning how to source human capital on a global basis, just as they source goods and materials from the cheapest place” (A153/2005, DR).

A number of accounts of globalisation thus indicated awareness of the close relationship of mutual dependency between political and corporate agency and the process. In the end, few commentators in the FT treated globalisation as a self-directing and autonomous phenomenon with natural law-like qualities. That such allusions still lingered in FT journalism, even as they appeared to be marginalised and even explicitly denied by other writers, may indicate an ongoing shift in the dominant perception of the process among transnational elites in the early 2000s. Again, attempts to define globalisation and its nature must to be interpreted against the broader public debate on the benefits and discontents of globalisation, which became controversial around the turn of the millennium (see Chapter 6.3). By raising



a highly visible public challenge against international institutions and their policies of trade and market liberalisation, civil society protests effectively demonstrated the relationship between globalisation and particular institutions, policy decisions and international agreements. They were, in other words, partly successful in deconstructing globalisation as a self-driven process and hence politicising the notion. Accordingly, even if an understanding of globalisation as an inexorable process may well have been dominant among the business and political elites for the better part of the 1990s, the FT debate on globalisation in the early 2000s suggests a more refined understanding of the phenomenon. Partly as a consequence of the public threat to their agenda represented by globalisation activists, at least the FT-mediated TEC now appeared to appreciate the extent to which global economic integration, in fact, depended on intentional policies and business decisions.

### **Defending globalisation**

Aside from reinforcing the identification of the international business and policymaking elites as the principal agents of globalisation, civil society protests had another effect: they prompted the elites to publicly defend not only themselves as legitimate actors, as we observed in Chapter 6.3, but also globalisation as a policy choice. As the Davos forum took the question of globalisation into its agenda in the face of mounting grassroots mobilisation, it explicitly addressed many of the issues that the global civil society raised as problems caused by the neoliberal policies of economic integration. Most significantly, in this respect, the forum addressed questions of global poverty and inequality, and their relationship with globalisation. In addition to reporting on Davos speakers' reactions to these contested issues, some of the FT journalists were keen to offer their own insights. Martin Wolf, in particular, distinguished himself as an active participant in the great globalisation debate of the early 2000s. In his 2001 column "Growth makes the poor richer", Wolf explicitly outlined his views on the relationships between inequality, poverty and global economic integration. Having cited the latest World Bank figures on global poverty and estimates of rising trends of income inequality between countries, he compared these to a World Bank study on historical growth trends in the world. Wolf then inferred that growth is "the most important single determinant" of both poverty and inequality and proceeded to elaborate his conclusions:

*A link does indeed exist between globalisation, inequality and poverty. But it is neither new nor the one critics point to. Globalisation does not make countries poor; it helps make them rich. But it has not made all countries equally rich. The result is growing global inequality and a concentration of extreme poverty in the countries that have failed to jump on to the growth ladder and stay on it. The partial spread of rapid economic growth is explained, in turn, by the inadequacies of policies, politics and institutions*

*in many countries. Yet, while the rich have not become rich because poor countries are poor, they have too often failed to give the poor the assistance and opportunities they desperately need. At bottom, however, the countries that have failed to generate sustained growth either turned their backs on global integration, such as India, have lacked preconditions for exploiting those opportunities, such as much of sub-Saharan Africa, or have suffered from both obstacles. The path to reducing poverty and closing income differentials requires removing such impediments. But one thing, above all, is quite clear: if the world is to become less unequal through raising the bottom, rather than collapsing the top, and still more if mass poverty is to be eliminated, it can only be via successful integration, not its opposite. (A2/2001, MW.)*

Accusing “critics” of having mistakenly equated growing income inequality with poverty, Wolf argued that increasing inequality only indicated differences in relative growth rates between countries and areas. Therefore rates of poverty, at least as an absolute measure, could be reduced even as income inequality increased. Moreover, because poverty resulted from the lack of economic growth, the latter emerged as the principal, if not the only feasible, means of alleviating poverty. Wolf thus outlined a rather ideal-typical right-wing position on the dispute between the political left and right on global capitalism at the turn of the millennium. According to this reasoning, the left was missing the point in focusing on growing income inequalities. Instead of being regarded as a problem, inequality should be seen as a sign that certain countries were lifting themselves out of poverty through growth. Economic growth, in turn, was intimately connected, in historical perspective, to globalisation: countries, and the global economy as a whole, experienced growth in periods of global integration, while periods of disintegration were associated with lower growth rates. Therefore globalisation could not be causing poverty but was instead helping to alleviate it. Turning away from liberalising policies would thus be counter-productive. The factor that explained growing inequality between countries and persistent poverty in the world was not globalisation but the lack or incompleteness of the process.

Wolf’s argument helped justify certain dominant beliefs concerning the beneficial nature of economic globalisation among the international business and policy elites. Indeed, even as the Davos forum participants acknowledged the relevance of the problems raised by civil society movements, they kept arguing in favour of continued economic integration. Here the notion of growth became a key element of argumentation. Globalisation and the continuous growth of the global economy were associated in a tight knot of mutual dependency, in which the well-being of the world’s population as a whole appeared to be dependent on advancing economic integration. When globalisation was understood as a condition for global economic growth, and growth was associated with the decline in poverty, it became possible to turn the concern for the world’s poor into a call for further economic liberalisation. In this way, the benefits of globalisation were articulated in terms of the

general good. Accordingly, a repeated argument of FT journalists when addressing the claims of “anti-globalisation” activists was that while there could be certain problems in the process, globalisation was, in the end, in everyone’s interest.

The assertion that globalisation ultimately benefits everyone was a bold argument to make particularly in 2001, when the Davos forum gave great attention to African countries as the “losers” of globalisation. Indeed, Hugh Carnegie noted that “Africa's inability to gain much from globalisation - and anger over some of the obstacles - has been a recurrent complaint among African politicians, businessmen and academics at Davos” (A22/2001, HC). Among other Davos participants, Wolf also acknowledged that some countries evidently “have failed to jump on to the growth ladder and stay on it”. Yet, because globalisation itself could not be the cause of global poverty and inequality, reasons for the failure of some countries to benefit from the process had to lie elsewhere. As the quoted passage indicated, Wolf sought explanations in “the inadequacies of policies, politics and institutions” of the countries themselves. These included the poor decision of some of them to “turn their backs on global integration”, as well as on the failure of rich countries to “give the poor the assistance and opportunities they desperately need”.

Again, the passage illustrates a broader discourse on what were considered as the political and institutional hindrances to development. For instance, when the Peruvian president Alejandro Toledo called for the international community to extend a helping hand to the crisis-ridden Argentina in 2002 (see Chapter 6.1), he also claimed that the Argentinian government had “to strengthen its institutions to prove its governability”. The same article quotes Felipe Larrain Bascunan, “a prominent Chilean economist”, who argued that “the lack of independent judiciaries and widespread corruption” were key weaknesses across Latin America and concluded that “poverty is a problem of weak institutions, not a lack of resources”. (A74/2002, HC.) Overall, corruption, lack of adequate institutions and the failure to integrate into the global economy were among the popular explanations when addressing why some countries lagged others in economic welfare. Thus, to alleviate the problem of poverty, those countries and regions where poverty rates were the highest needed to hasten their efforts to liberalise their economies while implementing “reforms” that would pave the way for growth.

In this way, FT journalism drew attention to the way in which elite representatives of poor and developing countries took responsibility for their own problems. In this account, while the role of the international community was to assist and provide incentives for poor countries to take the path of modernisation and globalisation, the primary responsibility fell on the countries themselves. Indeed, when reporting on the complaints of African representatives at the 2001 Davos forum, Hugh Carnegie took heart from his observation that “a striking feature among these same people has been the

strong recognition that Africa must look to itself to make progress as much as seek outside help” (A22/2001, HC). At the same time, emphasising the responsibility of developing world elites amounted to an implicit equation of the civil society critiques against neoliberal globalisation with a kind of victim mentality that purportedly blames the west (or the global north) for all the social ills of these societies. In this argumentation, critiques concerning the policies of liberalisation and the institutional structure of the global economy were equated with an attitude of “seeking outside help” and deemed unconstructive and unhelpful. In contrast, African representatives at Davos were commended for recognising the responsibility of the regional and national agents to improve their societies instead of blaming others. Such arguments are, of course, well in line with the neoliberal ideology. As Mirowski (2013, 131–2) points out, neoliberalism not only sees competition everywhere but also naturalises it, and therefore presents, as the only conceivable solution to a problem, that the agent (person, company, country, continent) becomes more competitive. In other words, the loser in the markets, or in the global economy, always demonstrates its lack of competitiveness and is thus to be blamed for its own condition. By failing in global competition, the loser simply gives evidence of its own failure, not the failure of the system.

The beliefs in the universal benefit from global economic growth and the causal connection between growth and economic integration lie at the heart of the transnational elite consensus on globalisation. Within this apparent consensus, globalisation emerges as a desirable objective, something that needs to be protected and advanced by business and political elites. Even as the FT, at the beginning of the 2000s, paid attention to civil society critics and to the perceived problems in globalisation, at no point does the paper suggest that globalisation itself should be questioned. “That integration should be sustained is beyond serious question”, a 2002 editorial titled “Stay global” explicitly concludes (A70/2002, Editorial). In the words of Martin Wolf, globalisation “is an opportunity, not a threat”, and the task of decision-makers is to ensure that “the world seizes the opportunity for ever greater integration” (A10/2001, MW).

### **Globalisation as historical project**

The preceding analysis has suggested that the transnational elite discourse on globalisation was affected by the opposition it faced to its agenda in the international public sphere and by its effort to incorporate and address some of the issues raised by global civil society. However, FT journalists never suggested that there was any serious doubt among the business and policy-making elites about the beneficial nature of globalisation. Rather than opening up a serious argument on possible policy alternatives to liberal globalisation, addressing global civil society worked as a way for transnational elites to state their commitment to the policy project: if anything, the elite consensus on globalisation was apparently reinforced when articulated against opposition.

In a way, the FT's interest in the Davos elite's public diplomacy and argumentation with the global justice movement over globalisation, and the active engagement of its leading reporters and columnists in the debate, is somewhat surprising, insofar as their elite readership already shared an unwavering belief in the benefits of globalisation. The FT, in other words, should hardly be a vehicle for any persuasion of the unconverted when it comes to attitudes towards global economic integration and liberalisation. Accordingly, the epistemic work by FT journalism, and particularly its leading columnists and editorial writers, in favour of globalisation should perhaps best be read as an effort to provide political and business elites with certain talking points against domestic opposition. More importantly, it also helped to define the phenomenon and reproduce the dominant rationality about it as a process and a political project. The preceding observations thus indicate that civil society critique allowed both FT journalists and Davos participants to hone their arguments in favour of globalisation and to present it as a positive policy objective, closely connected to the inherent value of growth.

Reinforcing the belief in and touting the importance of globalisation also served the purpose of putting pressure on global decision-makers to advance the policies of liberalisation. Indeed, another significant feature in the globalisation discourse, as it developed in the FT-mediated TEC, was its implication for collective agency. The frequent associations of liberalisation with globalisation indicate that global economic integration was understood as an essentially political project: far from being a self-directing process, globalisation required intentional policy and business decisions to open and integrate markets. For globalisation to proceed, governments, businesses and all other agents of the global economy needed to actively pursue market integration. Therefore, the apparent consensus in favour of globalisation called for elite action, and implied the centrality of political agency in globalisation. Crucially, as the following editorial from 2001 suggests, the continuing commitment of decision-makers to liberalisation could be taken for granted. Titled "Trading system under threat", the editorial drew attention to the challenges that the WTO process of trade liberalisation was facing after the negotiations broke down in the Seattle meeting in 1999.

*This year's World Economic Forum has been thick with warnings that a slowdown of the global economy could start a slide into protectionism and warring trade blocs. That prospect has sharpened the focus on the plight of poor countries, which are heavily represented in Davos and which would stand to lose most. ... Winning domestic support for liberalisation poses an even bigger challenge when economic growth is weak. However, if the mutual trust essential for successful WTO negotiations is to be established, rich economies must resist obstruction by both producer lobbies and vocal critics of globalisation. Governments must therefore argue more strongly for the benefits of free trade. But if poor countries are to benefit, they must recognise that their problem is too little globalisation, not too much. They need to attack the high trade barriers that have throttled development, and*

*open their economies to the world. Increased international assistance, to equip them with the capacity to implement reforms, would provide an incentive to do so. (A35/2001, Editorial.)*

The international negotiations over a new comprehensive free trade agreement formed a key issue around which the question of globalisation was articulated in the material, particularly in the years preceding the global financial crisis. The WTO-led process was, obviously, one of the most significant concrete manifestations of what global market integration was all about as a political project. Because the liberalisation of international trade was viewed as a fundamentally desirable goal in FT journalism, articles that focused on global trade talks discussed globalisation in a very different framework than the debates on global poverty and inequality. In contrast to the critiques and problems raised by the global justice movement, in the coverage of the WTO process, globalisation through “free trade” could appear as an entirely unproblematic objective and as an unequivocally beneficial process. It is no wonder, therefore, that the FT emphasised the importance of continuing the negotiations.

Despite the purportedly universal benefits of liberalisation, the WTO negotiations turned out to illustrate the difficulties and failures in carrying out the globalisation project. After the break-up of the Seattle meeting in 1999, the inability of the negotiating parties to bridge their differences and further trade liberalisation became a constant cause of worry in FT reports and commentary from the Davos forum. A new round of negotiations opened after the WTO meeting in Doha in November 2001. Yet after this initial success, the Doha round of talks hardly progressed in the subsequent years. Consequently, as the large mass protests subsided and the international news media interest in the global justice movement declined after 2003, concerns over advancing globalisation were increasingly articulated in the FT in reference to the stalling WTO process. In this debate, as the quoted editorial illustrates, success in further trade liberalisation was directly linked to the broader policy objective of globalisation. The undesirable alternative of failing to reach a new global free trade agreement was articulated in terms of “protectionism”, de-globalisation, or the fragmentation of the global economy into “warring trade blocs”.

As it happens, precisely because it was understood as a policy choice, which thus depends on active political agency, globalisation, just like the global economy (see Chapter 5.1), appeared to be under almost constant threat in the FT’s outlook. As the quoted editorial claimed, the globalisation project was not threatened only by the “obstruction” of “producer lobbies and vocal critics of globalisation”, but also by the weakness of international elite unity over globalisation as a common objective. In the already-mentioned 2002 “Stay global” editorial, the paper issued another warning, stating that while “in the 1990s, the impulse towards global economic integration survived financial crises and a rising tide of protest”, “economic slowdown and the September 11

terrorist attack have multiplied the force of the challenges” (A70/2002). Citing these multiple challenges amounted to the warning that countries could well turn away from the path of global integration. Martin Wolf, for instance, acknowledged that “however difficult it may be, it is not impossible for a modern state to restrict international economic integration” (A10/2001, MW). Even if “political and policy environments” supportive of globalisation “exist today”, they “may not do so tomorrow”, Wolf argued in another article (A214/2006, MW). Indeed, the very nature of globalisation as a non-autonomous and non-inevitable process made it necessary to continuously advance and defend globalisation.

In these accounts of the precarious and ever-threatened process of global economic integration, the policies of market liberalisation were frequently embedded within historical narratives. While the 1990s emerged as the immediate historical framework for the current drive of integration, it was also presented as a project with much longer historical precedents. In his 2002 article, for instance, Alan Beattie reported on the slowing down of international trade in the aftermath of the economic downturn. Drawing parallels to the Great Depression, he noted how, in the 1930s, “countries retreated from multilateralism, attempting to engineer competitive devaluations and abandoning free trade” and pointed out that such “flights to protectionism” “may well have” exacerbated the economic disaster (A52/2002, AB). Similarly, Martin Wolf noted in his 2006 article that the world economy “retreated from openness between 1914 and the middle of the twentieth century” (A214/2006, MW). In this way, FT journalists warned that, after periods of global market integration, countries could well lose their interest in or incentives to further open their markets and start to impose restrictions on cross-border flows and transactions. Yet history also offered encouraging examples of leadership. In the aftermath of the September 11 attacks in New York, the FT’s “Stay global” editorial invited the world’s leaders to look back on the aftermath of World War 2.

*The challenge is to deepen global integration without impairing security. The requirements for both are essentially the same: the right blend of leadership and co-operation. Times of danger are, as the Truman administration showed after the second world war, times of opportunity. The world's leaders have recognised the dangers. They must also seize the opportunities. (A70/2002, Editorial.)*

The editorial emphasised the importance of political leadership in globalisation: throughout history great leaders, such as president Truman, had recognised the opportunity to further global integration in times of crisis. More generally, the FT coverage of the globalisation debate indicated that global integration required leadership as well as multilateral collaboration. The qualities of present world leaders should be measured by their historical predecessors who took bold steps towards greater integration. Indeed, despite citing various threats and oppositions to the project, FT journalists also often

expressed their confidence in the strength of the globalisation project. Even the editorial quoted above made the optimistic case that “encouragingly, globalisation has proved resilient to shocks” and that “no country” has turned its back on global economic integration (A70/2002, Editorial). As these reassurances indicate, much of the FT discussion on global trade rested on the assumption that the principles of growth, free markets and global integration were shared by the Davos community and transnational elites more generally. The existence of domestic forces and civil society movements in opposition to liberalisation created a problem insofar as they were seen to restrict and obstruct the globalising agency of transnational elites. Accordingly, a further task in the normative agency of transnational elites was that they needed to convince their opponents and the general public of the universal desirability of their own norms. The values and ideals of global capitalism should not be only embraced by business leaders and policymakers, but the elites should also engage in their public legitimation. As illustrated in the 2001 editorial quoted above, the FT occasionally pointed to this justificatory duty of transnational elites in terms of “winning domestic support” for liberalisation policies.

Overall, then, globalisation was articulated in the FT as a long-term historical project in which international business and policymaking elites play central roles. As the drivers and defenders of globalisation, they were bringing more growth and prosperity to the world. Elite consensus on globalisation, in turn, was rooted in their deep dependency on the process itself: by advancing global economic integration through their daily activities and decisions, transnational elites were reaping benefits and making profits. Gerard Baker pointed out this mutual dependency between globalisation and the agency of transnational elites when he noted that it was precisely “the global integration and prosperity on which the Davos visitors depend for their daily bread” (A81/2003, GB). In this way, the whole process of global integration articulated with the self-preservation of transnational elites themselves. The intimate relationship between the transnational elite, the global economy and globalisation thus emerges as a central facet in the FT’s epistemic work (cf. Starr 2004). Globalisation, in another words, can be regarded as an existential question for transnational elites.

