

"Globalization," Culture, and the University

In March 1996, a UAW walkout was settled at two GM brake factories in Dayton, Ohio. The strike was important because its outcome was expected to suggest whether General Motors—and by implication, any corporation—could further transfer the manufacturing sites to any part of the world that offered lower prices, or labor could successfully resist such attempts. The settlement was hailed by some as the workers' victory, though many were skeptical.¹ It was a sort of victory for labor, especially when compared with another UAW walkout at Caterpillar, Inc., in Peoria, Illinois, that ended after eighteen months in November 1995 in complete defeat; at least the union received a modest pay hike for the Dayton GM workers, though failing to resolve the issues of outsourcing. The UAW contracts with all three U.S. auto manufacturers—GM, Ford, and Chrysler—are going to expire in mid-September 1996. And whether the union can do anything to stop or even slow down the pace of outsourcing without jeopardizing the future of the auto industry and workers in the United States is a grave enough question that concerns everyone interested in economy. What I would like to discuss in this paper is, first, the conditions of the so-called globalized economy as an outgrowth, or continuation, of colonialism; second, its effects on local culture;

and finally, the position the university occupies in today's world economy. Here I mean not only the conditions of the United States, but refer to other parts of the world as well. In this sense, it is an exploratory, some people might well call it a "totalizing" or even "oversimplified," argument; but that is a risk we might be willing to take for some glimpse of where we are in this extremely confusing world. Detailed qualifications and variants can be supplied in a different context.

"Globalization"

The term *globalization* is nearly as abused as *postcoloniality*. If globalization means that the world is a seamless unity in which everyone equally participates in the economy, obviously globalization has not taken place. We do not live in an integrated economy, nor are we likely to in the foreseeable future. Similarly, if globalization means merely that parts of the world are interconnected, then there is nothing new about this so-called globalization: it began centuries ago, as Columbus sailed across the Atlantic, if not earlier. The only novelty is in the degrees of expansion in the trade and transfer of capital, labor, production, consumption, information, and technology, which might be enormous enough to amount to a qualitative change.

Capitalism has always been international, and thus there are a number of analysts who deny the current idea of globalization altogether. Let me briefly mention just two cautious arguments on the subject among a great many. One is in an article by two British economists, Paul Hirst and Grahame Thompson.² They begin by defining the exact meaning of the word globalization by constructing an ideal model of global economy and then comparing it to current tendencies in international economy. The model is characterized by several features of a theoretically transnationalized economy. First, transnational corporations are totally unattached to any nation-state. They point out, quite correctly, that there are very few real TNCs, most of the huge corporations being "multinational" corporations, meaning having their headquarters in one country while operating semi-independently in many other countries—for example, General Motors, Honda, Coca Cola, Nestlé, and by now practically all other major, and many minor, corporations. Hirst and Thompson do not discuss, however, how "multinationalism" relates to "transnationalism." Is one likely to evolve into the other, or is transnationalism to be precluded by immutable nationhood? Second, they argue that

international trade is regional rather than global. By this they mean that the intra-OECD trade (Organization of Economic Cooperation and Development: the E.U., U.S., and Japan) amounts to 80 percent of world trade. This, too, is correct, except that no one disputes that wealth is inequitably distributed, and so in dollar figures, the North-South trade is obviously far smaller than the North-North trade. But this does not prove much. Globalization never meant global equality (in fact, its exact opposite is true: the gap between rich and poor is growing greater as time passes, and that is precisely where this globalization discourse vitally connects with colonialism discourse). That is, the economic contributions of poorer countries and regions are bound to be small in absolute quantities and values, while at the same time these economies affect the economic and social structure of both themselves and industrialized countries by offering potential sites for outsourcing. Thus, the relative size in value terms of regional versus global trade means very little in discussing globalization. Third, Hirst and Thompson argue that international trading is a minor portion of the total economic activities of most countries except the European Union members. The figures they give are 25–30 percent for European economies, and 10–15 percent for the United States and Japan. Wrong: the total trade/GDP ratios are: Canada 46 percent; Japan 21 percent; U.S., 20–25 percent; and some NIES (newly industrialized economies), especially Taiwan, South Korea, Singapore, and Hong Kong, are even more active in global trade—Taiwan, 77 percent, and South Korea, 62 percent, for instance.³ Finally, they believe that the two most successful economies, Germany and Japan, are successful because they are "nationalistic." I think they are wrong again: first of all, I am not in the least sure that these two economies are so successful on their own; and to the extent, for example, that the Japanese economy has been stagnant and unsuccessful for the past several years after the real estate bubble burst, the reason most often offered for the failure is the excessive intervention by Japan's national bureaucracy that strangles the corporations with outmoded rules and regulations. If these two economists want to argue that globalization, complete integration, has yet to take place, of course they are right. It has not happened. But, if they want to say that regionally integrated economies (the triadic European Union, Nafta, and the East Asia Co-Prosperity Sphere) are the future of the world economy, then I believe they are misreading the present and future of the world economy.