These observations about the identification of business and political elites with globalisation as a form of historical agency are analogous to a number of other claims in literature. Hans Jürgen Krysmanski (2012, 23), for instance, argues that a central element in the 1990s globalisation zeitgeist was the belief that, after the cold war, the “bourgeois civil society” would bring peace and prosperity to the world through the extension of markets. The idea of a world united by peaceful commerce can be found already in the Kantian visions of the European bourgeoisie of the eighteenth century (Koselleck 1988), and it was also part and parcel of the US imperialist vision claiming to bring liberty to the world (Anderson 2013). Notably, Krysmanski (2012, 24) claims that September 11, 2001, buried such visions of global peace. Yet, as my analysis of the FT’s globalisation discourse in the early 2000s indicates,



visions of a world brought together by trade and market integration, paving the way towards global prosperity and inclusion, still inspire participants in TEC. There is certainly recognition of challenges to this vision, including political opposition, military conflicts and global terrorism, but the utopian vision has not entirely disappeared: the world can still be united, in principle, under liberal capitalism.

### **Cosmopolitan commitments**

As the preceding discussion suggests, as a political project that generates growth, lifts people out of poverty, increases general welfare and extends economic freedom, globalisation was articulated in the FT as a central historical purpose for collective elite agency. As such, it may be the most prevalent yet not the only value-related social purpose that was promoted in the FT coverage of the Davos forum. While the association of globalisation with the values of growth and freedom allowed business leaders and policymakers to see themselves as being on a liberating mission, there were other ways in which elite agency became articulated in terms of making the world a better place. Indeed, the pursuit of profit, growth and other purely “economic” goals, even as they were associated with the general good, did not exhaust the social commitments communicated by Davos forum participants.

In this respect, Friesen (2012, 95–101) identifies a clear turning point in the Davos forum agenda. Having been characterised in the 1980s and early 1990s by “narrowly defined business interests”, the agenda moved decisively towards addressing broader societal concerns from the late 1990s. She locates the shift in the 1995 forum, when the meeting was themed “Leadership for challenges beyond growth”. After that, Friesen argues, “panels on globalisation, security, corporate social responsibility, economic justice, and individual responsibility came to occupy a substantial place on the program” (ibid., 95). The role that transnational businesses, in particular, ought to play in solving global problems became an important topic at Davos. Friesen (ibid., 109–10) describes how at the 1997 meeting, businesses were urged to consider their social responsibilities by politicians, Nobel laureates, the UN secretary general, as well as several chief executives, and argues that the shifts in agenda demonstrated increased rejection of the previously-dominant neoliberal faith in free markets and their ability to solve social ills without the need for active interventions. For her, this shift in discourse amounted to an implicit, if not explicit, acknowledgement that the neoliberal rules imposed by the Washington Consensus, purported to improve economic efficiency and global prosperity, had not delivered what they promised by way of social welfare (ibid., 130).

As also documented by Pigman (2007, 128–32), the inclusion of more NGO’s and labour leaders, the formulation of a more civil-society-attentive agenda, and the introduction and promotion of the Global Compact, designed by the UN and TNCs as a voluntary initiative to involve companies with UN

programs, were some of the concrete measures by which the new shift towards a growing emphasis on social responsibility over unregulated business and profit-seeking was evident (Friesen 2012, 131–2). In short, Friesen (2012, 128) observes that the “normative and social responsibility aspects of economic globalisation became more important each year” and that “Davos shifted from a forum designed to help business understand the global business environment to an organization playing a part in shaping the global agenda”. Through its constant “consciousness raising” and efforts to shape the world-views of its participants, she argues, the forum had a notable impact on business leaders. The idea of businesses carrying out morally good deeds beyond the maximising of immediate profit became increasingly acceptable, paving the way for a “two track argument” about the mutual benefits for society and business from such actions (ibid., 145). At the same time, business leaders demonstrated increasing interest in getting involved in the formulation of global rules guiding international policy-making (ibid., 101).

The promotion of social awareness at Davos also made its way into the FT reporting from the forum. As Table 4.2 in Chapter 4 indicated, the forum coverage included a variety of issues not directly related to the core of the global economy as traditionally understood, including questions of development and climate change. Clearly, then, the business and policy elites gathered in Davos are presented in FT as a group that is concerned with a broader set of questions than merely those immediately related to the bottom line or narrow economic interests. A “Davos Diary” news brief from the 2005 forum makes exactly this point. Reporting on the results of an electronic poll, the article revealed that Davos attendees “ranked global poverty the number one priority issue, followed by equitable globalisation and climate change” and pointed out that “global economy came in eighth” (A174/2005).

As discussed in Chapter 5.1, the “extra-economic” issues are closely connected and even partly embedded within the array of concerns related to the global economy. Thus, they may, to a degree, merge within the ontology of the global economy and reproduce the same core values and ideals of elite agency, including growth and liberation, as those topics that are more explicitly articulated in terms of the global economy. Yet these other topics also evoke a related but distinct set of ideals, including democracy, human rights, internationalism and social responsibility, which are more in tune with a cosmopolitan vision of world society or world polity than the global economy in its traditional sense (e.g., Beck 2006; Fine 2007). It is therefore not only norms and values derived from the perceived imperatives of the global economy against which the actions of the business leaders and policymakers are measured in TEC; they are also addressed as ethical societal agents in a broader sense. But the promotion of cosmopolitan societal values and principles may also lead to contradictions if they are seen to clash with core economic values or imperatives (cf. Fraser 2014, 68–9). In what follows, let us briefly observe the representation of three sets of world-societal values and ideals that are apparent in the material – democracy and human rights,

internationalism, and social responsibility – and pay attention to the different ways in which FT journalism deals with these tensions, usually implicitly but sometimes explicitly.

(1) First, *democracy and human rights* typically appeared in the FT as unequivocally desirable goals, which ought to be supported as inherent values. In the coverage of the Davos forum, they sometimes emerged as norms against which the countries and leaders were being judged. For instance, a 2005 report observed how the Chinese delegates at the forum were not only receiving tributes to the recent economic success of the country but were “also having to cope with awkward questions about human rights and democracy” (A173/2005). Criticism was also occasionally levelled at western leaders for their support of non-democratic regimes. For instance, in his 2008 article “Freedom, up to a point”, David Gardner took a critical look at the fallout of the Bush administration’s democracy promotion in the Middle East and “the Muslim world”, noting that “in strategically vital countries such as Egypt, the west has not really pressed the democracy argument” (A334/2008, DG). In his favourable take on the UN’s Global Compact, Alan Pike, in turn, explained how the initiative emerged from the need to persuade the corporate sector to “tackle” human rights, acceptable labour conditions and environmental standards (A6/2001, AP). Democracy and human rights thus often worked as universal values against which even corporate leaders should be held accountable and which they should promote as part of their business practices.

The promotion of democracy and human rights, however, is often ill at ease with the policy objectives of liberalisation and global market integration. That the Davos forum welcomes business and political leaders from countries that are considered non-democratic indicates that upholding democracy and human rights cannot be a precondition for the acceptance to the club. Therefore, to actively promote these values would raise uncomfortable questions about the democratic credentials of Davos participants themselves. Moreover, the very ideas of liberalisation and globalisation as universally desirable economic policies do not correspond well with the notions of national sovereignty and viable policy alternatives that are part and parcel of democratic processes. As Kantola (2007) discovered in her study on the FT’s editorial coverage of national elections, politics, as an expression of popular will, is often represented in the paper as a threat to the observation of sound economic policies. This view is also evident in the way the FT discusses national politics in terms of the uncertainties it causes in the political governance of the global economy and how it may risk to prevent the further liberalisation of trade and investments. As a result, the imperatives of the capitalist global economy are often at odds with the principle of democracy, and thus there is a marked contradiction in the promotion of democracy as a value and norm in the global economy.

Such tensions may partly explain why the values of democracy and human rights attract only limited attention in the FT coverage of the Davos forum. Overall, *democracy* is explicitly mentioned 75 times in the material

(*human rights* occurs 19 times), which is comparable to the 70 occurrences of *liberalisation* but certainly in another league to *growth* (695 mentions) and *globalisation* (330 mentions). Aside from the controversial “freedom agenda” of the Bush administration, the FT seldom quotes political and business leaders employing the rhetoric of democracy and human rights, and their active promotion is primarily relegated in the material to UN representatives, international NGOs and civil society movements. In this way, the issues of human rights and democracy are implicitly handed over to these “specialised” groups and institutions and not presented consistently as something that is of key concern to governments, corporations or Bretton Woods organisations. As far as normative agency is concerned, the Davos elite appear to be more concerned about improving the state of the world in terms of creating more economic growth and welfare than by expanding the political and social rights of the world’s majorities.

The relative prevalence of economic values also means that, occasionally, democracy and human rights as values are demoted in TEC to a status of instrumental values, gaining significance only as secondary goals which may or may not help to create more economic prosperity for the people. For instance, in his 2004 article comparing the recent economic and political developments of India and China, Victor Mallet pointed out that China’s more rapid economic growth was explained by “China’s admirers”, who include “many western business executives”, partly as an effect of its leaders’ ability to make “painful but necessary decisions without the inconvenient delays and reversals that plague democracies such as India” (A118/2004, VM). Gideon Rachman made the case even more bluntly, stating that the “constituency for enlightened despotism is strong among businessmen, such as those now assembling in Davos for the World Economic Forum”. According to them, Rachman continued, “authoritarian rule has its virtues” and “a premature move to democracy would invite only anarchy”. Rachman also implied that the views of business leaders are understandable, because “many of their best markets are countries that do not do well in the Freedom House rankings”. (A309/2008, GR.) In other words, from the perspective of the global economy in general, and transnational business in particular, it may be perfectly sensible for members of transnational elites to support, and do business with, “non-democratic” regimes. Moreover, if one continues to make the conclusion that democracy emerges only gradually with the rise of living standards, welfare and levels of education, one can even justify prioritising economic growth over democratic reforms by resorting to the very principle of democracy.

(2) Second, another set of values and ideals repeatedly articulated in the material was associated with what might be loosely termed as *internationalism*. This refers to a commitment and interest in global affairs as well as to the adoption of a non-nationalist and non-parochial approach to social issues. Of course, as a personal disposition and cultural trait, liberal internationalism itself has sometimes been associated with the business and

policy elites who gather at Davos (see Huntington 1996). Operating within transnational networks and spaces, they are assumed to develop an “international” lifestyle and actively seek international networks and cooperation to address common concerns. Accordingly, individual members of the elite could be evaluated by FT reporters against the norm of internationalism by referring to their apparent willingness to participate in international arenas and affairs instead of isolating themselves from the stage of global politics. In his interview with Angela Merkel, the German chancellor, ahead of the 2007 forum, Benoit Bertrand, for instance, expected that “the cosmopolitan crowd that converges on Davos” would be delighted to find out that, far from “turning her back on international politics”, Merkel “has carved an ambitious international agenda for 2007” (A246/2007, BB). Merkel’s ambitions concerning world politics, as well as her apparent appetite for international elite gatherings, was then presented as a welcome indication that the German leader shared the cosmopolitan attitudes of international business leaders and policymakers.

While occasionally present in the characterisation of individual Davos participants and their personal dispositions, the ideal of internationalism could more readily be observed in discussions of world politics. Here it was usually used to judge the approach of governments to international cooperation and articulated in the notion of *multilateralism*. That decisions, agreements and policies should be negotiated and reached collectively or between many participants, rather than being dictated by one actor (“unilateralism”) or involving only two actors (“bilateralism”), worked as a general principle that could be applied to various issues and in multiple arenas in FT journalism. Most notably, these included the WTO negotiations on trade liberalisation, where multilateralism operated as a central justification. According to such arguments, multilateral negotiations prevented the world from disintegrating into “hostile trade blocs” (A34/2001, GJ/FW), guaranteed a system of trade based on rules, and protected the “weak” countries from “the harsh law of the jungle and bare-knuckle bullying” by the powerful countries (A205/2006, GJ). As the “multilateral” route towards trade liberalisation, the WTO process thus constantly compared favourably to the prospect of bilateral or regional agreements.

Foreign policy was another topic around which multilateralism was operationalised in FT journalism to evaluate the conduct of political leaders. Accordingly, governments were expected to solve conflicts by resorting to multilateral mechanisms of conflict resolution. After the September 11 terrorist attacks, particularly the Bush administration’s “unilateral” approach to the war on terror raised concerns in FT journalism (see Chapter 6.2). In the broader critiques of the adverse effects on the geopolitical and economic stability of the Bush administration’s conduct in international arenas, multilateralism operated as a central principle against which the US foreign policy was made sense of and judged. Quentin Peel’s assessment of the significance of Bush’s re-election in 2005 illustrates the frankness with which

FT journalists tended to condemn the Bush administration in this regard: “Opinion is divided on whether a second four years will result in a more diplomatic and inclusive administration, or whether Mr Bush will pursue his unilateralist agenda with the same single-mindedness as in his first term” (A163/2005, QP).

Critical assessments of US policy in terms of its perceived unilateralism did not end with the change of administration.<sup>117</sup> After Obama’s first year in office, Gillian Tett claimed in 2010 that “it was the issue of US unilateralism that haunted the financial reform debates in Davos”, putting an end to the “naive hope” among the forum participants that the Obama administration “would deliver a multilateral US policy approach” (A469/2010, GT). However, here the norm of multilateralism was extended beyond geopolitical and military conflicts to the topic of financial regulation. Accordingly, as a reference to international coordination and cooperation, multilateralism worked as a principle that could be attributed practically to all policy areas from climate change to international regulation and global governance.

Multilateralism, in short, emerged in the Davos forum coverage as the principle through which the world operates, or should operate, in unity and peaceful cooperation. This self-evidence of the desirability of multilateralism in FT journalism may be grounded in the broader elite discourse on global governance in which cooperation and collaboration emerge as key notions. Indeed, in their interviews with Bilderberg attendees, Richardson and colleagues (2011, 211) observed that collaboration was such a self-evident part of their rationality that “to question it is to appear laughably naïve in the ways of the world”. Similarly, in the FT journalism addressing the international business and policymaking elites, the unilateralist factions of US foreign policy elite often appear, if not laughably naïve, at least “single-minded” and unsophisticated.

(3) Third, as a form of global consciousness – or a sense of one’s moral obligation towards other people and living beings which transcends narrow boundaries and extends to the world as a whole – the principle of cosmopolitanism can be seen to associate with an expressed concern for a number of concrete issues articulated in terms of *social responsibility*. In the FT coverage of the Davos forum, these global concerns included poverty, curable diseases, as well as climate change and other environmental problems.

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<sup>117</sup> Concerns of US unilateralism appear to be a general feature of global elite communication and thus transcend both FT journalism and the Bush administration’s years in power. As observed by Richardson and colleagues (2011, 50–1), some of the Bilderberg attendees condemned Bush policies in their interviews and questioned the “legitimacy” of the United States in world politics, stressing the virtues of diplomatic efforts and the consideration of “global public opinion”. Similarly, Gill (1990, 201) suggests that the Trilateral Commission is part of a broader “international establishment” that stabilises international relations and possibly also moderates the unilateralism of the United States.

Alleviation of global poverty featured strongly in the FT coverage, particularly in 2001 and 2002, and then again during the 2005 and 2006 forums. As already discussed, the former period marked the rise of the global justice movement and reflected Davos discussions on the effects of economic globalisation on the planet and on the poor. The second flurry of talk around poverty coincided with a number of issues, including the UN report on the Millennium Development Goals, pledges by the G8 to alleviate poverty, the launching of the Red brand by Bono at Davos, as well as international relief efforts following the Asian tsunami. In addition to poverty, this development agenda included other problems mainly associated with the global south, particularly HIV/Aids and other infectious diseases, but also food security and water sustainability. Climate change, in turn, was a prevalent theme in the coverage from 2005 to 2008 (see Table 4.2 in Chapter 4).

Featured in the public agenda of the forum and identified as global problems, the implication was that the cosmopolitan business and political elites gathered in Davos were expected to address these issues. Here the assumed awareness of global interdependences translated into a call for action, summed up in the forum's slogan "committed to improving the state of the world". This moral obligation to act in the face of environmental problems and human suffering potentially derives from their identification as "the world's leaders" with genuine global and agency and power (see Chapter 6.2). The distinctive feature in these calls to address poverty, preventable illnesses and environmental problems was that, aside from governments or the international community in the abstract, they were often directed specifically at the business contingency of the Davos forum. Getting the corporate elite involved in financing human development programs and adopting better environment and labour standards was the stated objective of many speakers and interviewees at the forum, including political leaders, CSO representatives and the UN secretary general. Members of the private sector were also frequently quoted by FT journalists, arguing that the business community needed contribute more to the collective efforts of tackling global problems.

Debates on the role of businesses in solving global problems featured two models of cosmopolitan behaviour for corporate executives: personal philanthropy and corporate social responsibility. FT reporters occasionally mentioned specific events on philanthropy hosted at the Davos forum by celebrities such as Angelina Jolie and Sharon Stone. More importantly, a few "celebrity philanthropists", most notably Bill Gates and George Soros, featured prominently in the FT coverage of the forum. As FT journalists frequently reported on the generous donations to development projects by the Bill and Melinda Gates Foundation, Gates appeared first and foremost as philanthropist in the forum coverage, and only secondarily as the head of Microsoft. Soros, for his part, featured both as a philanthropist and as a major financier, not only voicing normative opinions on the need for businesses to get involved in human development, but also presenting his views as an expert on market developments, economic policies and financial regulation. Overall,

Soros appeared in a total of 17 articles in the material, whereas Gates was quoted or referred to in no less than 30 articles. Together, they operated as representatives of business elite activism for the social good, as well as voices of moral conscience whose role was to push both political and business leaders to do more for the global poor, or to otherwise restore moral conduct and prudence within the business community. Their celebrated philanthropic efforts hence granted these individuals a distinct status as role models for elite social responsibility.

Personal philanthropy aside, corporate social responsibility, or CSR, represents a more institutional and systematic model for business leaders to address societal ills. In her 2005 article on the issue, Alison Maitland observed that companies were increasingly beginning to “work together, alongside governments and development agencies” to tackle “the world’s challenges”:

*As the World Economic Forum calls for action from all sides to tackle poverty, disease and the lack of education, some answers to the world’s challenges are already emerging from boardrooms around the globe. One trend is for companies to begin working together, alongside governments and development agencies, on problems too big for any one group to handle alone, such as the Aids pandemic. “We are definitely seeing a much more sophisticated approach from companies that have been pioneers of community work,” says Jane Nelson, an international expert on corporate responsibility and author of *Partnering for Success*, a report from the World Economic Forum’s project on global corporate citizenship. ... “It is not enough to avoid harm,” says Ms Florini, who is senior fellow in governance studies at the Brookings Institution in Washington. “The business sector needs to be actively thinking about positive steps it can take, partly to restore trust and partly in its own interests. Businesses that catch on to this more quickly and start positioning themselves, not just in PR terms but in terms of business strategies, are the ones that are going to benefit very substantially in the long term.” (A194/2005, AM.)*

Overall, the FT presented CSR as a regular topic of discussion at the Davos forum. It emerged as a particular way to speak, one promoted especially by the forum, about businesses’ social commitments. As FT journalists repeatedly pointed out, TNCs regularly donate funds for, or otherwise participate in, government-led or UN-led programs that address global problems, including diseases, lack of education, environmental issues and disaster relief. A more substantial dimension of CSR involves changing the ways the companies operate in their daily transactions. Hence the CSR discourse on the duty of businesses to actively participate in the solution of global issues, rather than being part of the problem, included not only donations and involvement in specific programs, but also the idea of changing business practices to address environmental, labour and human rights issues.

The idea that businesses should help pursue such goals is obviously much older than the present debate on CSR. Barnet and Müller (1974, 124), for instance, argue that, already in the 1970s, TNCs faced increasing doubts



concerning their contribution to actual human development and growing pressures to demonstrate “that they have answers to the problems of world poverty”. Similarly, Colin Crouch (2011, 134–43) claims that the contemporary CSR practices result from the pressures emergent in TNCs’ social and political environment, including the concerted CSO campaigns that mobilise public opinion and customers, rendering TNCs as objects of political action. The CSR discourse and practices thus demonstrate that TNCs are increasingly recognised as politically and socially responsible actors (ibid., 169). However, the discourse also reproduces an ontology of world society in which TNCs play a great role and influence and in which the political system and civil society adapt to this new “reality”. As Crouch (ibid., 134) sums up, the discourse of CSR is effectively about the capacity of CEOs to pursue public policy goals, or “global goods”, alongside states and IGOs. The CSR discourse thus partly serves to legitimise and naturalise the political and social power of TNCs.

In the broader context of the ideas and values that articulate elite agency in the global economy, (corporate) social responsibility must obviously negotiate with the core economic ideal of growth, particularly when understood in terms of private profit. The apparent contradictions between the two norms was not missed by FT journalists, and the coverage of the CSR debate tended to oscillate between the view that companies exist only to seek profit and the claim that they have broader responsibilities. From the former perspective, the whole Davos chatter on CSR appears as nothing but a publicity stunt by executives who know that it is important to be seen to be ethical. For critics, resorting to voluntary initiatives from TNCs is therefore an inadequate way to address the social and environmental impact of private business, and, instead, legislative and regulative changes are needed to shape private incentives towards more socially responsible and sustainable practices. These views were particularly visible in the debates on climate change, as FT reporters often expressed and cited sceptical remarks about the true motives of TNCs in promoting the issue. In anticipation of the 2008 forum, for instance, Andrew Edgecliffe-Johnson made a personal observation that many corporate leaders appeared to have realised that climate change was not simply an opportunity for some positive brand building but also a direct challenge to their businesses; “that there is also an impact on the bottom line”. Yet, the general wariness of the FT reporters regarding the businesses’ true intentions can be witnessed in Edgecliffe-Johnson’s cautious conclusion that “this is an issue of more urgency this year for the corporate world and *a bit less flam and PR*” (A311/2008, AEJ, *emphasis added*).

Those promoting CSR, in contrast, start from an entirely different proposition, as illustrated by the above passage from Maitland’s article. Adopting the view that naturalises the political power of TNCs, it points to “problems too big for any one group to handle” and thus emphasises the importance of getting businesses to “work together” with other actors in world society. To achieve this, corporate leaders should be persuaded to view CSR practices as beneficial for their business operations, both in terms of

reputation and profit, and in terms of shaping a more stable and lucrative general business environment. From this perspective, engaging in CSR can even be presented as giving companies an edge over their competitors, helping them “to benefit very substantially in the long term”. In this regard, one heavily promoted event at the Davos forum related to the 2006 presentation of Bono’s Red brand, which offers companies the opportunity to launch a specific product line using the brand with the premise that part of the profits are channelled into the fight against HIV/Aids in Africa. The Red concept is the most direct example of CSR in which companies do not need to make a choice between profits and helping the poor. In this way, the apparent chasm between social responsibility and private profit is rhetorically bridged, and CSR can be turned into a win-win model for both business and world society.

In sum, cosmopolitan values and ideals seem to play a significant role in the transnational elite’s epistemic work as normative elements of its collective agency. However, FT journalism adopted an ambivalent approach to these dimensions of the elites’ social purpose. On one hand, by covering debates on global problems, and by granting headlines to celebrity philanthropists and activists from Bill Gates to Bono, the FT participated in the construction of the Davos forum’s public agenda of promoting a sense of social responsibility among transnational elites. The FT reproduced the notion of the Davos forum as a place for the globally and ethically conscious actors united by their commitment to make the world a better place, and thus it enabled the identification of transnational elites as a progressive force in world society. On the other hand, FT reporters frequently expressed doubts about the “true” intentions of Davos participants, implying that, instead of holding egalitarian values, self-interest and opportunism prevailed among business and political leaders. Such sceptical views were mostly expressed in a form of irony, targeted at individual Davos delegates or the generalised figure of the Davos Man, and took place not in the news articles but in columns that by definition adopt a sharper and more ironic language (see Chapter 6.4). More importantly, however, the promotion of cosmopolitan values as the basis of transnational elite agency was undermined in the elites’ epistemic work by their relative marginalisation in relation to what might be termed as the paradigmatic values and ideals of the transnational elite: securing growth and integrating the global economy through liberalisation. Because growth and globalisation mostly appeared in the FT discourse as being in the general interest of the world, they made it possible to articulate transnational elite agency in terms of a positive historical purpose. Other societal commitments existed in a complementary, if at times delicate, relationship with these paradigmatic ideas.

### **7.3 Disintegration and common purpose after the financial crisis**

This chapter has focused on how the epistemic work of transnational elites articulates elite agency in terms of certain economic values, cosmopolitan ideals, as well as notions of common objectives and social purpose. In this respect, globalisation emerges as a central notion that brings together growth, liberalisation and the notion of general good into a narrative of the transnational elites' historical agency. Thus far, however, the analysis has been largely limited to the period before the global financial crisis. For the remainder of this chapter, we take a closer look at how the crisis impacts on the epistemic work on the elite's agency, and especially on the narrative of globalisation as a common historical purpose that purportedly brings the elite together.

#### **Loss of consensus**

As discussed in preceding analysis, transnational elite communication, as it is mediated and shaped by the FT, displays a rather unified understanding of globalisation as a desirable, yet policy-dependent, drive to integrate the global economy via market liberalisation. Yet it is also evident that this apparent elite consensus on one of the key principles of elite agency often failed to materialise in concrete policy decisions. The repeatedly frustrated negotiations on the WTO-led liberalisation of trade are a case in point, as the elites failed to reach a comprehensive multilateral trade agreement. This presents a difficult conundrum: if liberalisation is a universally beneficial political project, why is it so difficult to realise?

FT journalists repeatedly sought explanations for the elite's failure to act in accordance with this purportedly shared principle. The most obvious conclusion concerns the apparent nature of trade negotiations as a form of inter-governmental bargaining whose zero-sum logic overrides the perspective of universal benefits. Accordingly, governments come to the table with conflicting "national interests", which results in a loss of a common agenda. Descriptions along these lines were commonplace in numerous FT reports and analyses on the disagreements and conflicting positions between various countries or country blocs. However, the stalling negotiations also implied something more serious than the existence of clashing bargaining positions and mundane disagreements between governments. The failure to reach a deal on trade prompted interpretations of a more fundamental problem: that liberalisation was losing its political momentum. As already indicated in the previous section, the problems in WTO talks were sometimes attributed to the governments' difficulties in "winning domestic support" for further liberalisation due to temporary economic problems, "obstructive" efforts by industrial lobbying groups and the "critics of globalisation" (A35/2001, Editorial). As drivers of globalisation, the international business

and policy elites had harder time realising their agency because of mounting domestic resistance to the project.

Yet, as the negotiations kept stalling, doubts also emerged about whether the elites themselves actually shared a commitment to liberalisation. In 2006, for instance, Guy de Jonquières suggested that, as the focus of the WTO negotiations had moved from simple issues like trade barriers to more “sensitive” areas such as services, which many countries wanted to keep safe from open competition, governments had become more protective of their “right to regulate”. In tandem, the very premise that had linked the freeing of trade with economic growth was becoming more suspect. “Not only has the World Bank recently cut its estimates of the gains to poor nations” de Jonquières noted, “but the strength” of global growth in the middle of the 2000s had “taken some of the edge off arguments that the Doha round is needed” in order to stimulate growth. (A205/2006, GJ.)

In sum, the failing WTO talks revealed the weakening of liberalisation and globalisation as organising principles for elite agency in two ways. First, the very nature of the negotiations tended to reinforce the sense of national identities among the elites and to lead them to conceive of their agency in terms of national interests and sovereignty rather than universal interests, multilateral rule-making and global governance. Second, the key conceptual connection between liberalisation and growth, which had given a powerful ideological motive to the opening of domestic markets to foreign competitors, was losing some of its credibility, making it less irrational for leaders to reject the dictates of IGOs and TNCs.

If anything, the global financial crisis appeared to exacerbate this ideological confusion and loss of common purpose. In FT journalism, the crisis was repeatedly made sense of not simply as a financial and economic event, but also in terms of an intellectual shock, signalling a cognitive disorientation and loss of trust among the elites in some of their central beliefs and principles. As already observed in Chapter 5.2, much of this apparent questioning of previously taken-for-granted assumptions concerned the nature of financial system and its position in the global economy. But it also extended to other principles of faith, including certain theoretical ideas and practical rules of thumb that guided economic and monetary policies. Chris Giles, for instance, argued how “the Greenspan doctrine” of inflation targeting had been “tarnished at best” by the global credit bubble (A372/2009, CG). Gillian Tett made the case that “faith in economics in general - and efficient market theories in particular ha[d] been undermined” by the recent events, and that the dramatic interventions by many governments and central banks to shore up faltering banks and businesses had “broken cherished taboos” concerning the state’s capacity and right to intervene in the affairs of private businesses (A422/2010, GT). Gideon Rachman observed how participants at the 2010 Davos forum looked at China as “an example of the virtues of ‘state capitalism’ - in which government plays a bigger role in guiding the economy than has been fashionable in recent years” (A472/2010, GR). Also Tett assessed the

same debates on the Chinese economy and indicated that the US model of capitalism had become associated unfavourably with “laissez faire economics”. Tett cited Tony Tan from the Government of Singapore Investment group, who argued that many Asian countries were now questioning the “US and European assertions” that the best way to run an economy is a “system of free markets and minimal regulation, and large dependence on financial institutions and minimum interference by the state”. (A466/2010, GT.)

In this way, FT reporters indicated that experiences of the global financial crisis and the way it was managed had paved the way for considerable disorientation, as well as new cleavages, in Davos concerning the ideas and principles guiding the global political economy. Among the various aspects of this questioning and apparent loss of consensus identified by the FT, the doctrine and project of globalisation appeared as the most notable and often-mentioned casualty. According to these interpretations, the economic crisis prompted new evaluations about the benefits and risks of globalisation. In his 2009 outlook on the global economy, Gideon Rachman spelled out the reasons for these apparent strains on the “globalisation consensus”:

*[T]he 2009 meeting of the World Economic Forum is taking place at a time when the “globalisation consensus” is under strain as never before. The international financial crisis has directly undermined one of the central assumptions behind that consensus - the idea that international economic integration provides a path to steadily rising prosperity. Instead, at the moment, the globalisation of the economy appears to have done the opposite - spreading a dangerous economic virus around the world, and creating the threat of another global depression. (A382/2008, GR.)*

As the passage indicates, arguments about the dangers of an integrated global economy gained new credibility in the financial crisis. Similarly, Gillian Tett claimed that the crisis had demonstrated “some of the potential downsides” of globalisation (A311/2008, GT). FT reporters thus explicitly brought forward the idea that belief in global economic integration as a universally beneficial process had marked the thinking of the Davos elite. This “globalisation consensus”, as Rachman dubbed it, was now at risk because integration itself suddenly appeared as a threatening process that rendered the world and its parts more vulnerable to shocks. Globalisation was no longer seen only as something that generates growth, but also as a process that could spread a “dangerous economic virus” across the system. Moreover, FT journalists recognised that this apparent erosion of the long-standing agreement on the beneficial nature of globalisation could have major implications “for how we run our political economy” (A362/2009, GT).

If the civil society critiques of the early 2000s against the neoliberal policies of liberalisation primarily served to reinforce elite consensus on globalisation, the fallout of global financial crisis appeared to be an entirely different proposition. Rather than coming from non-elite civil society groups, this time the challenge against liberalisation appeared to emerge primarily

from within the elites themselves. The principal threat to the globalisation project was now presented in terms of the cognitive disarray and increasing doubt the elites felt towards the basic premises that had directed economic and regulatory policymaking since the end of the cold war. As such, the post-crisis disunity marked a much more serious challenge than civil society protests on the ideational and normative underpinnings of elite agency.

Not unlike the global civil society critiques, also the post-crisis challenge to globalisation prompted outspoken arguments in defence of the great liberalisation process. Gordon Brown's 2008 op-ed, already quoted in Chapter 5.2, exemplifies this apparent need to discredit doubters and re-articulate a pro-globalisation position in elite communication. Brown did this by making sweeping historical arguments about the universal economic benefits of globalisation:

*Without the globalisation we have already enjoyed, world trade would not have grown twice as fast in the past three years than it averaged in the past three decades and the price of our clothes and computers would not have halved in the past 10 years. Low inflation is the product not just of prudent macroeconomic management in the wake of oil and commodity price rises but also the downward pressure from lower prices of Asian goods. (A350/2008, GoB.)*

As the passage illustrates, Brown employed counter-factual arguments to make a case for the benefits of global economic integration and trade liberalisation. Citing recent advances in the growth in trade, falling prices of consumer goods and low inflation, Brown's account of the micro- and macroeconomic gains can also be interpreted as a form of collective self-congratulation over common achievements. In this sense, Brown expressed a sense of historical purpose in the collective actions of transnational elites: by integrating and liberating the global economy, they had made the world a better place. At the same time, as an address to the international elite community, Brown's intervention works as an expression of personal commitment and as a call for the elite to unite behind the ideal of globalisation.

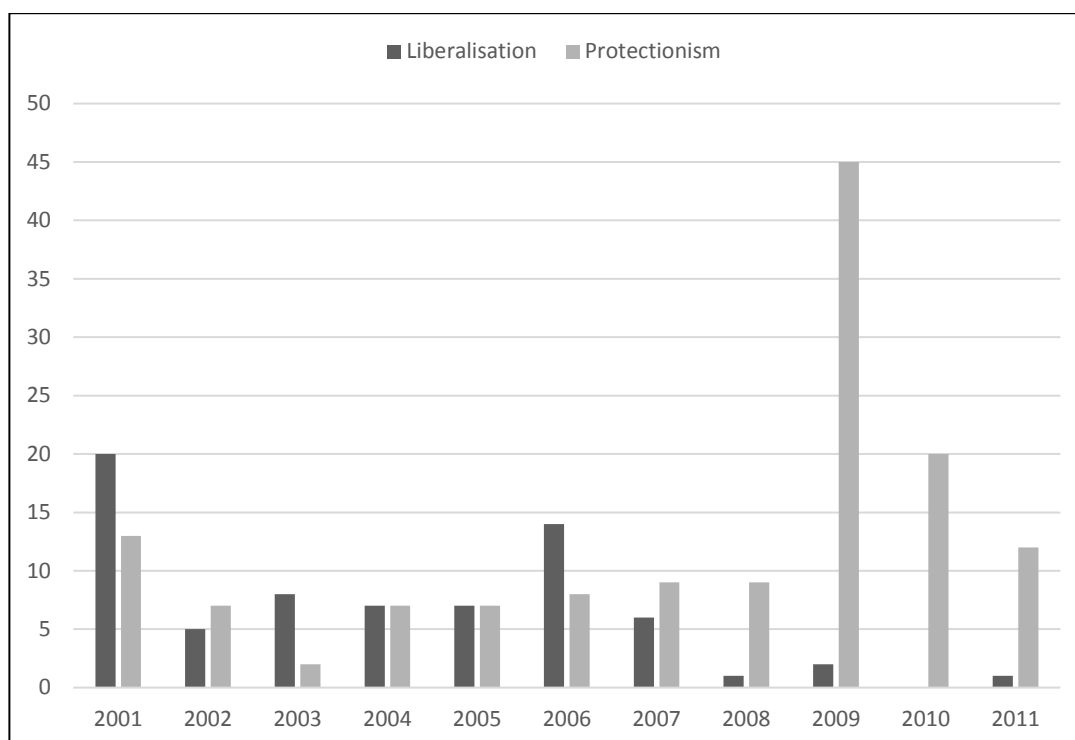
Occasional arguments in favour of further liberalisation notwithstanding, in the post-crisis debate, the defence of globalisation increasingly took the form of threat rhetoric. Accordingly, observations about eroding elite consensus on globalisation were habitually combined with warnings about its political and economic implications. The principal question obviously concerned the very fate of globalisation as a project of global market integration and liberalisation of trade. According to the dominant view, it was unclear whether governments would stick to the globalisation agenda, but the potential reversal of the trend towards greater liberalisation and integration would certainly be bad news for the global economy. In his 2009 article on the year's outlook on world trade, Alan Beattie cited bleak World Bank forecasts and speculated on the effects that the global downturn would have on governments' attitudes towards trade barriers:

*[W]ith the global economy once more plunging back into recession, the World Bank, for one, predicts that trade will contract again this year. Whether that represents a hiatus or the beginning of a full-scale retreat will depend largely on how governments react to the global slowdown. ... Governments have yet to resort to the kind of actions that helped worsen the depression of the 1930s. But with economies sinking into recession and unemployment rising, the conditions are becoming more propitious for the long-predicted protectionist wave to come. (A371/2009, AB.)*

By alluding to the depression of the 1930s Beattie emphasised the historical importance of the decisions governments were undertaking in their response to the global slowdown of the late 2000s. The ominous scenario in this regard was that leaders around the world would erect the kind of barriers on trade which “helped worsen the depression” in the past. While the risk had not yet materialised, it was apparently growing as the economic conditions deteriorated.

Beattie’s musings about the threat of a “long-predicted protectionist wave” were echoed by Quentin Peel who argued that “the protectionist backlash” represented “the greatest danger for the world in the coming years” (A323/2008, QP). Indeed, as an antithesis to the ideal of liberalisation, protectionism became a central notion in the post-crisis coverage. Figure 7.1 illustrates this marked shift in discourse: as *liberalisation* became almost non-existent in FT journalism after 2007, *protectionism* turns into something like a new buzzword, especially in the 2009 coverage. Moreover, if the notion of protectionism may seem a somewhat mild way to argue against the risks of turning away from the liberal orthodoxy, warnings ahead of the 2011 forum about a “currency war” (A499/2011, GR) and “trade wars” (A488/2011, AB) are examples of more threatening rhetoric.

Voicing threats about a potential disintegration of the global economy could be interpreted as either wildly exaggerated and out of place, or influential and even successful in convincing decision makers of the dangers inherent in a wrong path of action. As it turns out, there was no significant “protectionist backlash” against globalisation, and countries did not impose strong controls on cross-border trade and capital flows anywhere near the scope of the 1930s. Thus, while warnings continued to abound, the apparent achievement of a collective commitment by political leaders to refrain from competitive protectionist measures was also noted in FT journalism in subsequent years. Accordingly, citing a recent IMF study on the effects of recent policy measures on world trade, Alan Beattie observed that “the frothy rhetoric of protectionism and trade conflict have yet to break out into anything particularly substantive” (A488/2011, AB). In her column in the 2011 Davos guide, Christine Lagarde, France’s minister for the economy, finance and industry, presented this as a proof that “we had learned the lesson of the Great Depression” (A483/2011, CL).