I prefer David Harvey's careful position offered in chapter 11 of *The Condi-*

tions of Postmodernity, entitled "Flexible Accumulation—Solid Transformation or Temporary Fix?" To briefly summarize the chapter in this well-known book, it offers three views regarding the recent developments in the world economy. The first is the globalists' (as represented here by Michael J. Piore and Charles F. Sabel), which sees a transformation that is so radical that in every dimension of social and political life "none of the old ways of thinking and doing apply any more." The contrasting "conservative" position (taken by Anna Pollert, David Gordon, and R. Andrew Sayer) is that "there is nothing new in the capitalist search for increased flexibility or locational advantage," and that there is no solid evidence for any radical change in the way of capitalism—somewhat like Hirst and Thompson's position, discussed earlier. Against these two, Harvey takes a middle ground: he sees a transition from Fordism to flexible accumulation, a mix of "highly efficient Fordist production (often nuanced by flexible technology and output)" in the United States, Japan, or South Korea, and more traditional production systems in other regions. Such a situation has changed "the nature and composition of the global working class," as have "the conditions of consciousness formation and political action. Unionization and traditional 'left politics' become very hard to sustain." "Gender relations have similarly become much more complicated . . . as resort to a female labor force has become much more widespread. By the same token, the social basis for ideologies of entrepreneurialism, paternalism, and privatism has increased."⁴

I believe these three positions more or less suggest the range of views of world economy as it is being transnationalized at an extremely uneven pace in various regions of the planet. It is "global" if we mean the plan and capability of market and labor penetration by industrialized economies. We need to recognize, as does Harvey, that industrial development is extremely uneven, and many parts of the world merely serve the benefits of industrial capital that is more and more restricted to fewer and fewer people. We will come back to this situation of ongoing economic colonialism later, but before that, I want to briefly trace the transition from colonialism to transnational corporatism around WWII.

Neocolonialism

As was often repeated, 85 percent of the earth's land surface was under the subjection or domination by the colonial powers around the turn of the

century, and colonialism remained the dominant geopolitical pattern until 1945. At the end of the war, the world hegemony shifted from Britain to the United States. At this conjunction, it is important to remember the domestic economy of the new hegemon preceding WWII. F.D.R.'s New Deal, initiated in 1932, had not been able to erase the effects of the Depression. During the years between 1931 and 1940, the U.S. unemployment rate remained in two digits straight, reaching nearly 25 percent in 1933. Similarly, the GNP fell in 1931 by as much as 14.7 percent. Roosevelt's concern with the wars in Europe and the Far East was due—this, too, has been often pointed out—as much to an economic need of the United States as to the transgressions of Germany and Japan. After 1940, the U.S. GNP shot up at once: during the war years, the GNP increase rate was in two digits for three straight years, and the unemployment rate sank to the historical low of 1.9 percent in 1943 and 1.2 percent in 1944.⁵ It would be odd indeed if American leaders hadn't learned the invaluable benefits of war from these figures.

The war ended in a complete triumph of the United States, with nearly every other industrial nation reduced to rubble. Britain and France were clearly unable to maintain their overextended colonies after 1945. Germany and Japan were completely vanquished. (Japan's industrial production in 1945, for instance, stood at 10 percent of the normal prewar level, and in 1946 it was only 30 percent of its 1934–36 output.)⁶ And the Soviet Union, which lost 20 million citizens and almost all of its major cities, was also near total exhaustion. Victory, however, is no guarantee of lasting economic prosperity, and peace is indeed a suspect condition for capitalism. With its huge wartime industrial expansion, the United States was faced with a crisis of overproduction. Men returned from war, flooding the labor market. Women who had taken their place during the war had to go home. Thus, the U.S. GNP was stagnant in 1945 and fell in 1946, and strikes were rampant. The frightening specter of a repeat depression loomed before the Truman policymakers. Here, let me quote a statement by George Kennan in February 1948: "we have about 50 percent of the world's wealth, but only 6.3 percent of its population. . . . In this situation, we . . . [must] devise a pattern of relationship which will permit us to maintain this position of disparity without positive detriment to our national security. To do so, we will have to dispense with all sentimentality and day-dreaming. . . . We should cease to talk about vague and—for the Far East—unreal objectives such as human rights, the raising of the living standards, and democratization. The day is not far off when we are going to have

to deal in straight power concepts.”⁷ This statement is more fascinating than his famous Soviet containment piece, known as the “X” article, published in the July 1947 issue of *Foreign Affairs* (or National Security Council Paper 68, authored by Paul Nitze). An internal paper to be kept top-secret for many years, it was one of the rare candid statements about U.S. policy concerning the postwar economy. Furthermore, the statement cannot be dismissed as an expression of postwar uncertainties under circumstances totally different from ours. When the papers were declassified and published in 1983, Kennan in the foreword not only cautioned against such a hindsight reading, but also insisted that “some of the positions of principle taken in these papers were of so fundamental a nature that they will not have lost their relevance, and possibly even their validity, for another generation and another age.”⁸