**Figure 7.1** Yearly occurrences of “liberalisation”\* and “protectionism/protectionist”\*\* in the material

\*N= 71, \*\*N=137.

### Elite divides

Despite the apparently successful avoidance of a protectionist backlash in the wake of the financial crisis, references to an eroding elite consensus continued to appear in the FT in 2010 and 2011. Part of the reason is that, while the apparent loss of elite consensus on globalisation was frequently associated with the financial crisis and its disorienting impact on the ideational compass of international business leaders, politicians and officials, it was also related to a discourse about a more fundamental and long-term shift in the global political economy. Accordingly, the erosion of consensus argument was increasingly expressed within a narrative of a “global power shift”. In this account, globalisation was contributing to the rise of emerging economies, most notably China and other Asian countries, while weakening the position of western economies. The very progress of globalisation itself and its economic consequences hence emerged as a major explanatory factor when explaining the apparent loss of elite unity. In his 2010 article, Gideon Rachman articulated the power shift narrative in an illustrative manner:

*Since the end of the cold war, discussions at the World Economic Forum in Davos have followed a reliable pattern. Everybody agreed that globalisation was a jolly good thing - but it was the delegates from the US and Europe who shaped the debate. It was informally accepted that the*



*flow of ideas - as well as investment and jobs - was from west to east. The global financial crisis has changed all that. ... Struggling with bulging deficits and high unemployment - and uneasily conscious of a shift of power to the east - western leaders are questioning many of the ideas that underpinned the old Davos consensus. These days, it is the Asian nations and the big emerging economies that are most comfortable with globalisation - and it is they that are urging the westerners not to give up on free trade. (A472/2010, GR.)*

Rachman's analysis thus assessed the factors behind what he perceived as the breaking of the "old Davos consensus". Tracing the debate on globalisation back to the 1990s, he identified US and European leaders as those shaping the consensus view that liberalisation was in the benefit of all. After the financial crisis, which hit western economies the hardest, the same consensus was now being questioned by western leaders themselves. In Rachman's view, the reason for this questioning lay in the economic difficulties western leaders found their countries in, as well as in their experience of a "shift of power to the east". Conversely, as the main beneficiaries of globalisation in wake of the financial crisis, Asian elites had become the most vocal supporters of global market integration.

In this way, Rachman indicated that the aftermath of the global financial crisis had increased a sense of conflicting interests in the global economy and eroded the belief that globalisation equally benefits everyone. In his 2011 column, Martin Wolf elaborated this interpretation, arguing that there was a "new shape to the world economy": because non-western economies were not suffering from the economic hardships to the same extent as the west, the fallout of the financial crisis and the following economic downturn had led to the perception that "this is a divided world" (A489/2011, MW). FT reporters thus connected the erosion of globalisation as an orienting concept in international politics to the shifting power in the global economy. In this account, as long as the power and economic benefits kept concentrating to the west, western elites argued that globalisation provided universal benefits. It was only when economic growth concentrated outside the west that they started to lose faith in globalisation.

On the whole, the post-crisis debate on globalisation increasingly emphasised the presence of conflicting interests, as well as international and geopolitical divides. Typically, FT reporters represented these rifts as challenges to the US and European dominance in the global political economy. Thus, when Wen Jiabao and Vladimir Putin addressed the forum in 2009, the main news report of their speeches was titled "Wen and Putin criticise western leaders at Davos" (A393/2009).<sup>118</sup> In other stories, Wen was quoted blaming

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<sup>118</sup> The article itself revealed the FT reporters' somewhat blatant bias against these alleged critics of western leaders. The Chinese and Russian leaders were described "lecturing" their western counterparts "for policy failures" that led to the financial crisis. Putin reportedly

the United States for triggering the financial crisis due to its fiscal and trade deficits, as well as “high consumption based on massive borrowing” (A410/2009, LB/GD/JK/LZ). Putin was presented as calling for a new international system of international reserve currencies, which would effectively dismantle the privileged position of the US dollar as the world’s primary currency (A394/2009, AEJ/GT).

Aside from challenges to the western-led world order, however, the growing divides were reflected in warnings of a new kind of “economic nationalism” and the simultaneous disregard of the global economic interest. The notion of export-led growth was a key element in these warnings: with a sudden deep slowdown in growth and large increases in public deficits in most parts of the world, many governments were simultaneously looking to cut public investments and jump-start growth by relying on increased exports. However, the global financial crisis had disrupted the pre-crisis dynamic in the global economy in which the United States operated as the primary source of demand (see, e.g., Varoufakis 2013). In the post-crisis global economy that suffered from the lack of aggregate demand, it therefore appeared as highly problematic that many countries were simultaneously pursuing economic policies that weakened their domestic demand for imports and relied on the willingness of other countries to maintain current account deficits. Calling for “durable rebalancing of demand in the world economy”, Martin Wolf argued that “far too many countries are relying on export-led growth” and that “this is a recipe for stagnation” (A474/2010, MW). Indeed, FT reporters frequently associated the eroding globalisation consensus with mercantilist “beggar-thy-neighbour” policies in which governments, instead of working together to coordinate a new wave of investments to revive private sector growth, attempted to gain benefits at the expense of others (A395/2009, CG). Short-sighted national considerations thus trumped the global economic interest.

Aside from the perceived need to warn decision-makers of the dangers of protectionism and to defend the ideal of liberalisation, the rhetoric of a divided elite thus reflected a more general longing for transnational elite that would collectively address the common problem of lagging global growth. This ideal about a united elite that comes together to solve the problems of the global economy resulted logically from the very understanding of the nature of the global economy as an interdependent system (see Chapter 5.1). Indeed, as suggested in Chapter 6, the transnational elite as an actor identity was closely associated in FT journalism with the notion of the (global) economy. As the

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“mocked” American delegates, and Wen made “scathing comments” about the macroeconomic policies “of some unnamed countries” (A393/2009, CB/AEJ/GT/JT). The next day’s editorial continued along the same line, arguing that even as some of Putin’s observations about the risks to the global economy due to its excessive dependence on the US dollar were valid, his message “came loaded with so much anti-US bile” that the address did little to help his cause (A400/2009, Editorial).

observed allusions to Davos participants as “leaders”, “influencers” and “movers and shakers” indicated, they were often presented as decision-makers who have power to influence and direct the global political economy through engaging in, directing or regulating economic activities.

In these arguments in favour of collective action and responsibility, the Davos forum played a key role. As Rachman’s allusion to the “Davos consensus” in the quoted passage above already indicated, the forum worked in the post-crisis debate as a symbol of the leaders’ faith in globalisation against the mounting threats of disintegration. Globalisation was now referred to as “a common project” that had “brought together world leaders” (A362/2009, GR). Indeed, for Rachman the Davos forum had been instrumental in clarifying a common purpose for the elites: “big business, high finance and top politics” were brought together “to promote and celebrate the integration of the global economy ... whatever their business rivalries or political differences ... as the road to peace and prosperity” (A412/2010, GR). In this way, the notion of globalisation again served to construct the agency of transnational elites in terms of a historical purpose and to reinforce the perceived need to find common ground on global economic policies.

Overall, the narrative of the Davos consensus on globalisation can be interpreted as a reaction to the perceived threat of elite disunity and potential disintegration of the global economy into hostile blocs. However, this also meant that the immediate concern after the crisis about the need to “rethink” some of the discredited ideas and principles of liberal globalisation were set aside, and the very absence of consensus came to be seen as the primary problem. Moreover, as the protectionist instincts of politicians emerged as the principal risk to the maintenance of open borders for the flows of capital and goods, the FT’s post-crisis narrative of the threatening erosion of the globalisation consensus can be seen as an implicit expression of the interests of western banks and TNCs in preventing major shifts in global economic governance. As the threats to the globalisation consensus became articulated in terms of clashing national interests, disagreements concerning the ideological underpinnings and power imbalances in the governance of the global political economy were downplayed. In this regard, the incapacity of the FT to cover and mediate any genuine debate on how to respond to the mounting tensions caused by the perceived “power shift” in the world order is indicative of the failure of transnational elites in preventing subsequent eruptions of hostilities, particularly between the western powers and Russia in 2014 (see, e.g., Sakwa 2015).

### **The imperative of collective agency**

As discussed at this chapter’s outset, epistemic work on shared values and ideals is a key precondition of the potential of transnational elites for collective agency. One of the obvious requirements for any collective agency is that the members of the group express commitment to shared goals and know about

the commitment of others. In this regard, the Davos forum and the FT function as platforms on which business and political elites can and do negotiate shared ideals, values and objectives, including economic growth, liberalisation of markets and global integration, as well as publicly state their commitment to such objectives. In this way, FT-mediated elite communication manifests certain ideals and values that potentially justify, rationalise and sanction elite activities. In the sense that these principles shape the self-understanding of international business and political elites as actors, this reproduction or reinforcement of certain organising principles in the global political economy can itself be understood as a form of collective agency. The Davos forum and the FT, in other words, can be regarded as sites for “collective planning agency” in the sense Mitzen (2011, 61–2) uses the term in relation to global governance: elite gatherings and media are spaces in which transnational elites attempt to formulate ideas and principles according to which to steer the global economy (see Chapter 3.4). The popular notion of “policy-planning networks” in the literature of international relations and global political economy refers to this same phenomenon when characterising elite forums and clubs, including the World Economic Forum and Bilderberg. The implicit premise behind the notion is the capacity and realisation of a collective (planning) agency by members of transnational elites.

Regarding specific goals and purposes, growth appears in TEC as a highly normalised value that is inherently tied to the ontological understanding of the nature of the capitalist global economy. As a paradigmatic notion of what is desirable and thus beyond any questioning, securing economic growth operates as a central objective in judging the conduct of both business and policy-making elites. Other commitments that cannot be explicitly questioned are the cosmopolitan ideals and norms concerning internationalism, cooperation and social responsibility to address global problems. Even as doubts may often be raised whether individual business leaders and politicians, or the elite as a whole, actually conform to these values, their status as desirable goals is hardly suspect. There is both implicit and occasionally even explicit acknowledgement, however, that the cosmopolitan ideals exist in an uneasy relationship with the economic values, and they must ultimately be relegated into secondary position when confronted with the core capitalist principles of growth and profit. As a result, considerable epistemic work is needed to justify the former so that they do not conflict with the latter. At the same time, an implicit division between the “economic” concerns of capitalist accumulation, which tend to naturalise an egoistic seek for profit and growth in the name of the general benefit, and the “non-economic” concerns of human suffering and natural disasters, which call for egalitarian and morally good behaviour, serves, in a way, to keep the economic issues outside the realm of moral questions.

Liberalisation offers another example of a value-laden objective, which is subject to a fair amount of epistemic work in the FT-mediated TEC. Associated positively with economic growth, liberalisation forms, particularly in the early

2000s, the unproblematic core of the notion of globalisation as a historical purpose of elite agency. However, the second wave of the globalisation debate in the post-2007 years of the financial crisis and economic recession marks a significant shift in tone. Affirmation of the benefits of liberalisation is replaced by warnings of protectionism as the “Davos consensus” on the universal benefits of globalisation is declared to be under threat. Davos participants appear to be increasingly open to state intervention in the economy, regulation of markets, suspicious of finance, less committed to free trade, hesitant about globalisation in general, and less inclined to look up to the United States as the model of capitalism. The increased precariousness of liberalisation as a generally accepted policy objective thus becomes associated with the notion of growing international divisions. Observations of elite dissensions are complemented with warnings of economic nationalism and the consequent deterioration of the global economy. The rhetoric of the Davos consensus on globalisation thus amounts to both implicit and explicit calls for renewed elite unity and collective agency in the face of common challenges. In this way, the key ideals and values evoked in TEC become closely associated with a demand for collective agency.

## 8 CONCLUSION: TRANSNATIONAL ELITE COMMUNICATION AND THE CONTRADICTIONS OF LIBERAL INTERNATIONALISM

The growth of transnational financial and production networks has been a conspicuous feature of capitalist development after World War 2. Crucial to this economic globalisation has been the simultaneous establishment of international rules, practices and institutions to ensure a relatively stable business environment in which corporations can operate across national borders. This study has approached these parallel processes from the perspective of transnational elite formation, arguing that efforts to integrate elites across the domains of business, politics and administration are an inherent part of contemporary global governance. Moreover, within the context of the global political economy that is characterised by highly uneven power relations, transnational elite formation should be understood as an attempt of western elites, particularly those of the United States, to incorporate non-western elites into a liberal international order that is friendly to transnational business and finance.

While developing these arguments, the study has occasionally played with the idea of “a global elite”. Indeed, the main title of the study is a conscious nod to two works to which it is in great debt: Kees van der Pijl’s *The Making of an Atlantic Ruling Class* (2012/1984) and Leo Panitch and Sam Gindin’s *The Making of Global Capitalism* (2012). In his work, van der Pijl traces the influence of trans-Atlantic business and policy circles in shaping national economic and foreign policies in the United States and European countries towards greater Atlantic integration during the twentieth century. Panitch and Gindin, in turn, provide a detailed account of US economic and foreign policy-making that contributed to global economic integration since World War 2. As an adaptation of the titles of these two major works, this study employs the notion of the “making of” as a reference to both intentional efforts and inadvertent outcomes, facilitated by specific institutions and exclusive public spaces, that potentially pave the way towards greater transnational elite integration.

In this regard, the notion of a global elite represents a vision, or the hypothetical end-point, of these integrative efforts and processes. It is an integrated elite comprising the most powerful decision-makers in the global political economy, capable of acting in unison and guiding their institutions in a coordinated fashion towards common goals. Obviously, a global elite of this kind exists only as a myth or, indeed, as a conspiracy theory. However, acknowledging this should not blind us to the actual processes and institutions that work towards this goal. They should be perceived precisely as efforts to

mitigate inter-elite rivalries and conflicts and as attempts to guide transnational elites towards as much coordination and action on the basis of shared interests as possible.

Where the study hopes to contribute to existing work on the international political processes of globalisation is its focus on the way particular, exclusive forms of communication and media bring together business and policy-making elites, creating spaces for them to network, interact, develop common understandings of reality, share ideas about public policies and negotiate differences between competing interests. There has been an increase in recent decades in the number of policy-planning groups, think tanks, clubs, conferences and retreats that bring together corporate executives, political leaders and international officials and facilitate debates on matters of the global economy. In addition to such exclusive meeting places, there is a variety of international media outlets and publications targeting these elite groups. The study has defined these institutions and processes as *transnational elite communication* (TEC), referring to the interpersonal and mediated forms of interaction in which members of transnational elites address each other on issues of common concern. With specific focus on the World Economic Forum and the *Financial Times* as forms of TEC, the work operates as an inquiry into its relevance for transnational elite formation.

In probing into the nature and significance of TEC, the study has been informed by work done in multiple disciplines. Theoretically, however, it has drawn especially from three research areas: elite studies, global political economy, and communication and media studies. First, elite studies have provided important insights into the nature and formation of elites. In this regard, the study has been influenced particularly by C. Wright Mills (1956), whose notion of the power elite points to the institutional, cultural, social and historical conditions which may contribute to concentration of political and economic power and to the formation of an increasingly integrated elite. Second, scholarship on global political economy has provided this study with a historical framework to understand the broad socio-economic and institutional context in which contemporary elite formation takes place. In addition to the work of van der Pijl, Panitch and Gindin, the study has outlined the evolution of the global political economy after World War 2 with the help of the works by Ellen Meiksins Wood (2003), Colin Crouch (2011), Bob Jessop (2002), Leslie Sklair (2001), William Robinson (2004), David Held and Anthony McGrew (2002), and others. Based on this literature, the postwar global political economy has been characterised by the US-led drive towards increasing market integration. US and western power has also shaped the institutions and practices of global economic governance, designed to facilitate the world-wide liberalisation of markets.

Third, the perspective of communication and media studies has motivated the analysis of the role of communicative practices, the media, and the public sphere in the processes of global governance and transnational elite formation. Here the work has drawn on research concerning international elite

clubs and forums (e.g., Gill 1990; Pigman 2005; Richardson et al. 2011; Tsingou 2015) and international business journalism (e.g., Allen and Savigny 2012; Davis 2000; 2010; Grünberg and Pallas 2013; Kantola 2007; Madrick 2002; Merrill 2012). But it is most indebted to the work of Habermas (1989), Eley (1992) and others on the formation of the bourgeois public sphere. Adopting their insights into the significance of associational life and particular discursive practices on the historical rise of the bourgeoisie, the study addresses public forms of association and communication as essential elements in the potential self-organisation of transnational elites. The next section sums up the principal findings of the theoretical exploration into the nature of transnational elite integration and the significance of TEC.

## **8.1 Transnational elite integration and communication**

As pointed out in Chapter 1, the notion of the elite typically refers to the concentration of political power in society to a relatively small number of individuals. An institutional view of elites, moreover, understands the concentration of power in terms of organisational positions that grant individuals in key decision-making positions considerable institutional power. Accordingly, the notion of the transnational elite refers to the concentration of power in the global political economy to a relatively small number of strategically-positioned individuals in organisations that have the capacity to wield power transnationally if not globally and have access to the processes of global economy governance. In this regard, particularly large TNCs and major states can be identified as places to look for transnational elites. Chapter 3 suggested that their growing power and integration after World War 2 has resulted from major transformations in the global economy and developments in transnational elite interaction. These can be summarised in terms of US-led globalisation and financialization, and in terms of the increasingly close interaction between TNCs, governments, central banks and inter-governmental organisations in the management of economic activities.

First, emerging from World War 2 as the world's most formidable economic, political and military power, the US state and corporate elites cohered, to a significant degree, behind a long-term foreign policy objective of liberal internationalism. As observed in Chapter 3.1, this involved the promotion of policies in the rest of the capitalist world that advanced the liberalisation of markets. With the successful incorporation of most of the countries and regions into the liberal economic order, these processes of US-led globalisation and financialization have paved the way to an increasingly integrated global economy and the rise of institutions whose operations and outlooks are increasingly global. Most notably, globalisation and financialization have increased the power of large, market-dominating TNCs in the past four decades. In addition to their capacity to direct markets and productive processes, large TNCs also increasingly exert political influence to



shape the legislative and regulative environment in their favour. The political influence of large TNCs takes a variety of forms from lobbying and political campaign financing to establishing industry groups and think tanks or financing research.

Second, the postwar period has seen an increase in the number of institutions and organisations for the international coordination of state functions needed for the facilitation of transnational business. As discussed in Chapter 3.2, this field of global economic governance brings together government leaders, central bankers and IGO directors with executives of large banks and TNCs and institutional investors. This is a complex field, involving multiple processes of planning, negotiation, coordination and decision-making with the intention of setting standards and regulating economic activities. Global economic governance is not typically based on international laws and binding agreements but on voluntarism. It is characterised by informal exchanges, coordination and collaboration. Governance can thus be understood as practices of coordinating actions among willing participants on the basis of norms, informal agreements and shared premises.