Wars, even small ones, are often helpful to capitalism. The slump in the economy was picked up by U.S. interventions in Greece and Turkey as well as by the Marshall Plan in Europe, and then by the Korean War. No one knows how the war started in North Korea. Bruce Cumings ends his two-volume *Origins of the Korean War* by asserting that it is futile to try to pinpoint the origins. Elsewhere, he agrees with Kennan in the general assessment of the cold war as having started in 1918 with the Bolshevik dissolution of the Constitutional Assembly.⁹ (Noam Chomsky might trace it back to Columbus’s landing in North America in 1492.)¹⁰ Anyway, the Korean War brought great benefits to the U.S. economy and to the Japanese. When the Peace Treaty was concluded with North Korea in 1953, the U.S. anticommunist efforts were at once redirected to South Vietnam in the form of economic aid to the French government.

The cold war was concurrent with the liberation and independence of many former colonies in Africa, Asia, the Middle East, the Far East, the Caribbean, and the rest, leaving out only a few places. In fact, it is by now unavoidable to think of the cold war as part of a larger Anglo-American policy of third-world, or global, containment. That is, as the West’s administrative colonialism in third-world nations waned, the imperial hegemon made sure that these less industrialized, newly independent countries remain economically and industrially dependent. The Soviet Union, in this view, is not the archenemy threatening the security of Western capitalism, but just another third-world nation, bloated with a military system but hardly anything else. The “evil empire,” so seen, is an invention of the imaginative policymakers in

Washington and London—although the Soviet Union cannot be entirely exonerated from the charge of playing the role of the polar superpower.

During the 1950s and '60s, this containment policy proved a great success. With the national security system firmly in place, the Department of Defense—as Seymour Melman pointed out—functioned as an industrial planning agency, expending more than the combined net profits of all U.S. corporations every single year from 1951 to 1990.¹¹ And it served to boost the U.S. economic engine quite well. The growth of the U.S. economy was steady since the Korean War despite several recessions. The war in Vietnam was also a success story for the growth of the national economy, although there was an enormous social cost, of course. The opposition to the war nearly split the country. Corporations such as GM, GE, and Dow Chemical were often targets of fierce protest and denunciation, and labor demands for higher wages were also rising. It is thus no accident that huge corporations began to transfer their productions abroad in the 1960s and '70s, although there were other compelling reasons as well—such as increasing competition from Germany, Japan, and other industrial nations. This is the time transnational corporatism can be said to have commenced.

Before moving on to discuss the growth of TNCs, I would like to raise a question that still remains a bit of mystery to me—that is, why did the United States allow Japan to grow into the economic power that it is now: the U.S. economy is \$6 trillion, and Japan's economy stands at \$4 trillion; trailing far behind are Germany at \$2 trillion, France and Italy at \$1 trillion, and Britain at \$900 billion. The usual explanation is that the United States needed to keep Japan on its side in the cold war divide, but it is unsatisfying in several ways. An ally need not, should not, be a competitor, especially when it is a dependent client state. (Japan is, after all, still under U.S. occupation even now.) And if the United States has been consistently determined to contain the third-world nations in the line of Kennan's statement, Japan's growth is indeed a puzzle. Did the United States miscalculate? Did Japan somehow outwit the United States?

Perhaps the United States did underestimate Japan's ability for recovery; what can Japan, after all, a mere Asian backward country, do? We can see this in the division of Korea. Why didn't the United States instead split Japan into two halves, one for the Soviets and the other for the United States, as it did Germany, another aggressor? That would have been a more reasonable deci-

sion. Possibly, the United States was indifferent to Korea and did not fear Japan as it did Germany. But a more likely reason might be that national economy no longer mattered much, as U.S. corporate leaders saw it, by the time Japan really emerged as a super economic power around 1980. Increasingly, what needed to be protected was the corporate interest as a whole: not the interest of particular nations or particular corporations of Nation A or Nation B, but simply the interests of all capitalist enterprises that ultimately lead to the enrichment of the financial and industrial capital of any place, any nationality. In such a development, the form of governance known as nation-state is steadily losing its appeal and function. Of course, one does note that Japan is still largely insular, jealously guarding its "national economy." But that is because conservatives in the Japanese government and business are not sufficiently informed, just as their U.S. counterparts are not, although some of its corporate managers are keenly alert to TNC developments. There is wide agreement among the business leaders of both countries that sooner or later, the Japanese will come around to join this global capitalist alliance.

Transnational Corporatism

Transnational corporatism became earnest during the 1980s under Margaret Thatcher in Britain and Presidents Reagan and Bush in the United States. After the collapse of the Soviet Union, the triumphant capitalist West became desirable, fearless, and unrestrained. Capitalism meant nothing short of transnationalism, and all the earlier apologies for economic adventurism and opportunism were felt to be unnecessary and irrelevant.