Dependent on practices of negotiation and establishment of common perceptions, successful global economic governance is thus highly dependent on transnational elite integration across the domains of business, politics and administration, as well as across the boundaries of nation-states. A consequential mechanism, especially for the former dimension of integration, has been the “revolving door” that moves individuals back and forth between positions in the public and the private sector (see Chapter 1.2). The revolving door is significant because of its cultural effect: it increasingly eradicates the boundaries between the “private” and “public” roles of elite individuals and effectively unifies the social outlooks of individuals moving between these social domains. But the integration has also been advanced by the multiplication of exclusive communicative spaces, including associations, forums and media, targeting the international business and policy-making elites, which were introduced in Chapter 2.

TEC can be regarded as an essential part of the solution to the problem of the governance of the global economy. As discussed in Chapter 3.3, the forums and media of TEC have emerged partly in response to the needs to facilitate improved coordination of activities for the governance of the global economy. In this regard, a notable trait of elite associations, forums and exclusive media outlets, is their capacity to facilitate “public” deliberation in a “private” space: transnational elites come together in these highly exclusive spaces to discuss matters of public interest. Both the forums and the international elite media operate as platforms of communication that serve to establish a common agenda on global governance. Elite forums and media are spaces in which elites negotiate and develop shared views, which can then form the basis for multilateral agreements.

TEC is an important domain of what can be understood as structural or ideological power in the global political economy (see Chapter 3.4). Insofar as global governance is about “offering attractive new ideas, formulating new strategies, and persuading people of the importance of new social goals” (Avant et al. 2010, 9), power in the global political economy has an important communicative dimension. Ideology, in the sense of a cognitive map that informs agency, entails both ontological beliefs about the nature of reality and normative ideas, values and principles. TEC, in other words, shapes the discursive forces that guide the activities and decision-making of elite groups. As an ideological practice, TEC also contributes to the capacity of political and business leaders to maintain their financial, productive and military forms of power at national and global levels.

Finally, as discussed in Chapter 3.5, TEC contributes to a sense of fraternity and group consciousness among its participants. In this regard, elite media, forums and forms of public life may operate as powerful vehicles for the self-organising of transnational elites. The popularity of the clubs and associations bringing together corporate leaders and policymakers on an international basis suggest that there is broad recognition among elites about the need to transcend national interests and narrow industry-specific outlooks in order to articulate common goals. The physical and mediated spaces of TEC can hence be understood as building blocks of a public sphere for the making of a transnational elite as a collective agent. However, there are obvious difficulties in such attempts to incorporate elites behind a common political project. As the history of international elite forums and media after World War 2 indicates, the US and European elite networks have traditionally led these efforts and attempted to include and co-opt non-western elites. This inevitably tends to increase the heterogeneity of participants, and their sense of diverging economic interests, political orientations and cultural perspectives may easily start to erode the sense of commonality and solidarity among elites. As a result, there is an obvious tension between the dual objectives of transnational elite integration of trying to simultaneously promote group cohesion and to incorporate new elements.

In sum, the interest of the study in the FT and the World Economic Forum has been informed by the assumption that at stake in these forms of TEC is the “making of a global elite”, to be understood as an intentional, ongoing and indeterminable process of advancing transnational elite integration and collective agency across the domains of international business, policy and administration. In these exclusive communicative spaces, a global elite potentially organises itself by formulating shared policy agendas and constructing a self-conception of itself as a historical agent. The starting-point thus emphasises the culturally-constructed nature of agency, where world-cultural beliefs and conventions normalise, legitimise and guide collective agency (Hopf 2009; Meyer and Jepperson 2000). In the latter part of the study, the empirical analysis of TEC focused on some of the central ideational, or “epistemic” foundations of elite integration and agency: the negotiation

over and establishment of a shared ontology, actor identities, and values and ideals. In the following section, I briefly review and discuss some of the principal findings of the analysis.

## 8.2 Elite ontology, identity and social purpose

The qualitative analysis concentrated on the FT coverage of the World Economic Forum's Davos meetings from 2001 to 2011. As discussed in Chapter 4, international elite media and journalism are an interesting object of study when inquiring into the ideational dimension of elite formation for being part of the everyday sense-making environment of transnational elites. Media outlets and publications reinforce the presence and legitimacy of certain ideas and beliefs in the public sphere, and they facilitate the creation of an imagined community of their readers and audiences. In this regard, the FT is an important space for facilitating inter-elite communication among the international business and political elites and bringing their attention to issues of common concern. Thanks to its international reach, the FT not only advances the transnational dissemination of common concepts and frames of reference on the issues of global economy and politics but also brings together an imagined elite community of business professionals, politicians and officials across national borders.

To observe how FT journalism may advance elite integration, the study adopted the sociological perspective of discursive institutionalism, and drew particularly on the notion of *epistemic work* (Alasuutari and Qadir 2014), which refers to the discursive means by which actors come to shared understandings concerning available policy alternatives, courses of action and themselves as agents in the social world (see Chapter 4.2). Alasuutari and Qadir (2014) distinguish between three dimensions or "objects" of such epistemic work: ontological premises, actor identifications, and norms and ideals. These three interconnected and partly overlapping objects of epistemic work can also be considered integral elements in enabling and guiding transnational elite agency. Accordingly, the aim of the analysis was to observe how FT journalism mediated and shaped TEC on the ontological understandings concerning social reality, on the self-perceptions of transnational elites as social agents, and on the values, ideals and social purposes that should guide elite agency. In the kind of political communication that is customary to the Davos forum debates and the FT journalism that covers them, epistemic work takes place around various concrete issues that the corporate leaders and political decision-makers are addressing at the time. Correspondingly, the analysis focused on certain prevalent issues and topics as they emerged out of the overall material (see Table 4.2 in Chapter 4 for an overview of the main topics of coverage): debates on the global economy and financial markets informed epistemic work on ontological premises; representations of the Davos community highlighted

epistemic work on the transnational elite as an actor identity; and the prevalent topic of globalisation was key in motivating epistemic work on values and ideals. The main findings concerning these three objects of epistemic work are addressed one at a time in the following paragraphs. Subsequently, brief remarks about the observed impact of the financial crisis of 2007–9 on TEC draw the section to a close.

(1) First, economic developments and the state of the global economy as a whole had an overwhelming presence in the FT reports from Davos. In Chapter 5, these debates informed the analysis on the articulation of a social ontology around “the global economy” as a discursively constructed social domain and object of governance (Jessop 2002; Jessop and Oosterlynck 2008; Mitchell 1998). The notion of the economy, of course, has long historical presence and importance in the public sphere (Habermas 1989; Postone 1992; Taylor 2004). Yet, whereas the early bourgeois public sphere was organised around the dichotomies of state/economy and state/civil society in an essentially national context, the processes of globalisation and the concurrent concentration of capital on national and transnational levels may have dramatically shaken these fundamentals. As argued in Chapter 3, the period of increasingly globalised capitalism has prompted the establishment of transnational forums and media with the intention of facilitating sense-making and action on the premise of an interconnected and inter-dependent global political economy. Accordingly, if the contemporary phase of capitalism renders it ever more important to think of and act on the premise of a “global economy”, epistemic work on the ontology of this social domain is of great ideological importance; it is a crucial ideational element, or social imaginary, around which TEC is established (cf. Grossberg 2010, 109–10; Massey 1988; Ruccio 2008).

The analysis concluded that, in TEC, the global economy is articulated both in terms of an autonomous, if complex and interdependent, system and as a socially-embedded domain of social agency which conforms to political (i.e. human) interventions and changes in collective psychology. What is notable here is that TEC on the global economy does not seem to reproduce a stark dichotomy between the state and the economy as mutually hostile domains; instead, the monitoring of and intervention in the markets by governments and state agencies is considered an essential precondition for a thriving and stable global economy. Consequently, insofar as transnational elites organise themselves through the discursive practices of the public sphere, this takes place not so much in opposition to or defence against the interventions of a political authority but in order to manage and shape the global political economy in public-private partnership.

Another notable feature in the analysed articulations of the global economy was the prevalence of a sense of uncertainty. Discourses on the global economy were clouded by almost constant alarms, risks and threats, whether in the form of market failures and shocks or resulting from political shifts and

international conflicts. In a broad sense, the discourse of uncertainty can be understood as a logical expression of the future-oriented disposition of elites who operate in a capitalist money economy that is characterised by fundamental uncertainty (see, e.g., Davidson 2009, 32–3). Alternatively, we can interpret it as an expression of what Martha Starr (2004) describes as the existential anxiousness of transnational elites, uncertain about their fate as a group and as individuals. But the discourse also reflects and reproduces more political concerns in the early 2000s about the sustainability of the current world economic and institutional order and about the wisdom of the dominant policy model of the past three decades or so. In addition, it is a discourse about uncontrollability, articulating an experience that little can be done to correct various threatening developments in the global economy. There is a sense, in other words, that global economic governance is failing in the absence of adequate institutions or political will and capacity. As also suggested by Richardson and colleagues (2011, 57–8), such perceptions of the chaotic complexity and ungovernability of the world are recurrent themes in western elite discourse (see also Naím 2013).

Moreover, as observed in Chapter 5.2, financial markets occupied a central place in the ontology of the economy, particularly during and after the financial crisis of 2007–9. The analysis distinguished three prevalent discourses about the role of finance in the global economy: the functional finance discourse emphasising financial markets as the drivers of growth and necessary source of credit; the disciplinary finance discourse claiming that all economic agents and economies are dependent on and disciplined by the financial markets; and the destabilising finance discourse warning about the threats financial markets pose to individual economies and the global economy as a whole. While the financial crisis prompted vocal attacks in TEC on bankers, denunciations about the deficiencies of the financial system, and heightened awareness about the power and responsibilities of the states as the ultimate guarantors and supervisors of financial markets, the crisis debate did not produce a radical shift in the underlying discourses about finance. What survived the crisis, in other words, was the already thoroughly financialised ontology that perceives finance as a functional element in the global economy, highlights the role of banks and investors as its primary drivers, and posits that all agents in the economy are dependent on credit, which it assumes to be a limited resource. Such dominant forms of sense-making in TEC may partly explain why governments pursued the kind of crisis policies they claimed were necessary for the global economy: saving the financial institutions while imposing debt discipline on the public sector (cf. Konings 2016).

(2) Second, the public practices of integrating transnational elites necessarily involve the development and articulation of a shared subject position, or a collective actor identity. If the economic imaginary tends to operate as an “objectifying picture of social reality” (Taylor 2004, 77), epistemic work on actor identities can be seen as a mobilising effort against an

agentless economic ontology. Chapter 6 concentrated specifically on the discursive reproduction of the transnational elite as a collective actor. Part of this work was performed by the elites themselves: the analysis started by observing how Davos forum participants occasionally employed “we” rhetoric when addressing themselves as peers (see Chapter 6.1). But a more significant element in the reproduction of an elite identity were the various representational and discursive practices of FT journalists when describing the forum and its participants. Chapter 6.2 examined how FT journalism normalised the transnational power of the Davos attendees by frequently referring to their leadership, influence, wealth and even status as the global elite. Reporters also normalised the collective actorhood of the forum attendees by evoking the figure of the Davos Man. Employing the moniker was the most conspicuous discursive practice through which FT journalists attributed the forum participants with common characteristics and shared ideas, thoughts, views, moods and even collective actions. It also worked as a way to attribute the transnational elites with collective responsibility over global economic governance: the journalistic critiques of the Davos forum participants often implied that, as the most powerful agents in international politics and business, they were to blame for economic problems in general and market failures in particular.

This paradigmatic and less conscious articulation of the Davos elite as a collective agent was complemented by the more explicit labelling practices and characterisations which helped to define an elite individual as an actor. In this respect, the Davos forum and its participants could be regarded as a representative group in TEC for a broader transnational elite identity. An examination in Chapter 6.2 of how FT journalism in its editorials and commentary distanced itself from the foreign policies of the Bush administration, and its war on terrorism in particular, indicated that the transnational elite was defined in FT-mediated TEC in terms of a liberal-internationalist and multilateral outlook that an individual needs to share in order to qualify as a member of the club. Moreover, an analysis in Chapter 6.3 of the impact of the civil society protests against neoliberal globalisation and its central institutions on TEC in the early 2000s indicated that the global justice movement, for a period of time, played an important role as the transnational elites’ “significant other”, helping to identify, defend and legitimise a transnational elite community and separate it from the non-elites. In the civil society movement, the transnational elites were confronted by negative perceptions of their role in societal development. Yet in the ensuing public confrontation, as it was reconstructed by FT journalism, elites redefined themselves as positively distinct from protest movements and protesting publics in terms of promoting more deliberative and “responsible” forms of debate and action. In this way, “responsibility” acquired a positive meaning, in contrast to the debates on economic governance. Even though market failures and corporate scandals continued to cast doubts on the capabilities and character virtues of elites, “power with responsibility” turned into a source

of positive self-identity in the elite's confrontation with the critical civil society. In TEC, elites seemed to make the distinction between themselves and the protest movements largely in these terms: the protesters neither have power nor responsibility; whereas the elite have both.

The observation of the epistemic work on actor identities concluded in Chapter 6.4 with an analysis of the FT as a medium that offers its readers a certain subject position. Focusing on how FT reporting worked as an intermediary that established a pseudo-interaction between its readership and the Davos elite it reported on during the World Economic Forums, the analysis observed the journalistic practices of creating both distance and familiarity with its objects of coverage. On the one hand, the reporters often employed irony and sarcasm to present the forum and its participants (either individually or collectively) in a somewhat dubious light, thereby inviting the readers to adopt an attitude of critical scrutiny with regard to Davos delegates. On the other hand, FT journalists did not even come close to denouncing the Davos forum from a political anti-elite perspective. If anything, the irony and light-hearted sarcasm operated to knock Davos participants of their purported pedestal of virtuous superiority and invited the readership to treat them as equals. Overall, FT reporters thus mostly enabled their readers to positively identify with Davos participants, hence promoting the adoption of a transnational elite actor identity.

(3) Third, promoting identification with the transnational elite and commitment to collective agency is closely associated with establishing specific values and ideals that give a sense of purpose and legitimacy to these actors. Part of the positive self-identification of transnational elites is that they see themselves not on an entirely selfish mission: corporate leaders, for instance, may be convinced that their products and services are making the world a better place, or more generally that capitalism is a liberating force in the world (Freeland 2012, 55–6, 71–2). In addition, they tend to be increasingly involved in laudable social causes through, for instance, philanthropy. As manifest in the World Economic Forum's slogan, "Committed to improving the state of the world", elites need to perceive themselves as serving a greater good, operating in the interests of humanity as a whole (Richardson et al. 2011, 74–5). Connecting certain ideals and values to the actor identity, a sense of "social purpose" enhances the appeal of perceiving oneself as transnational elite and, consequently, the elites' capacity for collective elite agency.

Epistemic work in TEC thus also concerns the formulation of and negotiation on values and ideals that articulate ideas about what the transnational elite is for in world society. Chapter 7 observed the prevalence of the notion of *growth* and the rhetorical power of *freedom* in TEC and argued that these two values were articulated with the general social purposes of *liberalisation* and *globalisation*. Growth in terms of capitalist accumulation was positively associated with the general welfare of world society and

emerged as a fundamental imperative for both corporate elites and policymakers (see Chapter 7.1). The globalisation of business via the liberalisation of markets, in turn, appeared as the primary activity through which the elites answer to this call as the principal agents and enablers of growth. Chapter 7.2 took a close look at how FT reporters defined globalisation both as a historical phenomenon and as a political choice, and how they defended it against the political critiques of the global justice movement by associating globalisation positively with growth, reduction of global poverty and the universal interest. The analysis indicated that, in FT-mediated TEC, globalisation became discursively constructed as perhaps the most important political objective of the early 21st century, and as such the notion can be understood as the contemporary expression of liberal internationalism as a historical project which gives the transnational elites their *raison d'être*.

As both an economic and political project that generates growth, lifts people out of poverty, increases general welfare and extends economic freedom, globalisation is a central idea motivating and legitimising the agency of transnational elites. Yet the pursuit of profit, growth and other purely “economic” goals, even as they can be associated with the general good, does not exhaust the social commitments that are formulated and disseminated in TEC. As Chapter 7.2 indicated, cosmopolitan values of human rights and democracy, as well as the ideals of internationalism, multilateralism and social responsibility, inform transnational elite agency, even as they, to differing degree, exist in a tense relationship with the more paradigmatic values and ideals of growth and liberalisation. In these cosmopolitan ideals, we can witness how the elite agenda partly echoes the concerns of the global civil society: poverty, climate change, illnesses, corporate power and social justice. Indeed, while highly exclusive, TEC should not be seen as insulated from the broader culture in which it is embedded (cf. Kramer 1992, 245–7). The increasing need to address social concerns in TEC can hence be interpreted as a sign of the impact that civil society movements have in the transnational public sphere, broadening its agenda from the one dominated by the narrow economic interests of corporate elites and forcing the elites to address such issues when claiming to represent the common interest of humanity.<sup>119</sup> On the whole, however, cosmopolitan ideals appear to be secondary in relation to what might be termed as the paradigmatic values of TEC: securing growth and integrating the global economy through liberalisation. Transnational elite agency is mainly articulated in liberal-internationalist terms of growth and

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<sup>119</sup> In a similar manner, van der Pijl (1998, 134–5) makes note of a subtle agenda shift at the World Economic Forum after the mid-1990s towards addressing concerns about the dangers of “unregulated market capitalism” and issues of inequality and social responsibility associated with economic globalisation, indicating how transnational elites constantly adjust to the changes in their operational environment and the rise of challenging forces from the civil society.



globalisation, granting it a positive historical purpose, and other societal commitments exist in a complementary, if at times delicate, relationship with these paradigmatic ideas.

(4) Fourth, and finally, as the deepest market failure in western countries since the 1929 crash, the financial crisis of 2007–9 had a notable impact on TEC. Even as it did relatively little in terms of shifting the debate on the financial markets themselves, as noted above, in certain other respects it operated as an identifiable turning point in FT's epistemic work on ontological premises, actor identities, and values and ideals. Regarding the ontology, the crisis itself certainly tended to emphasise the interconnectedness of the global economy and thus to reinforce previous beliefs about the interdependent fates of economies. However, as the aftermath of the crisis was characterised by uneven economic development in which “emerging economies” continued to achieve high rates of growth whereas western economies faltered, TEC on the global economy increasingly emphasised the diverging fortunes of economies. Instead of integrating economies, dynamics in the global economy were now seen to be leading to an increasingly “divided world”, as observed in Chapter 5.1.

The same division was reflected in the epistemic work on actor identities. Chapter 6.2 observed how FT journalism established fault-lines especially between the Americans and Europeans, between the Chinese and Americans and between the west and the rest, and how these divides linked to perceptions of inequalities and hierarchies within the Davos community. Global economic integration, in other words, does not render nations, or national identities, irrelevant in the sense-making of elites. The same goes for the boundaries that continue to separate corporate leaders and bankers from politicians and regulators. The financial crisis, prompting various policy struggles over the regulation of finance and disagreements over monetary and fiscal policy, only heightened the recognition of separate, and often antagonistic, groups among elites. In this regard, the crisis seems to have reinforced the rhetoric of elite rifts and divides and weakened the capacity of the transnational elite to operate as unifying actor identity capable of bringing elites together.