Earlier, the merits and demerits of privatization were seriously discussed; now privatization is accepted as a given, even a *fait accompli* in most sectors of industrialized countries. Instead of previous disagreements regarding public responsibility, especially the role of the government, unanimity now prevails among all politicians about the inefficiency and waste of "big government." The federal deficit suddenly has become an urgent issue everywhere. And entrepreneurship is an unrivaled virtue for practically everyone. That means, in a world no longer on the brink of a nuclear holocaust, that few public expenditures—except those for defense—are recognized as legitimate. Profit and production are now the universal goals, and nothing is ignored in the striving to maximize personal and private gains.

To cut labor costs, corporations as well as public offices seek to downsize

their operations. The reduction of employees in the 1990s is unprecedented in several aspects. First, the scale of layoffs is immense. The *New York Times* in March 1996 ran the most massive series of articles since the Pentagon Papers in 1971, which lasted for seven days and well over twenty full pages, on "The Downsizing of America." The articles, later published as a 356-page book,¹² may not say much as a whole, the *New York Times* being the *New York Times*, a liberal-conservative mainstream paper. The sheer length of it, however, underscores the prominence the *Times* has given to the phenomenon. It points out, at any rate, as do many other publications in recent years, that more than 43 million jobs, or one-third of all the jobs in the United States today, have been extinguished since 1979. After a layoff, many workers find new jobs, but most of them (65 percent) either work at a lower pay, part time, or are self-employed, and 24 percent remain unemployed or out of the labor force altogether; 72 percent of the entire population admit that they or someone close to them has been affected by a layoff.¹³

The second peculiarity of the current downsizing is that it has nothing to do with the negative performance of the corporations. Rather the opposite: the more downsized, the greater dividends and executive pay. Caterpillar, Inc., of Illinois—which I mentioned earlier—lost \$400 million in 1991 but gained nearly \$1 billion in 1994, and that was precisely the year when the company discovered that they needed no union workers.¹⁴ Every time a company announces a huge layoff, its stock rises to signal the approval of Wall Street. Thus, the day Sears announced the reduction of employees by 50,000 jobs, its stock jumped nearly 4 percent; when Xerox decided to eliminate 10,000 jobs, its stock surged 7 percent. Over ten years Chase Manhattan Bank reduced its workforce by 28 percent, while its assets rose by 38 percent.¹⁵ Throughout such turmoil, some workers do survive—mostly those who are better educated. But they are often reported to be seriously depressed with a sense of guilt and insecurity. The impact of corporate downsizing began to be intensely and extensively discussed in 1995, and that was the year Wall Street had the greatest gain in history. On March 8, 1996, the Dow dropped by 171 points, the largest decline since 1991, and its reason was by now a familiar one: a rise in employment figures was announced that very morning.¹⁶

Third, those who lose jobs entirely are mostly high school graduates or dropouts, but even survivors lose in this bracket: the average hourly wage of American production workers in manufacturing has gone down since 1972 from \$13.21 to \$12.06 after adjusting for inflation.¹⁷ Capitalism is always

inequitable in the distribution of wealth, but however big the gap between rich and poor, until recent years American society always grew richer in absolute terms in every segment of society. Indeed, even the poorest 20 percent grew richer, however minuscule the increase. Since 1973 or thereabout, however, this stable feature changed for the first time in history. Now the poorest are getting poorer in absolute terms, while the rich are getting a disproportionate share of the increase: "those changes mean that American society is divided in a way that it has never been before."¹⁸

In all this, the fourth and most bizarre new feature is the disproportion in wages. We were told around 1990 that the gap in wages between corporate CEOs and line workers was around 60 to 1. A grotesque enough figure, but Kevin Phillips, a Republican economist, upped that figure to 130–140 to 1 in 1993. The Caterpillar president's salary zoomed to \$4.07 million, up 53 percent from the year before, when the union surrendered.¹⁹ Although the discrepancy of incomes across class lines was always huge in the United States (despite Tocqueville's observations), this drove *Newsweek*, Washington's establishment weekly, to a screaming rage. It printed "Corporate Killers" in huge letters with the CEOs' pictures, names, and the number of jobs they eliminated on the cover, and their salaries in the article itself under the title "The Hitmen." The CEO of AT&T: 40,000 layoffs (and still 100,000 more expected in the coming five years, atop the 250,000 cut since the Bell system breakup in 1984,²⁰ his salary, \$3.4 million; the CEO of Chemical/Chase: 12,000 layoffs, \$2.5 million; GM: 74,000 layoffs, \$1 million: and so on.²¹ These figures of course do not include their options and bonuses (*Newsweek* knows manners), which are far bigger—like \$200 million for the chairman of Walt Disney, \$127 million for the CEO of Hospital Corporation of America, and \$67.6 million for the CEO of Primerico in 1992. This connection between downsizing and the rise in stock and CEO pay is grotesque for most people, but the administration in Washington seems unconcerned. Only after Pat Buchanan's bigoted populism made it impossible to remain silent did Senator Kennedy, Congressman Gephardt, and Labor Secretary Robert Reich suggest some congressional measures to restrict downsizing and outsourcing. But Buchanan's popularity declined rapidly and the Democrats' concern, too, quickly evaporated. President Clinton called it merely a matter of corporate ethics. In his speech at Xavier University in Cincinnati on March 23, 1996, obviously feeling queasy even about this vacuous statement, he reaffirmed

that "the most fundamental responsibility for any business is to make a profit."²²

Downsizing is certainly not limited to the unskilled. The skilled are the next target.²³ The Pew Health Professions Commission forecasts a surplus of 100,000 to 150,000 physicians and 200,000 to 300,000 nurses by the end of the century. Only about 1,000 Ph.D.s are produced in mathematics in the United States, and half of them are foreigners. But unemployment among mathematicians is reported to be over 10 percent.²⁴ In the spring of 1996, the University of Rochester decided to eliminate the Department of Mathematics—together with Linguistics, Chemical Engineering, and Comparative Literature. The March–April 1996 issue of *Lingua Franca* reports that of the fifteen Ph.D.s produced by the Yale English Department, only two received ladder-rank appointments.²⁵

I might add that downsizing began, as I have already suggested, with replacing unionized and expensive American employees with cheap overseas workers unprotected by civil rights, human rights, environmental concerns, and feminist consciousness. We all know by now the case of Nike shoes. Nike manufactures all of its shoes outside the United States. The production is subcontracted mostly to Korean entrepreneurs, over whom Nike until recently claimed no responsibility. The subcontractors operate their factories in Indonesia, Thailand, and China. The young women who work in Indonesia all day long sewing these shoes get \$1.35 a day (actually, the Indonesian minimum wage was raised by 29 percent in 1994 because of the pressure from American NGOs, thus the Nike workers now receive as much as \$1.80 a day, presumably), and the contractors charge \$6.50 a pair to Nike, which in turn sells them in the United States for \$50 to \$100. The entire Indonesian operation that employs 30,000 women cost Nike less than what it pays Michael Jordan for his endorsement of the brand, some \$20 million.²⁶ What we have not seen yet in this episode is Nike's possible downsizing of the headquarters operation in Oregon, where a host of white-collar workers now design the shoes and oversee its sales campaign. The middle-rank managers are next in line—to be replaced with eager and bright beginners who cost less and can be hired on reduced benefit arrangements, if not by automation, or both.²⁷ TNCs and MNCs are readily capable of ignoring borders and creating areas of poverty in any place, either in Oregon or in Jakarta. And when the Indonesian labor demands become too exorbitant, the Nike operation might move again,

this time to China, the Philippines, Vietnam, to the sweatshops in Los Angeles, California, or New York City (where the workers are as coercible and unprotected),²⁸ or even to the inside of state prisons and penitentiaries, where literal slave labor is being carried on with the approval and support of the taxpayers of the United States.²⁹

Some economists believe that outsourcing is not nearly as devastating a factor in the disappearance of jobs as automation. With the phenomenal advance in electronic technology, a vast amount of manufacturing work has already been replaced by robotics in the industrial areas. The exact consequences of such a development are not predictable, of course. But Japan, which fears the pollution of its mythical pure blood by imported aliens, has made great strides in the development of cybernetic reengineering. And the radical reduction of labor in the production process seems inevitable anywhere else.³⁰

The economy is complex and unpredictable. It never stands still and changes are constant. Downsizing may slow down or be replaced by some other strategy. The spring 1996 media outbursts against the corporate practice soon quieted down. The press began to publish articles extolling the wisdom of avoiding drastic personnel reductions. Then the news of economic recovery reappeared, emphasizing companies creating new jobs and hiring back employees. Unemployment fell, the labor force grew, and the average worker's pay rose. All this, however, does not mean that the long-term prospect has changed. There may have been a rise in employment, but the press does not specify in which categories; the pay average may have risen, too, but nothing is said about in which income brackets. In fact, the news of downsizing still keeps appearing, and there are no signs of structural change in the "globalized" economy.

Culture in the TNC World

I have so far mainly concentrated on one aspect of the transnational corporate structure as the continuation of exploitation and colonialism, domestic and overseas. Now I would like to move on to the conditions of culture in the TNC structure.

When Matthew Arnold constructed the idea of "culture," borrowed from the Germans in the mid-nineteenth century, it was a joke for the Radicals of the time like Frederick Harrison, who called it "fiddlestick and sauerkraut."³¹

Arnold himself expressed enjoyment of the banter in *Friendship's Garland*. Actually, culture was a dead-serious matter from the beginning for Arnold. His enlightenment ideology of "Hellenism," that is, secular, liberal, and canonic intellectualism, is an apologia for the state—as he defines it in no uncertain terms in the conclusion of *Culture and Anarchy*: "the very framework and exterior order of the State, whoever may administer the State, is sacred; and culture is the most resolute enemy of anarchy."³² Culture was to serve as an agency for law and order.