The perception of elite divides also affected the epistemic work on common values and ideals, turning globalisation into an important site of ideological contestation. As observed in Chapter 7.3, the “Davos consensus” on globalisation was declared to be under threat by FT reporters as elites appeared to be increasingly divided on the universal benefits of liberalisation in the wake of the financial crisis. These recurrent observations about the loss of faith in globalisation, purportedly part of the more general cognitive and ideological disorientation among elites caused by the severity of the financial crisis, can be read both as a rather straightforward economic policy argument and as more general expression of concern about growing rifts among transnational elites. On the one hand, the rhetoric of the decaying globalisation consensus was connected to warnings about protectionism,

currency wars and mercantilist growth strategies and hence amounted to a claim that a wrong-minded policy reaction by governments to the market failure would have dramatic economic consequences and risk a full-blown global depression. On the other hand, claims about the loss of consensus were closely connected to views about western decline and the rise of emerging economies and thus to the “divide” between western countries and rising powers. They hence expressed broader concerns about the capacity of elites to find common causes and act together in the general interest of the global economy. The crisis, in other words, was an important event that prompted the need to articulate, more forcefully than before, values and ideals that should unite elites. In this regard, the historical globalisation consensus worked as a mythical reference point that underlined the importance of collective agency of transnational elites in global economic governance.

Overall, as the analysis of FT journalism over a period of eleven years indicates, epistemic work for advancing transnational elite integration and collective agency is an ongoing and contradictory process that takes place in contingent circumstances and in relation to world events outside the forums and media of TEC. Transnational elite identity, for instance, seems to be strengthened during the height of the critical globalisation movement as a common adversary brings the transnational elite together, sharpens its contours as a group and reinforces its collective character. After the protest movement loses its impetus and largely disappears from the international mediascape, also the transnational elite loses some of its suggestive force and capacity to give meaning to elite agency. Similarly, epistemic work on the ontology of the global economy is obviously affected by what happens in the “reality” of the global political economy. The rapid growth rates in the mid-2000s encourage discourses of a global economy that is ever more closely integrated and functioning as a whole, whereas the post-crisis period of highly uneven growth rates between regions prompts ideas about a divided world of declining and emerging economies. Finally, the formation of a common social purpose or political project is a contingent process as shifts in the global economy shape the actors’ perceptions of their objectives and interests. An apparent consensus on the liberal-internationalist agenda prevails through the early 2000s as a guiding rationale for elite agency. Yet after the crisis, belief in the universal benefits of globalisation appears to be waning and, as the lowest common denominator, fails to prevent rifts from deepening between elites. As a sign of the failure of TEC to inspire collective agency towards common objectives, a sense of growing interest conflicts seems to be growing in the post-financial crisis global economy.

### **8.3 Epistemic work, TEC and transnational elite integration**

Having summarised some of the main findings of the empirical analysis, let us return to the original research problem that motivated the study; the question concerning the integration of transnational elites and their capacity for collective agency. Focusing on transnational elite communication, as it was mediated and organised in the FT reporting on the World Economic Forums from 2001 to 2011, the empirical analysis was based on the premise that public epistemic work in international elite forums and media facilitate the cooperation, coordination and the development of perceptions of shared interests and objectives among political leaders, corporate executives and international officials and professionals. In light of the preceding discussion, then, the big question is: was the first decade of the twenty-first century a period of intensifying integration and collective agency of transnational elites?

In some ways, it certainly seems so. In one of the big narratives of the decade, China, India and other non-western economies became increasingly integrated into the transnational circuits of capital, and the global financial crisis gave further impetus to their progressive incorporation into the pre-existing institutional arrangements of Western-led global economic governance (Beeson and Bell 2009; Cammack 2012; Wade 2011). In historical terms, we may hence speak of the emergence, in the past few decades, of an elite that is increasingly integrated on a global scope and which has found a common purpose in the endless quest for profit and growth and in the extension of capitalist market relations around the world. These developments are reflected in the elites' epistemic work: "emerging markets" are included in the ontology of the global economy as systemically important parts of an interdependent whole (Chapter 5.1); non-western business and policy representatives at the Davos forum are recognised as part of the community and BRIC-country leaders are among its most noteworthy representatives (Chapter 6.2); and the high growth rates around the world help legitimise the advancing global integration as a universal interest (Chapter 7.2).

From this perspective, the epistemic work in international elite forums and media facilitates the incorporation of non-western corporations into global capital and productive networks, non-western states into the global economic governance apparatus and non-western elites into the institutions and culture of the transnational elite. In what can be seen as one of its major successes in inspiring collective agency, major economies did not react to the global financial crisis and the subsequent recession by erecting barriers to cross-border trade and investments (Cooper 2010, 755). Indeed, the transnational appeal of the ontological understanding of an interdependent global economy, of the actor identity of transnational elites as its principal agents, managers and guardians, and of liberalisation as a shared interest can be witnessed in the public recognition of collective responsibility by the G20 over the financial system and the global economy in and after the global

financial crisis (see Cammack 2012; Helleiner and Pagliari 2009, 275–6; Lannoo 2014; Wade 2011, 357–8).

On the other hand, the inability of governments in the aftermath of the crisis to agree on coordinated fiscal and monetary policy measures in order to return the global economy into pre-crisis rates of growth indicates that a shared commitment to an integrated global economy is not enough to prevent major cleavages from opening on other fronts. Both European and many non-western governments have engaged in a series of mercantilist economic policy measures designed to boost exports at the expense of others with harmful implications for overall global economic growth (see, e.g., Stephen 2014; Varoufakis 2013). As a result, the growth of the global economy remains anaemic, geopolitical tensions are on the rise, and there are few signs of collective efforts to address these systemic problems. In light of these current deadlocks in global economic governance, the 2000s may be characterised as a decade of growing contradictions of global capitalism, including the build-up of vast trade imbalances, financial instability, economic inequality, credit-led consumption and environmental disaster during the boom years (see, e.g., Streeck 2011; 2014), with a general inability to address them collectively. Even as the financial crisis prompts concerted action to shore up the banking sector and to prevent a repeat of the Great Depression of the 1930s, elites seem to be incapable of rising above narrow sectoral or national interests to work collectively on these broader systemic problems.

In this respect, an important aspect in the elites' epistemic work, one that the analysis was not able to give due attention, is the conceived "power shift" in the global political economy during the 2000s. As discussed in Chapter 6.2, this rhetoric about the relative decline of the United States and Europe and the simultaneous rise of China and other "emerging economies", involves the representation of hierarchies and divisions within the transnational elite community. But more importantly, it reflects the persistent influence in TEC of the inter-nationalist, as opposed to globalist, social ontology of a world divided into competing camps (see Alasuutari and Qadir 2016, 11–3). China's rise is relative to the ostensible US decline and made sense of in terms of China's rapid economic growth, huge dollar reserves, ascendance to G20 and other international forums, and a newly assertive international diplomacy (Cooper 2010, 745–6; Rothkopf 2012, 9; see also Nederveen Pieterse 2009). In this way, elites continue to make sense of the world in terms of competing national states and blocs in which power is not only unevenly distributed but also a zero-sum game. Far from building on an apolitical imaginary of a global marketplace of transactions between equals, the epistemic work in the FT-mediated TEC is thus notable for its reproduction of national identities, interests and rivalries.

The analysis also gave another indication of the weakening of a shared elite identity. After the demise of the global justice movement – and the partial incorporation of its agenda as well as representatives of CSOs into the Davos forum – TEC lost an important identity-building element: the juxtaposition

between the Davos elite and the global civil society. When the conflict between the Davos forum and social movements waned after the early 2000s, the transnational elite lost their “significant other” which for a time seemed to reinforce their sense of belonging to a distinct group and hence formed a crucial component of the elite’s collective identity. Without a clear rival group in world society, the transnational elite seemed to lose some of its force as an identifiable form of collective agency. However, the rise of far-right movements and anti-liberal politicians in the post-financial crisis period – recently culminating in the Brexit vote and the election of Trump – may well alter the situation. In nationalist populism, the Davos elite can again confront a growing political and world-societal force which not only rejects their ideas and values but sets itself explicitly against the elite. This juxtaposition may well revitalise the discursive construction of the transnational elite in TEC as a positive self-identity. In addition, a common cause of fighting the emergent anti-globalisation movement as the new “evil” in world society may again remind transnational elites of the interests that unite them as opposed to those that pull them apart.

### **Inter-elite struggles and epistemic work**

Overall, then, epistemic work for collective agency in transnational elite forums and media cannot be understood without taking into account the broader social relations of power in which these interactions take place.<sup>120</sup> Transnational elite agency in a cooperative and collective manner requires that elites transcend their immediate particular interests – organisational, sector-

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<sup>120</sup> Here this work’s approach diverges to some extent from the way Alasuutari and Qadir (2014) associate epistemic work with the notion of epistemic governance. Grounded in a Foucauldian conception of power, the governance approach rejects “that there is a particular elite group or centre of power” which is able to “make us perceive the world in a suitable way” (Alasuutari and Qadir 2016, 4). Instead, Alasuutari and Qadir (ibid., 4–5) point out that all actors are involved in epistemic work and try to act upon the conceptions they construct of the social world. The view adopted in this study is certainly compatible with the argument that all actors are involved in epistemic work and act upon their personally or institutionally constructed perceptions of reality, of themselves and of the beliefs of what is desirable. However, being motivated by elite-theoretical assumptions and global-political-economic considerations, this work also posits that the world-cultural ideas that enable and govern this epistemic work are historically rooted and that certain elites and institutions are more powerful than others in shaping them. TEC and the transnational elite public sphere are institutionally structured, and the power for the public epistemic work in these forums and media is not equally shared between the participants. As a result, certain conceptions of reality, actor identities and values and ideals gain prominence at the expense of others in the transnational elites’ public epistemic work. This structural power over the exchange of ideas may also facilitate the formation of consensus and perceptions of common interest.

specific or national – and articulate general interests in terms that they believe serve also their particular interests in the longer term (see Eley 1992, 302–3; van der Pijl 1998, 4). However, recognition of common interests does not necessarily arise from enlightened deliberation, and it often takes a hegemonic power to unite elites behind particular political objectives (Richardson et al, 2011, 100; van der Pijl 1998, 5). As discussed in Chapter 3, there are two notable centres of power that have driven and set the terms for transnational elite integration in the postwar era: the US state and the transnationally-oriented western banks and corporations. Liberal internationalism has been the key ideological pillar behind this project.

In this regard, the notion of globalisation in TEC can be perceived as an example of what van der Pijl (1998, 4) calls “concepts of control”, referring to abstract ideas that encapsulate a set of social and economic policies and corresponding beliefs about what is in the general interest. Historically, concepts of control become “comprehensive”, according to van der Pijl (*ibid.*), when they successfully deal with the contradictions in intersectoral competition and profit distribution. In the period between World War 2 and the mid-1970s, for instance, “Keynesianism” and “the welfare state” could be regarded as such concepts that were generally accepted in western economies. Even though they represented the particular interests of an industry based on mass production and organised labour, they also motivated the state apparatus that was committed to full employment and demand management.

Interpreted as a concept of control, globalisation can be seen as a useful narrative of societal and economic development which connects various interests and restrains harmful inter-elite rivalries. After all, liberalising cross-border trade and financial flows and opening markets for international businesses are by no means universally endorsed policies among corporate leaders, policymakers and regulators. Proponents of such liberal-internationalist policies are challenged in practically all countries by economic nationalists and mercantilists, who push for policies to protect domestic industries from foreign competition and to support them in gaining a competitive edge in global markets; as well as by foreign policy realists, who see growing international interdependence and foreign ownership as threats to national sovereignty and security (see Mirilovic and Ollapally 2012; Stephen 2014). Having been successfully turned behind the liberal-internationalist agenda of the transnationally-oriented sectors of American finance and business, the US government has therefore needed to resort to its various means of power to persuade other governments to open their economies to foreign capital.

Part of this process has been the cultivation of corporate, political and professional elites in favour of globalisation, first in Western Europe and later in non-western countries, through their integration into transnational elite clubs and forums such as the World Economic Forum (see Chapter 2). The deepening integration of major non-western economies into the global economy in the past three decades indicates that proponents of globalisation

have gained a significant foothold in these countries (Stephen 2014). Accordingly, Paul Cammack (2012, 12) argues that the non-western members of the OECD (Mexico, South Korea and Turkey), and the major non-western powers in G20 (Brazil, China, India, Indonesia and South Africa) have positively committed to the neoliberal globalisation agenda, articulated in terms of the “integration into the global economy through the pursuit of overseas markets and global competitiveness” (see also Beeson and Bell 2009, 75). Arguably, the epistemic work on the notion of globalisation in transnational elite forums and media has been instrumental in this regard. As the analysis in Chapter 7 indicated, the liberalisation of trade, markets and capital flows is associated positively with economic growth in TEC and forms the unquestionable core of the notion of globalisation as a historical purpose of elite agency. Indeed, even if proponents of nationalist and realist outlooks tend to dominate the design and conduct of foreign policy in countries like China, India, Japan and Russia, they have largely been convinced by their pro-globalisation compatriots to embrace economic integration because it has been successfully associated with increasing economic efficiency and growth and thus seen to serve the national interest of gaining more international power, security and sovereignty (Mirilovic and Ollapally 2012, 217). Through their ability to articulate the liberalisation agenda in terms of growth, the globalisers have thus managed to bring elites together at the national and international levels behind a common policy and perception of shared interests.

If the successful spread of the liberal-internationalist agenda can be seen as resulting from the hegemonic position of the US state and corporations in the global economy, the international cooperation in the global financial crisis may also be interpreted as a demonstration of the continuing dominance of these two powers over others. As the effective leader of the crisis management efforts, the US Fed and Treasury were able to secure the support of other governments and central banks in shoring up Wall Street and other financial centres (see Panitch and Gindin 2012, 301–30).

However, the hierarchical nature of the global political economy not only implies the capacity of a few actors to impose their will on others, it also renders global economic governance a site of contestation and a source of inter-elite divisions. Emerging countries are increasingly questioning the US dominance over key institutions of global economic governance, including the Bretton Woods organisations (Stephen 2014; Vestergaard and Wade 2013; Wade 2011), and both non-western and even some western elites are openly voicing certain previously discredited ideas, including state intervention in the economy, the regulation of markets, limiting the power of finance, and the harmful social effects of trade liberalisation (cf. Rothkopf 2012, 349–51). This may have significant implications in terms of the diversity of economic policies around the world: the global economy may not be in a steady path towards homogenisation where all economies eventually adopt the idealised form of an

Anglo-American model of finance-led capitalism (see Buzan and Lawson 2014; Hall and Soskice 2001; Plender 2003, 75–83).

Together, rhetoric about the loss of consensus on globalisation and the notion of “power shift” can be seen as reflecting these developments in TEC. If the integration of China, India, Russia and other “emerging markets” into the global capitalist economy could, during the early 2000s be narrated in terms of a historical advance of neoliberal globalisation, in which these newcomers would gradually abandon their state-led models of capitalism, the global financial crisis has put this credo in doubt. It is now increasingly apparent that the integration has also marked the “rise” of non-western economies and, as a result, the existing institutional and ideological order of global economic governance faces growing challenges of legitimacy. The crisis, in other words, appears to have affected the global political, economic and, most importantly, ideological leadership of the United States, in particular, and the west in general (cf. Streeck 2014, 63). As a result, not only might the major emerging economies be more inclined to maintain their policies of trade restrictions, capital controls and state control in key business sectors, including banking (Agnew 2009, 231; Dicken 2011, 177–8; Stephen 2014, 929), but they could also inspire others to follow their lead. Therefore, the rhetoric about the loss of consensus on globalisation may express not only acknowledgement among transnational elites that the US/western ideological leadership and legitimacy in the global political economy has eroded. It can also be read as an expression of concern among the globally-oriented elites that the global drive towards greater liberalisation of markets may be over: governments around the world might start to adopt less neoliberal policies of market integration and stifle transnational business.

It is evident, then, that both deep-seated ideological divisions and recently-intensified power struggles hinder efforts to integrate non-western elites into the already existing institutions and forums of global economic governance (Helleiner and Pagliari 2009; Wade 2011). The period of stagnating growth and growing social tensions in the west and the continuing ascendancy of emerging economies after the financial crisis has brought these tensions to the fore (see Buzan and Lawson 2014; Ougaard 2016). Consequently, US and western elites have lost some of their capacity to dictate the terms and agendas of transnational elite integration, and hence elites appear more divided than in the two decades after the end of the cold war. Yet the current disagreements and ideological contradictions do not necessarily imply less capacity for collective action in the future. The increasing weight in these forums of non-western elites inevitably creates tensions and ideological confusion, but it also alters their agenda to include new ideas (Cammack 2012). Discourse about a loss of consensus, in other words, may simply signal that new ideas and interests are being allowed into the relatively restricted and exclusive public spaces of TEC. If successfully incorporated and negotiated, they may in fact generate more collective elite agency in the longer term.



Therefore, while successful incorporation of non-western powers into the arrangements of global economic governance is obviously a highly complex question involving, for instance, significant shifts in the composition, relative voting powers and working practices of central inter-governmental institutions, such as the UN Security Council, G20 and the Bretton Woods organisations (see, e.g., Wade 2011; Slaughter 2015), it has an important *public* dimension, as well. The forums and media of TEC, traditionally established, owned and dominated by western elites, must be both willing to and capable of increasingly accommodating non-western interests and a pluralist view of world order (cf. Buzan and Lawson 2014, 89–91). As discussed in Chapter 2, this is exactly what many transnational elite forums, most notably the World Economic Forum, have purportedly aimed at by broadening the scope of their participants to corporate and policy-making elites of emerging economies and developing countries. Similarly, some western business media outlets and publications have actively sought non-western audiences, bringing them to a common communicative space of TEC. The FT, for instance, launched its Asia edition in 2003, and its 32,000 subscribers in 2014 suggest that the FT has at least some success in appealing to non-western elites and addressing them in a discourse that accommodates their values, ideals and perceptions of reality.

However, as the primary focus in the empirical part of the study was the exploration of the epistemic foundations of transnational elite formation, I have not been able to analyse the geographical and ideological representativeness of the FT-mediated elite communication. Indeed, one of the most important lines of inquiry that this study motivates is the further development of methodology for an empirical analysis of the ideational dimension of transnational elite integration in the public spaces that are supposed to facilitate such incorporation of views. The extent to which the international media provide access to non-western elites, allow them to set the agenda and terms of debate, assume a “non-western” position and confront traditional “western” views openly from that perspective, and mediate arguments between various standpoints are some of the dimensions such an inquiry would need to address.