As it goes through adjustments in the hand of Pater, Eliot, Trilling, and many others in the Anglo-American mainstream humanities, "culture" becomes the program for modern centralism and authoritarianism. Arnold's "sweetness and light" is intellectual modernism consisting in high arts and poetry, criticism and consciousness, the enabling stuff for the imaginary community, which Benedict Anderson mistakenly calls "imagined community." So considered, Anglo-American culture, or even general modern culture, was bound to be statist, not to say nationalist. Transnational corporatism is a process of decomposing the state; and along with it, of economicization of culture. With all the urgency and energy to maximize corporate and private gains, it converts most social and political activities into economy, and culture into a commercial program. Arts and architecture are absorbed into business; music, theater, and film into entertainment and/or entertainment cum speculation. History and geography, in fact all "differences," are treated seriously by economic leaders only as a part of tourism, often packaged in museums, restaurants, and theme parks. Thus, all cultural productions are susceptible to TNC appropriation as profitable commodities. If there is an identifiable style in TNC culture, it is "universal" consumerism that spreads beyond the boundaries of the first world into the second and third, providing that they have leftover money to spend. Consumerism offers a powerful allurements for homogenization. Thus, there is always a theoretical possibility that regional cultures everywhere may be obliterated before long. The Hollywood film's global hegemony is indisputable by now, but what's remarkable about it is the near total quantification of its qualities: either a film is a blockbuster or not, whether it has made \$100 million in the first week or not, and little else finally matters. Quantitative measurement is spreading in the print media: a contract recently has been drawn for three "techno-thrillers" by Tom Clancy for \$60 million, for five books by Danielle Steel for \$60 million, and for four novels by Stephen King for \$40 million.³³ We seem to

hear less and less about serious novels. This market practice expands further into other areas. We know from the examples of rock, rap, break dancing, and graffiti art that even protest and resistance arts are easily made profitable and compromised.

However determinedly critical and disinterested, high culture as defined by Arnold and his modernist successors is especially vulnerable to incorporation into elite consumerism. Once the nation-state as a supposed communal space disintegrates, high culture is doomed to fall under the sway of wealth and snobbery, celebrity and profit. To take just one random example, in the summer of 1996 the Philadelphia Museum of Art held one of the most comprehensive exhibitions of Cezanne's work jointly organized with the Réunion des Musées Nationaux/Musée d'Orsay in Paris and the Tate Gallery in London. That it had commercial sponsors such as Advanta ("an innovative financial services company") and U.S. Air is nothing unusual. Nor is the transnational joint organization. Nor is the text of the ad that selects the artist's early, sensational mixed-race *Abduction* as its opening illustration. What is new, however, is that the exhibition took out a special advertising section of ten pages in *Business Week*, and that its informational page lists "participating hotels" with their rates, ranging from \$149 to \$275. (The price of admission, too, is coordinated to these upscale hotel recommendations: \$12.50 for adults, \$9.50 for seniors, students, and children five out of six open days a week.)³⁴ The campaign was a great success. At midseason, the show was reportedly "just about sold out." Even more startling, however, was the response of New York City. Fearful of losing valuable summer visitors to Philadelphia, its three major museums, the Metropolitan, MOMA, and the American Museum of Natural History (featuring, respectively, Winslow Homer, Picasso, and dinosaurs), placed their joint newspaper advertisements in Philadelphia, Boston, and Baltimore. The ad headline read: "A Blockbuster on Every Block."³⁵ Cezanne and Picasso are now a commodity securely tied to tourism as well as to art dealers. This does not mean, of course, that all museumgoers are consumers, but it should be admitted that the corporate buyout of high culture is rapidly changing the nature and role of art as criticism.

Still, all hope is not lost. Culture as a people's way of life, counterculture rather than official culture, emerges and reemerges in these moments before the TNCs' appropriation of them. True, the TNC is alert and quick, and the life of counterculture is getting briefer. And yet, people do continue to live and try to survive, and as they manage to survive, they still produce texts and

objects interpreting the meaning of social relations while giving hope and courage—without surrendering at once to mindless consumerism. In these moments of hesitation and resistance, people carve out a space free from transnational corporatism and a site for further reflection and criticism.

The University

Early in the year 1995–96, the Department of Literature at the University of California, San Diego, received a letter from the new dean of the humanities. The letter was specifically addressed to various institutional issues in bald quantitative terms—with no reference whatever to substantial intellectual or pedagogic matters. Over several paragraphs, the dean traced the ups and downs of course enrollment, the faculty-student ratio, and the number of majors in the department. He was also concerned with the ranking of the department by the National Research Council. A unique research department of "literature" as a whole, not of any specific national literature, the UCSD department has no comparable institution. And the NRC proceeded to compare its subsections to the departments of other universities as if the small sections were full-scale departments. Thus, UCSD's 18-member section of "Literatures in English" was compared to the 60-member Berkeley English Department, and was ranked No. 37 as against Berkeley's No. 1. The dean asked for explanations, accepting such figures and numbers and ignoring the differences in the organizational rationale or research performance. As a member of the department, I found the document to be unusually unsubtle in its blunt arithmetic and its implied policy to quantify university education. I had not heard of such a memo that was so unself-conscious about its corporate management style either at San Diego, Berkeley, Chicago, or any other university where I had taught. I started composing my response to the dean, but just before mailing out the letter, I called my friends and colleagues at NYU, Princeton, Duke, Syracuse, Hawaii, Chicago, UCLA, UC Irvine, and other schools to make sure that my reaction to this administrative memo was not completely off. To my amazement, all those I talked with in the humanities, without exception, told me that they had received similar letters from their administrators. Many said that their deans had been writing them about the faculty-student ratio for years, and they were surprised that I had never been exposed to a quantified assessment. If there was anything exceptional in this, it was not the dean's rhetoric and performance, but my own naïveté and

ignorance. The one story that struck me most was a case at an Ivy League university where a course with a low enrollment (although above the required minimum) was discouraged from being offered again by the department. A course with a large enrollment, on the other hand, was encouraged without any scrutiny of its contents. (One of the latter courses was called something like "Faith in Life" or "Life and Truth," its syllabus sounding like a New Age manual, little expected from an institution with an international reputation.) Number, and number alone, counts increasingly in our universities.

Ever since the university was established as a modern institution around 1800, it has been repeatedly defined and redefined as to its relationship to society. And yet from Fichte and von Humboldt, through Newman and Arnold or even Thornton Veblen, the university was thought of as a part of national culture, national history, national identity, and national governance. The construction and maintenance of the coherent nation-state was at the core of its agenda.

The turmoil in the 1960s clearly marked a new phase in the history of the university. *The Uses of the University*, written in 1963 by Clark Kerr, the president of the University of California, was both a cause and an effect of such a transformation. His "multiversity" was the first candid manifesto for the abandonment of the presumed integrity of the university as an interpretive agency of the general public, if not of the "universal." It was now reconceived as a service station for social segments, the most—or only—important of which were the state apparatus (the cold war was very much on then) and corporations. The reaction to the book, among other things, led to a student rebellion, the free speech movement at Berkeley, but President Kerr's idea of the "multiversity" also signaled the beginning of the university as accountable not to the public as a whole (what the nation is supposed to be), but to multiple forces in society that are in control of the state more directly than its citizens at large. It ought to be recalled here that the supposed unity of the nation-state was visibly unraveling in the 1960s. A great number of universities were engulfed in often violent strifes not only in the United States, but also in Africa, Europe, Central and South America, East and Southeast Asia, and the Middle East. The word that represented the protesting students' mood of the decade was *relevance*. They applied the test of relevance as the principal tool of criticism and deconstruction to the prevailing ideas and assumptions. In the United States, the civil rights movement opened the 1960s, and toward the end of the decade the university reform and antiwar

protest movements converged with ethnic minority issues, giving rise to ethnic, feminist, and popular culture studies as alternative curricula. They were further broadened throughout the 1970s into the general problem of canonicity. From then on, the vanguard in the humanities was split mainly into two camps, affecting aspects of social sciences as well: one centered around discursive theories following French poststructuralist criticisms; the other, more historical and materialist, on Marx and the Frankfurt School theorists.

The traditionalists were, as always, very audible, but they were in the mainstream, clearly outside the vanguard of scholars and students. Thus, some subjects were discussed with refreshing vigor from poststructuralist, Marxist, and other perspectives. Modernity and postmodernity, neocolonialism, multiculturalism, cultural studies, bio-environmentalism, identity politics (that is, gay/lesbian studies, queer theories, and feminist and ethnic studies)—these all marked departures from nineteenth-century traditionalism, and they generally crossed disciplinary borders. These topics were what should have been included in the object of learning a long time ago, and as such, the development deserved full support from everyone who wished to be truly universalist. And by now—decades later—the alternative curricula are in the ascent, pushing aside conventional culture-based aesthetic criticism.

Such developments in higher education, however, are far from liberationist. First, the logic of nation-state—its history and apologia—that has at times served to protect academia from wholesale absorption by the corporate system has radically declined in the postwar transnational corporate integration. Connection and relation, definition and emphasis are increasingly being sought internationally across state borders not only in business but also in the pursuit of social science and the humanities, not to say natural sciences. Second, whatever remained in support of the coherence of a nation-state during the cold war lost its rationale and efficacy at its demise in 1989. Global corporate operations now subordinate state functions, and in the name of competition, productivity, and freedom, public space is being markedly reduced. And the university that was at times capable of independent criticism of corporate and state policies is increasingly less concerned with maintaining such a neutral position. The function of the university is being transformed from state apologetics to industrial management—not a fundamental or abrupt change perhaps, but still an unmistakably radical reduction of its public and critical role. Third, the introduction of new disciplines and per-

spectives such as multiculturalism, ethnic studies, cultural studies, postcolonial studies, and gender studies was an academic response to the postwar reconfigurations of the prevailing social and economic conditions that were Eurocentric, patriarchic, and hegemonic. As part of the effort to redefine equity and justice, the emerging academic programs were needed and salutary, as already mentioned. It is, at the same time, important to remember that such reforms hardly constituted a challenge to corporate domination, as many of their proponents seem convinced. There is a large area of agreement between corporate needs (labor control, market expansion, denationalization, privatization, entrepreneurship, and transnationalization) and such cross-border studies. "Multiculturalism [together with other emergent studies] is a phenomenon with a silent partner: the broad and radical change now taking place within world capitalism."³⁶