In the absence of such a quantitative and formal analysis, conclusions about the FT’s capacity to incorporate different views and interests of ideologically divergent groups of elites must remain highly tentative. On the one hand, it is evident that the FT’s Davos forum coverage both routinely uses non-western corporate executives, politicians and analysts as sources, and deliberately seeks non-western views on politically sensitive issues. Political disagreements about large trade imbalances between the United States and China is a case in point. The official US argument accusing Chinese authorities of keeping the external value of renminbi artificially low was routinely balanced by presenting the “Chinese view” about the need for the United States to cut its trade deficit (see Chapter 6.2). On the other hand, and such practices notwithstanding, “western” elites tend to be privileged sources in FT

reporting, and their role as agenda setters when it comes to issues concerning the global political economy and global governance is likely to be overwhelmingly dominant. Imbalances in geographical representation are bound to be reflected in ideological biases (see Chapter 2.3): due to its own roots in the British Empire, the FT is bound to be highly embedded in a western-centric outlook of global order. This inevitably hinders its potential to moderate national rivalries and advance transnational elite integration in a post-hegemonic world order.

### **Liberal-internationalist elites and the crisis of neoliberal globalisation**

As already noted, challenges in the incorporation of non-western elites into the US-led governance of global capitalism coincide with increasing doubts about the sustainability of the liberal-internationalist project of market integration. Since the early 1980s, this long-term objective of transnationally-oriented corporations (see Chapter 3.1) has been dominated by western financial and industrial capital and articulated in the doctrines of neoliberalism (Konings 2016; Ougaard 2016). Yet the success of the neoliberal project has also given rise to a number of contradictions. In this regard, Stephen Gill sums up the challenges posed by the ideological dominance of the “large internationally mobile elements of capital” in the following way:

*Intra-class and inter-class struggles take place at both domestic and international levels, and any set of ideas, institutional proposals, and policy arrangements will favour some interests rather than others. At the present point in time, the prevailing perspectives appear to be those associated with large internationally mobile elements of capital in the metropolitan countries. These perspectives stress economic efficiency, competition, and global factor mobility, and the need to constrain some of the intervention capacity of the state that might impede globalisation. Nevertheless, in both political and economic terms these policies may prove to be profoundly contradictory. By this I mean that the deflationary thrust of policy, the impoverishment of masses of people in many countries, and the marginalisation of labour and the cadres from policy-making circles in the OECD substantially narrow the social basis for hegemony. In this sense, the legitimacy and political durability of neo-liberal dominance can be seen as sowing the seeds of its own contradictions.*

*Gill 1994, 194.*

Writing more than two decades ago during the heyday of neoliberal globalisation, Gill’s analysis is also fitting, to a large extent, for the post-financial crisis world. Despite the initial cognitive shock of the global financial crisis, central tenets of the pre-crisis economic policy were never seriously questioned among transnational elites (Crouch 2011; Mirowski 2013). Certainly, as an indication that the most aggressive phase of the “neoliberal

dominance” has passed, the debate has been characterised by acknowledgement that the massive state intervention in the economy was necessary in the midst of the crisis and that some international regulation of financial markets is needed to secure their functioning. At the same time, “efficiency, competition, and global factor mobility” as the other pillars of the ideological consensus continue to dominate contemporary elite discourse on economic policy. Correspondingly, also the “contradictions” that threaten the durability of the dominant ideology are largely the same. While the rise of emerging economies and the credit-led boom in western consumption led to rapid growth rates in the late 1990s and 2000s, the post-crisis insistence on austerity has brought the “deflationary thrust of policy” back to haunt the global economy (e.g., Streeck 2014, 58–60).

As a central ideological tenet, liberal internationalism has been successful in preventing a full-fledged protectionist drive towards the erection of national and regional barriers on factors of production. But in itself, it is incapable of providing solutions to key contradictions in contemporary global capitalism. It is articulated in a political context characterised by a neoclassical suspicion of the public sector, a cameralistic fixation with austerity, neomercantilist strategies of export-led growth, and the continuing significance of carbon-based industries, which are, quite expectedly, feeding into popular impoverishment, rise of nationalist sentiments, intensifying geopolitical tensions between major powers and rapid environmental degradation. All of these developments risk undermining the social legitimacy and political dominance of liberal internationalism, and in this sense it may again be sowing the seeds of its own demise. Certainly, dominant elites in both major economies and the majority of small ones still tend to see it in their interest to maintain the liberal-internationalist order of relatively free-flowing factors of production (cf. Ougaard 2016, 470; Stephen 2014). Yet, as the recent rise of anti-liberal political movements around the world, including a number of western nations, indicates, the political landscape may be shifting dramatically within the next decade if a decisive turn in the global economy fails to materialise. Indeed, the frequent expressions of alarm about the loss of globalisation consensus in the FT after the financial crisis indicate implicit recognition of the threat to the liberal-internationalist project posed by the inability of elites to solve its inner contradictions.

It is therefore unsurprising that many scholars have pointed to the need for a radical shift in the dominant economic policy paradigm to prevent the end of the liberal-internationalist project and the disintegration of the global economy into warring trade blocs (e.g., Davidson 2009; Patomäki 2013; Streeck 2015; Varoufakis 2013). According to some of these views, the needed shift would entail greater coordination of economic policies to ensure enough aggregate demand in the economy; the reduction of income and wealth inequality on the level of both individual societies and the world as a whole; the creation of stabilising mechanisms to prevent harmful current account imbalances and the accompanying debt cycles; the establishment of a new

global reserve currency; substantial reforms of the financial sector, including the rules on credit creation and the financing of public spending; and a major international, state-driven investment program to accelerate a rapid shift towards a low-carbon or carbon-neutral economy. In short, it would mean that global Keynesian and environmentalist values, ideals and objectives gained dominance in international economic policy debate.

Is an ideological shift of this kind conceivable in TEC? In his analysis of the Trilateral Commission meetings over the 1970s and 1980s, Gill (1990, 228) emphasised the prevalence of a pragmatic and utilitarian approach to economic policy-making among the liberal-internationalist elites. For instance, while broadly sharing the Keynesian consensus about state intervention, high employment and the importance of international macro-economic coordination in the 1970s, the Commission flexibly shifted its positions during the 1980s to be better in tune with the increasingly neoliberal, monetarist and market-fundamentalist zeitgeist of the decade (ibid., 176, 191). Similarly, van der Pijl (2012, xxxi) observed the rise of *corporate liberalism* after the Great Depression as a “synthetic strategy” with which liberal-internationalist fractions of US capital accommodated their “laissez-faire” interests with the requirements of the national large-scale industry and organised labour for state intervention. A liberal-internationalist drive to an integrated and open global economy can hence co-exist with different kinds of social forces and power balances between them.

Today, western financial capital as the primary driver of the neoliberal form of globalisation may be increasingly challenged by other forces in the global political economy. These include, at least, the rise of non-western capital, often closely tied to state power; the potential resurgence of the interests of productive capital; and the increasing prevalence of the social, political and business interests in decarbonising the economy (Ougaard 2016). Insofar as the contradictions between these various interests are successfully managed – so that they do not lead to a systemic collapse or military conflicts – they may pave the way to a new strategic synthesis. Indeed, some observers have suggested that the global financial crisis marks the beginning of a long “interregnum” between the demise of neoliberalism and the stabilisation of a new hegemony (Helleiner 2010; Stahl 2016). This is a period marked by intense political struggles and the development of new ideas, some of which will eventually form the basis of a new hegemony in global economic governance. While there are thus far little signs of those ideas being articulated in terms of global Keynesianism, the new consensus may involve at least some elements of it, such as a degree of capital controls, public investment programs, relaxation of austerity and green industrial initiatives.

Whatever the form the contemporary struggles take in the upcoming years, the ideological flexibility of liberal-internationalist elites is likely to be tested again. Whether they will succeed has much to do with the discursive and institutional processes of TEC and the epistemic work they facilitate on the changing global political economy. In this regard, Gill (1990, 228) pointed to

problems in the knowledge-formation processes of the Trilateral Commission: even as it constantly sought to invite new members, the generation of new ideas to address the contemporary problems of capital accumulation was seriously hampered by the dominance of old establishment perspectives and interests. This may be seen as a general problem of elite clubs as a form of interaction, in which agenda-setting power and argumentative authority tends to be concentrated, officially or unofficially, to the oldest and institutionally most powerful members.

On the whole, similar epistemic problems limiting the range of available views and policy perspectives also taint transnational elite media. Media organisations cannot escape the broader context in which they operate and are fundamentally compromised by their proximity to power and the establishment (e.g., Bennett et al. 2007; Herman and Chomsky 2002). Accordingly, by authorising a small range of elite voices and repeating the same discourses, FT journalism may also contribute to the prevalence of establishment views. Moreover, due to its objective of catering primarily to an audience of globally-oriented corporate leaders, officials and politicians, and being historically and ideologically tied to the outlook of finance, the FT's capacity to question the prevailing tenets of liberal internationalism is seriously hampered. Indeed, the paper is not necessarily prone to advance nationalist, protectionist or realist arguments of elites whose interests are tied to national institutions or less mobile and liquid forms of capital. In this way, an overtly rigid ideological inclination towards liberal internationalism may render the FT incapable of making its select readership face opposing views. As an institution of TEC, the FT is, in other words, in danger of falling short of offering a forum where central ideological tensions concerning the global economic governance can be played out, and it may therefore be unable to facilitate the kind of congruity of views that would make more efficient global governance possible (cf. Gill 1990, 229).

However, even if incapable of questioning liberal internationalist elites *per se* by offering a forum for their opponents, the FT may still contribute to a shift in their economic-policy orientation. As the prevailing macroeconomic policy-combination of monetary stimulus and fiscal austerity has failed to engender a robust recovery in the global economy after the financial crisis, there have been growing rifts within the ranks of international policymakers regarding proper policy measures (Ougaard 2016, 463–4). Such periods of heightened contestation between elites may open up space for the press to play a more proactive role in international policy debates (see Bennett et al. 2007; Handley 2010; Robinson 2001). In the eurozone crisis, in particular, leading FT reporters have become vocal critics of the German-led austerity and repeatedly given public recognition and legitimacy to calls for a policy shift towards more expansionary fiscal policy (e.g., Münchau 2013; 2015; Wolf 2013b; 2014b). These recent interventions by Martin Wolf, Wolfgang Münchau and some of the other prominent columnists of the paper indicate that there has been a clear interest in the FT to explore new economic policy

ideas, including some developed by the members of the post-Keynesian school of economics, to make sense of the current conundrums of the global political economy. Moreover, the paper has granted public attention and even actively promoted certain “radical” policy proposals, such as “helicopter money”, which have emerged out of the ranks of elites as ways to bring the world economy out of its current stagnation (Giles 2013; Wolf 2013a).

Indeed, as a small hint of the power of the media to keep certain policy ideas in the minds of decision-makers in international business and politics, in August 2016, an investor survey by Bank of America Merrill Lynch reported that 39 percent of the participating asset managers expected at least one major central bank to resort to helicopter money in the following twelve months, meaning it would hand out cash directly to households in order to boost spending (Tett 2016). In these small ways, the FT may thus be contributing to a gradual shift in the leading ideas of global economic governance. Obviously, in the absence of Keynesian elites powerful enough to shift the balance of power between interests in the global political economy, the ideas promoted by the FT are unlikely to gain much traction.

#### **8.4 Contributions of the study and suggestions for further research**

As outlined in Chapter 1, this study has developed at the intersection of various disciplines and fields of research, including, most notably, communication and media studies, the global political economy, and elite theory. Moreover, it has drawn, both theoretically and for empirical observations and interpretations, from scholarship in cultural studies, sociology of international politics, cultural political economy, social psychology, the public sphere and globalisation studies. The combination of such a large number of research perspectives reflects my intention to draw as comprehensive an account as possible of the inherently complex phenomena – transnational elite integration and communication – that have formed the object of this study. While it has hopefully contributed positively to the diversity of viewpoints, the combination of various lines of research inevitably has the downside of providing less in terms of coherence, theoretical development and depth of analysis. Consequently, the contributions of this study to existing research mostly concern the new ideas and perspectives that bringing together separate fields of research may generate; they are more about the opening of new lines of inquiry than about developing a more profound theoretical or empirical understanding of what is already known. In what follows, I discuss such openings, particularly as they relate to the fields of communication and media studies, global political economy and elite studies.

(1) Having its disciplinary home in *communication and media studies*, this dissertation has drawn on well-established theoretical traditions that see

communication as a practice of forming and sharing cultural meanings and the media as vehicles for integrating people culturally into groups and communities (see Chapter 1.3). Where the study departs from the traditional mainstream of research along these lines is its rejection of national communities and audiences as the relevant theoretical and analytical starting point, and of the culture of the subordinated classes and counter-hegemonic groups as the primary objects of interest. Instead, inspired by the critiques of methodological nationalism on one hand, and drawing on the historical work inspired especially by Habermas on the formation of bourgeois publics on the other, I have emphasised the importance of communication and media in the collective policy coordination and potential self-organisation of transnational elites. To give further relevance to this approach, I deliberately chose as my objects of analysis the *Financial Times*, a news publication of significant transnational reach and global focus, and a subject matter that was well removed from the usual concerns of political news as they are covered by the national media: the World Economic Forum of international corporate executives, government leaders and international officials, and their debates on the global economy.

As Davis (2003, 669–70) points out, inquiries into the communicative practices of elites and the impact of media on their decision-making are increasingly important in the age of audience fragmentation and the decline of political participation through mass parties and national institutions. Arguably, decisions and negotiations that matter in the global political economy are increasingly taken outside the purview of national parliaments and publics, within networks and between institutions that operate on a transnational scale (Crouch 2004). Questions of global economic governance, including the coordination of monetary and fiscal policies, the liberalisation or regulation of markets and the development of an adequate institutional framework for the steering of the economy, are hardly at the heart of what the mainstream news media bring to the agenda of national audiences. Yet the transnational elite networks engaged in such matters are not entirely self-reliant in their communication but also need media to both follow and shape the international policy agenda. Specialised media outlets serve these needs by establishing exclusive spaces for the kind of public-private deliberation that forms an integral part of global governance (see Chapter 3.3).

An elite-theoretical perspective on communication and media hence focuses on the ways in which the media are involved in the exercise of power by key actors in the global political economy. It inquires how the media are used by the decision-making elites to shape decisions and legitimate policies and relations of power, but it is also interested in how the elites themselves are influenced by the media and the “dominant ideologies” of mediated elite cultures (Davis 2003, 672–3). Thanks to increased interest in recent years on the PR strategies and practices in political communication (see, e.g., Louw 2010; Strömbäck and Kioussis 2011), part of this research agenda is already being explored quite extensively. In this work, however, I have followed a

different path with the aim of contributing to the development of an elite-theoretical perspective in communication and media studies in two ways. First, as an adaptation of debates on the historical bourgeois public sphere, I have sought to theorise the role of the elite media and other organised practices of elite interaction and communication in transnational elite integration and self-organisation. From this perspective, the clubs, forums and media targeted at decision-making elites in the fields of international business and politics provide private-public spaces, in which policy ideas and arguments can be developed and debated in a confidential manner and in which the overall public agenda of global economic governance is established. At the same time, the forums and media have the intention and effect of bringing these elites together with implications for their self-understanding as individuals and groups. Transnational elite public spaces are places to meet one's peers and to be recognised as a fellow member of an elite. Consequently, I argue that the institutions and practices of *transnational elite communication* (TEC) should be analysed as forms of transnational elite integration and formation.

Second, as a contribution to an emergent elite-theoretical perspective in media studies, I have introduced the notion of *epistemic work* as a way of analysing inter-elite communication. Obviously, a wide range of analytical methods developed within the discipline and others can be used to observe different aspects of elite communication. When it comes to the political struggles between elites and their exertion of discursive power in the media to shape political outcomes, many established methodologies, including interviews and surveys, and text-analytical methods, such as framing analysis, can be of use. In contrast to these approaches, the perspective of epistemic work focuses on the establishment of epistemic underpinnings of political communication and thus sheds light on the very foundations on which practical policy struggles are based (see Alasuutari and Qadir 2014; 2016). In this sense, epistemic work as an analytical approach comes quite close to argumentation analysis, which delves into the rhetorical strategies and hidden (reality) premises used in persuasion (Billig 1991; Perelman 1982); and it also relates to many adaptations of discourse analysis, where the interest tends to lie in the ideological undercurrents of utterances and the ways in which discourses create their speakers and audiences, offering them certain subject positions (Carpentier and De Cleen 2007; Eagleton 2007, 141–8; Fairclough 2006; Saukko 2003; Wodak and Krzyżanowski 2008). Certainly, the empirical analysis of this study is very much indebted to the insights made by both argumentation analysis and discourse theory. Epistemic work may be understood as a closely-related but alternative conceptual framework that helps to organise observations from a qualitative analysis of public speech with a focus on the epistemic foundations of inter-elite consensus on particular issues and policies. Elite journalism of major publications and news outlets can be regarded as an influential form of public epistemic work, which shapes



its readers understandings of the social world, of themselves as actors and of the key ideals and values that guide their agency.

Obviously, while the concentration in empirical analysis on newspaper material and their qualitative content analysis is useful in shedding light on the ideational elements of transnational elite integration and collective agency, it has the downside of overlooking other important dimensions in “the making of a global elite” in communicative practices. Public epistemic work for global economic governance is shaped by a variety of institutional and material factors, and further research can take various alternative paths to address them. First, a particularly relevant approach in this regard would be to give further emphasis to elite integration as a phenomenon and practice of *the public sphere*, examining how the forums and media of TEC historically provide access to a broader range of actors and views, both internationally and across social domains, and how they mediate and structure the interactions between elites. Such an analysis could, for instance, continue from the preliminary work outlined in Chapter 2 of this study and systematically map a range of media outlets and clubs, examining changes over time in the constitution of their audiences and membership. This would provide a more comprehensive view of how TEC as a transnational public sphere has evolved and how it is being constituted.

Second, from a more cultural studies perspective of the public sphere, research could concentrate on the audiences and participants of TEC with the aim of exploring how their communicative practices in the transnational elite public sphere are reflected in their worldviews and social identities (see Chapter 3.5 for an initial exploration of these arguments). Finally, third, quite another approach to TEC would concentrate on the *media practices* and *communication strategies* of elites who participate in the processes of global economic governance. Work in the fields of public diplomacy and political PR has already highlighted some of the discursive practices and strategies through which governments and corporations seek to shape the policy views of other actors and processes of global governance (see, e.g., Bourne and Edwards 2012; Comor and Bean 2012; Gilboa 2008). Drawing attention to the increasingly mediated nature of contemporary political processes, such analyses would contribute to the understanding of global governance as an argumentative practice and complement similar research being pursued in the fields of international relations and the sociology of international politics.

(2) Theorising the significance of the organised forms of interaction between elites in the domains of international business, politics and administration, I have drawn extensively on the theory and analysis of the *global political economy*. As discussed in Chapter 3, the interdependent relationship between the state, or the transnational state apparatus, and financialised global capitalism, represented most notably by large TNCs and banks, is obviously a well-established argument in this scholarship. So is an understanding about the dominant position of the United States in the world

order and about its indispensable role in securing the operation global capitalism. Yet, despite frequent allusions to US hegemony and a unipolar world order after the disintegration of the Soviet Union, there is also broad acknowledgment that the ability of the US government to exert control over the global political economy is limited and it needs to involve other actors in multilateral arrangements in order to make global economic governance possible. What has also been referred to as “club governance” (Tsingou 2015; see also Keohane and Nye 2001), the institutional and cultural interlocking of elites across societal domains and national boundaries can be seen as concrete manifestation of this relationship of mutual dependence between major states and transnational businesses: the integrating global economy makes it necessary to bring elites together in organised yet informal settings in order to manage the contradictions of global capitalism. In practice, this typically takes the form of ad-hoc crisis control, where governments and central banks coordinate an international response to contain and mitigate the effects of market failures, but it also has the potential of establishing shared systems of rules, regulatory regimes, and even broad policy paradigms that guide capitalism’s development over the long term. The widespread adoption in the capitalist world of the Fordist model of mass production and consumption and Keynesian macroeconomic policies in the 1960s, for instance, was actively promoted by the United States and facilitated by trans-Atlantic elite networks (Hirschman 1989; Hoogvelt 2001, 147; Gill 1990; van der Pijl 2012).

Focusing on these forms of transnational elite interaction on matters of economic policy and global governance, the perspective of TEC helps shed light on this active and intentional dimension of elite formation and the collective agency it enables in the management and direction of global capitalism. By emphasising agency, it reminds that even abstract historical processes, such as globalisation and financialization, result from the intentions and goals of specific actors, as well as from ideational work in which shared understandings of political objectives and interests are established between relatively autonomous actors (cf. Campbell 1998).<sup>121</sup> Similarly,

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<sup>121</sup> Where agency lies in the global political economy is, of course, a widely contested question (see Avant et al. 2010). In this respect, the perspective of elites has definite advantages. Whereas post-Marxist perspectives on the “transnational capitalist class” (TCC) tend to undermine the autonomous agency of the state and pluralist views of power tend to overestimate it, elite studies focus on the interactions between business and politics from a perspective that grants both states and corporations a degree of autonomy vis-à-vis one another. Elites are formations that come into existence through interaction and establishment of collective interests. The interactions between corporate leaders and politicians are therefore characterised by the simultaneous existence of conflicts and efforts to build lasting coalitions and shared interests. The TCC thesis about an integrated, globally-operating and self-conscious group of capitalists is often debunked by pointing to the scarcity of transnational boardroom interlocks in TNCs and the purportedly “national” character of capital (Burris and

seemingly stable power relations, such as the US empire or the Western-led world order, must be continuously reproduced in negotiations between actors and naturalised in ideational, behavioural and institutional levels (see Rosenau 1992, 14). The US and western leadership in international policy coordination and articulation of political objectives and values is certainly grounded in the control of various material resources, but it must also be sustained through the ideological influence, or epistemic work, in which non-western elites are persuaded that the policy measures are in their own interest.

Scholarship on both sociological institutionalism and cultural political economy has emphasised the importance of ideas in the adoption of policy models and in the constitution and government of the economy (see Alasuutari and Qadir 2014; Jessop 2009; Jessop and Oosterlynck 2008; Risse 2000; Schmidt 2008). Following the insights developed in these related fields, the study of TEC focuses on the role of discursive practices in the integration of elites and their exercise of power. Transnational corporate and policy-making elites are not innately liberal internationalists and do not automatically adopt such views due to some objective interests. Instead this ideological position, associating certain policies with notions of what is good and desirable, must be actively cultivated in discourses and practices that comprise the everyday experiences of elites. Ideas and interests are thus intimately intertwined, and clubs, forums and media are instrumental in shaping how elites come together behind certain policies in the name of the collective good. In this study, I have concentrated specifically on this aspect of transnational elite formation, observing how the FT as an elite medium establishes certain conceptions of the global economy, transnational elites as actors and liberalisation as a universal policy ideal. Accordingly, I have suggested that international business journalism should be regarded as a significant discursive practice in the public sphere that contributes to the articulation of the epistemic preconditions of elite integration both nationally and on a transnational scale.

With regard to the relationships of elites and their agency in the global political economy, there are other aspects to the international elite media that should be explored in further studies. First, the notion of TEC highlights the importance of discursive or argumentative action in hegemony-building: in order to turn their preferred ideas into material practices, liberal-internationalist elites must persuade other elite groups to embrace some of their values, ideals and concrete policies. Second, shifts in economic policy and

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Staples 2012; Stephen 2014). In contrast, the perspective on TEC points out that transnational elite interaction and integration takes place through other venues. While the TCC may be a myth, at least when measured as global capitalist integration through corporate boardrooms, transnational networking among western and non-western corporate and policy-making elites is real and increasing with the globalisation of business. As argued in this study, transnational elites can be seen as forms of integration and collective agency which connect the spheres of state power and global capital.

political ideology assume the form of elite communicative agency. Ideological shifts are closely tied to changes in the global political economy and epistemic work on those changes: in order for major changes in global economic governance to take place, elites in commanding institutions must be convinced about the need to reconsider what is feasible and desirable. Research on intergovernmental organisations, central banks and intergovernmental negotiations have demonstrated that argumentative action or epistemic work of this kind takes place both within and between major institutions of global governance and can hence result in policy shifts (Ban 2014; Grabel 2011; Risse 2000; Rosenhek 2013). However, the importance of the media and the public sphere has been scarcely addressed so far in this work.

Therefore, if argumentative action or epistemic work is an elementary factor in both hegemony-building and ideological or policy shifts in world politics, further research is needed on the role of the elite media and the transnational public sphere in shaping these processes. Studies of this kind could draw on a wealth of research that has been conducted on the role of the media in national political processes, which suggest that elite media often contribute to the public legitimisation or marginalisation of contested policy ideas (e.g., Castells 2009; Cook 1998; Louw 2010). My own study corroborates and substantiates earlier studies on the international business media which have suggested that these publications have contributed to the hegemony of liberal internationalism in the transnational public sphere (e.g., Durham 2007; Kantola 2007; Merrill 2012; Starr 2004). Yet the elite media may also be important in accommodating shifts in the global policy agenda, especially during periods of inter-elite contestation. Whether the interventions of journalists in elite publications have impact on elite opinion and sense making in the context of the global economy remains highly uncertain. Yet the power of the media to either bury certain policy ideas, or keep them in the minds of decision-makers in international business and politics, should not be underestimated. Accordingly, further studies should regard financial media as actors in the global political economy and explore their role in the diffusion of economic ideas and in directing international debates on key policy issues.

(3) Concentrating on the transnational interaction between corporate and policy-making elites, the study has aimed at contributing to *elite studies* both theoretically and empirically. As argued in Chapter 1, elites should no longer be understood as existing and operating only in national contexts, and there is increasing need to study and theorise the nature of today's transnational elites (cf. Kauppi and Madsen 2013; Krysmanski 2004). Drawing specifically on Mills' (1956) sociological analysis of the US power elite, I also posited that elite formation should be examined in the context of historical transformations in the political economy and the accompanying concentration of power in society. Accordingly, in Chapter 3 I traced major processes in the global political economy after World War 2 in terms of globalisation and financialization, how they have been driven by the active

agency of policymakers and TNCs, and how practices and institutions of global economic governance have spawned to ensure the functioning of global markets. By empowering major states and large market-dominating TNCs both economically and politically these processes have arguably contributed to the concentration of ownership and power in the global political economy (Barnet and Müller 1974; Brennan, 2016; Roach 2005; Vitali et al. 2011).

Today, both giant TNCs and major states exercise power in various ways in both markets and international politics, applying their financial, productive and coercive resources to shape the global political economy according to their interests (e.g., Crouch 2011, 49, 67–8, 165; Dicken 2011, 297, 315; Freeland 2012, 226–8; Gowan 1999; Hall 2014; Kaufmann and Vicente 2011; Kowalski et al. 2013; Rothkopf 2012, 295–317; Wood 2003, 16–7, 141). In this light, the processes of global economic governance represents a particular form of power through collective action, aiming at policy-coordination and international rule-making to shape the structural context that regulates all actors in the global economy. Global economic governance can be seen simultaneously as a form of policy-planning that brings elites together over national and sectoral boundaries to act collectively, and as a contested domain where elites struggle over political power. In this respect, the perspective of TEC outlined in this study draws attention to the power of communication as a means to affect people's conceptions of the world at large and the situations at hand and hence to influence the way they operate (see Alasuutari and Qadir 2014, 71; cf. Castells 2009). It is, at the same time, both an actor-centred and structure-centred perspective. In concentrating on transnational elites, the study highlights the importance and influence of those exercising top decision-making power in world society. Yet the adopted perspective on TEC as a form and locus of power also draws attention to the ways in which ideological and discursive factors operate partly autonomously of any individual agency, not only enabling but also limiting the power of elites as individuals and as a collective agent.

As I pointed out in Chapter 1.3, the notion of the elite as a theoretical concept presumes the existence of a degree of group consciousness and a sense of shared interests between powerful individuals, and in this way it implies that communicative practices are key in the formation of elites. Accordingly, the study has outlined a communication and media studies perspective on transnational elites by emphasising the significance of the discursive practices and institutions of the public sphere for elite integration, collective agency and identity formation (see Chapter 3.5). The empirical findings concerning FT-mediated TEC suggest that international elite media facilitate elite integration and collective agency by disseminating discourses in which shared conceptions of reality and of the transnational elite as an actor and a community are established. In this sense, the mediated, international public sphere can indeed facilitate the self-organisation of transnational elites. These findings, however, may be influenced by the analytical and interpretive methodology of studying newspapers and analysing them as a form of

epistemic work. The perspective of epistemic work encourages the analyst to observe how the interests of political actors are established and shaped in the processes of communication and argumentation through the discursive construction of ontological understandings, actor identities and values and ideals that guide agency (see Alasuutari and Qadir 2014). In this way, it can make sense of the processes of communication through which elites can come together and find common causes despite the conflicts of interest that their institutional positions might anticipate. Yet while TEC and its institutional spaces have the effect of bringing elites together in common discourse and cultural exchange, TEC should also be seen as a contradictory process in which differences are articulated as much as commonalities. Other methodologies with a stronger focus on the political and hegemonic struggles in the public sphere and the agonistic and even antagonistic dimensions of competing discourses in journalism might have led to partly divergent conclusions (cf. Macgilchrist 2011).

The way epistemic work was operationalised in this study suffers from another notable weakness. As described in Chapter 4.3, I mostly approached the material as a collective effort in which FT journalists and their sources engaged in collaborative epistemic work. While this approach is arguably valid when approaching journalistic material, in which the utterances of various actors are eventually mediated and reconstructed by a reporter, it effectively hides the potential of epistemic work to transform actors and their perceptions. Analysing negotiations or live arguments between elites at the Davos forum, for instance, would have given me greater insight into the various positions of elites concerning the issues debated and allowed me to analyse the processes of transaction and dialogue between two or more negotiators. As a result, it might have been possible to observe actual shifts in positions as a result of such epistemic work. Accordingly, the framework of epistemic work may be more suitable to studying inter-personal communication than media material.

Overall, the study at hand on the epistemic dimensions of TEC should be regarded only as an exploratory step towards understanding on how communicative practices and institutions in the public sphere may facilitate elite formation on a transnational level. Further research on “the making of a global elite” in communication should take into consideration a broader spectrum of media or study inter-elite communication in live settings. Alternatively, communication and media studies could contribute to elite theory by investigating the elites’ communicative practices. Determining how elites use the media, how this affects their sense of belonging in the world, and how it shapes their sense-making on the political alternatives in global economic governance would be among the preliminary steps into this direction.

## 8.5 The making and unmaking of a global elite

In his recent essay on the historical and contemporary indications of social progress, Göran Therborn (2016, 29–31) proposes that humanity has potential for collective action as a species. The argument of this study has been of a slightly more modest scope: that elites in the fields of business and politics are capable of coming together across societal domains and national boundaries to formulate common political objectives.<sup>122</sup> But the way in which Therborn outlines his understanding of “species agency” bears many similarities with the approach of this study to the making of a global elite as a collective agent. He refers not only to the unprecedented global connectivity of peoples and cultures in the present era and the vast consciousness around the world of common concerns, such as human equality and climate change, but also to intentional efforts to mobilise collective action to address global problems. These elements – interaction, shared concerns and attempts to coordinate action – are at the heart of the efforts to integrate transnational elites and mobilise their collective agency around shared goals.

The present study has been based on the assumption that the everyday activities of international policymakers and business leaders are informed by and reflected in transnational elite communication. It is this intra-elite and inter-elite exchange of ideas that gives meaning to, and rationalises, the actions of those involved. Ideas, beliefs and values that are formed and shared in TEC are thus key to understanding how elites exercise power in the global political economy. TEC sets the agenda, limits policy alternatives, defines roles, produces rationales for action and naturalises power relations in the global political economy. Accordingly, outlining new policies and discourses and promoting them in TEC is an important practice in the way of effecting change in the world.

Yet there is a world beyond TEC and the discursive elite public that is formed in the process. Transnational elites do not act simply as members of a “transnational elite” but also as CEOs of their banks and companies, as political leaders of their governments, as representatives of industry, as officials of financial organisations and so on. They are, in other words, “private” persons as much as they are members of a transnational elite public. Ideas and values articulated in TEC cannot dictate how they act, and there are other relevant reference groups and spaces of communication into which transnational elites are embedded. In this sense, the potential new ideas

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<sup>122</sup> In fact, many of the examples outlined by Therborn of what he sees as emerging forms of “species agency” – the UN Declaration of Human Rights, the Millennium Goals, the establishment of the International Criminal Court and international summits to agree on measures to combat climate change – may be more accurately perceived as instances of transnational elite agency, albeit they simultaneously express broader cultural concerns, or what Therborn (2016, 37) names “species consciousness”.

articulated in TEC will always need to find ways to be implemented in the individual business and policy processes involving actors who operate in an environment of multiple pressures and influences.

In historical terms, we may certainly speak of the emergence, in the past few decades, of an integrated transnational elite, which has found a common purpose in the endless quest for profit and growth, as well as in the extension of capitalist market relations around the world. Yet, in the present conjuncture of global capitalism, more agency is needed in order to address its social, political and ecological crisis tendencies. In this light, while setting out as an exploration into the processes of transnational elite integration and the communicative conditions of “the making of a global elite” as a collective agent, this study should also be read as an account of the advancing *disintegration* of elites in the increasingly contentious environment of contemporary global capitalism. From this perspective, resulting from long-term accumulation of trade and savings imbalances, inflation of household credit markets fuelled by stagnating wages and financial speculation (e.g., Streeck 2011; Varoufakis 2013), the global financial crisis revealed not so much the ungovernability of the global economy but the failure of the transnational elite as an actor identity. It demonstrated the incapacity of elites to act collectively to stabilise the global political economy, associated with their inability to transcend beyond narrow sectoral and national interests and to move towards a more multilateral order which would be needed to facilitate elite cooperation in the post-hegemonic world order.

Whether or not this is good news for the rest of us, or world society as a whole, depends on the point-of-view one takes. Returning to what were outlined in the opening words of this study as the interlinked problems of today’s global economy and society, including the global slowdown in growth, a highly unstable financial system, climate change, the rise of anti-liberal populism and increasing geopolitical tensions, the question of elite agency remains central to all of them. Is it possible to solve common problems in the world, and if so, who are the primary agents that are responsible for designing and implementing the necessary shifts in policy, institutions and practices?

One critical perspective posits that contemporary elites are the very foundation of these problems: the multiple crises of capitalism result directly from the actions of transnational elites and, as both the expression of and the principal actors in a global class struggle, they are, by definition, incapable of solving the problems. What is needed is a political revolution to replace them with leaders following an entirely different set of values and ideas, potentially consisting of a mix of global social democracy, Green New Deal perspectives and Keynesian economic thought (see, e.g., Davidson 2009; Patomäki 2013). Alternatively, a comprehensive social revolution must take place in which the capitalist structures that have given rise to the global power hierarchies in the first place will be replaced by something more sustainable.

However, there is also a more moderate view that outlines the potential for policy struggles here and now while acknowledging the near-term reality



of existing power hierarchies and the need to deal with today's elites in their present composition. Even as it calls for greater civil society mobilisation around global problems to challenge and put pressure on the world's power elites, this perspective simultaneously posits that we need greater agency or "leadership" in the world (see, e.g., Gill 2012). This is not only an academic argument, but a relatively common-sense view of how the world works. In popular political commentary concerning international conflicts and what are considered to be common problems of humanity, there is often a tendency to call for "the international community" to come together and address these issues in a multilateral fashion. As the reference point of such calls is typically intergovernmental negotiations or the broader system of global governance, this latter view necessarily subscribes to the perception of a high concentration of power in world society, and to the existence of elites capable of acting in the name of entire societies. It also relies heavily on the capacity for transnational elites to act collectively.

Far from a conspiracy theory, the notion of transnational elite agency is thus key when we try to address some of the major questions of the present era. To successfully act in an interdependent global political economy characterised by not a single but a number of important centres of institutional power, elites directing these power centres must come together, both in a concrete sense of creating spaces and networks, and particularly in the sense of finding a common ground on the relevant issues. Their apparent failure to do that in the post-crisis condition has implications for us all. Even as the tenets of finance-led globalisation are increasingly discredited as they can no longer be associated with real growth, stability and universal benefit, they have not been replaced by new concepts that would articulate a policy-shift towards a more sustainable global economy. Yet, considering that the transnational elites themselves have been direct beneficiaries of post-crisis policy mix of monetary expansion and fiscal contraction (see Oxfam 2016; Tcherneva 2014), there is a sense of certain inevitability to this continuing epistemic confusion. Against the global interest, the transnational elite have been pursuing, perhaps more forcefully than ever before, their particular interest. Insofar as international elite forums and the media fail to address this basic contradiction in the debates on economic policy and global economic governance, they truly serve the ideological function of transnational elite communication.

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## APPENDIX 1. ACRONYMS OF AUTHORS CITED IN THE ANALYSIS

AB	Alan Beattie	LB	Lionel Barber
AEJ	Andrew Edgecliffe-Johnson	LZ	Lifen Zhang
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BG	Brian Groom	QP	Quentin Peel
CB	Catherine Belton	RC	Raymond Colitt
CF	Chrystia Freeland	RE	Richard Edgar
CG	Chris Giles	RL	Richard Lapper
CL	Christine Lagarde	TB	Tom Braithwaite
DB	David Buchan	TJ	Tony Jackson
DG	David Gardner	VM	Victor Mallet
DR	Dan Roberts	WH	William Hall
DS	Deven Sharma		
EC	Ed Crooks		
FG	Francesco Guerrera		
FW	Frances Williams		
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GD	Geoff Dyer		
GJ	Guy de Jonquières		
GP	George Parker		
GR	Gideon Rachman		
GT	Gillian Tett		
HC	Hugh Carnegie		
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HY	Holly Yeager		
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JJ	Jo Johnson		
JK	James Kyngé		
JL	James Lamont		
JoL	John Lloyd		
JP	John Plender		
JT	John Thornhill		
KA	Kofi Annan		
KG	Krishna Guha		

## APPENDIX 2. FINANCIAL TIMES ARTICLES CITED IN THE ANALYSIS

*The complete list and database of articles used in the analysis are available from the author upon request.*

Key: Article #, Main headline, Author(s), Date and section, Page.

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