To return to the University of California, San Diego, Robert C. Dynes, vice-chancellor for Academic Affairs, was designated to assume the recently vacated chancellorship in April 1996. Dynes proposed seven goals for UCSD on the occasion. Of these, two objectives were concerned with the students, one with the faculty, one with the campus community, one with the regional community, and two with partnerships between the university and business "locally, nationally, and internationally."³⁷ He may well be proud of having had an unusual corporate background for a professor of physics (he moved in 1991 from "AT&T Bell Laboratories, one of the nation's preeminent corporate research organizations," as he announced), and his emphasis on the active collaboration between research institutions and the business community may indeed be justified. It is a little surprising, however, that an academic administrator of considerable status and influence is seemingly oblivious to the essential need of university research to safeguard its integrity and independence from corporate demands. In fact, he says nothing in the speech about the humanities or even social sciences, on which the responsibility of articulating criticism and assessment of corporate activities and state conducts might well fall, should there be occasions.

A few weeks later, the newly appointed president of the University of California, Richard C. Atkinson (whom Dynes replaced in San Diego), made public his vision for the university. He reiterates the importance of technology for "increased productivity, higher living standards, and faster economic growth." Atkinson knows that some may think of this as dangerous, "raising the specter that universities will abandon their pursuit of fundamen-

tal knowledge in favor of short-term research with a quick payoff." But he dismisses such fears in the next sentence, calling industry's growing interest in university research "more an opportunity than a threat." Thus, the partnerships of universities with industry are the key to successful economies of the twenty-first century. We have learned "a great deal about safeguarding the freedom to publish research findings, avoiding possible conflicts of interest and in general protecting the university's *academic atmosphere* and the free rein that faculty and students have to pursue what is *of interest to them*" (my italics). Possible—or, some might say, actual—contradictions and adversarial relations between university and business are brushed aside by ignoring the whole range of thorny issues such as uneven distribution of wealth, profit maximization, unemployment and downsizing, environmental destruction, corporate greed, and countless other vital questions. President Atkinson, too, avoids terms like *intellectual*, *humanities*, or even *tradition*, preferring *knowledge* and *technology*.³⁸ What is fascinating about this remark is not that the brief essay is extreme or radical—though it indeed is if placed in the context of the academic discourse of Veblen, Barzun, or even Kerr—but that President Atkinson remains wholly self-assured and matter-of-fact throughout. In fact, unlike the stormy responses *The Uses of the University* raised a generation ago, this op-ed essay did not stir a single scholar or critic to rebut or even discuss. The appropriation of the university by industry is now complete.

Inside the university, on the other hand, uncertainty prevails. There is a widespread feeling, to begin with, that the current institutional departmentalization of knowledge is quite inadequate; in fact, the supposed disciplinary borders that function as the academic rationale for organization are visibly blurring everywhere. There is very little that can be agreed on as to what should constitute the substance being taught. In most English departments, for example, courses involving writers and theorists, regardless of their nationalities, languages, or even disciplines, are being offered with little self-consciousness—from Bakhtin to Bataille, from Derrida to Habermas, from Irigaray to Devi, from Foucault to Lévi-Strauss, from Lacan to Lyotard. University presses no longer know how to classify their publications (thus the recent emergence of inclusively topical "series"), and the same is true of bookstores. Discussions and controversies continue: disciplines, area studies, cultural studies, identity politics—even such large and general categories are being fought over with fervor inside academia.

To return to my dean's and apparently countless other letters written in

recent years by academic administrators, what we are witnessing here is the principle of corporate economy in control of universities. Courses are being canceled whether they teach basic mathematic theories, or the Achebe-Ngugi controversy about the use of language, or the South American testimonials, or Derrida's dependence on the ghost, or the power of hybridity, or fifteenth-century English poetry unless enough students enroll. Conversely, if a good many students are interested, any vacuous course can be taught. Of course, departments and schools could always coerce students by requiring courses. But university education without a substantial guarantee for job placement will not remain an unchallengeable authority forever. The students' reluctance and resistance can grow. There are signs that the number of applicants for admission to college is on the decline.³⁹ Besides, agreement as to which courses to require is getting harder and harder to reach among the faculty. The division and fragmentation diagnosed by Clark Kerr in the early 1960s are now quite conspicuous on every campus.⁴⁰

/ A few years ago, people in the humanities were excitedly talking about the vanishing subject matter. Now it is the disappearance of the students, the changing nature of the university, and the disappearance of faculty positions that we are obsessed with. The late Bill Readings's excellent book *The University in Ruins* (1996) discusses with great insight the history of the university from its Enlightenment inception to its twentieth-century demise. His diagnosis of the university outside the nation-state structure, which he calls "the university of excellence," traces in greater detail the outline I have sketched out here.⁴¹ He means by the term "excellence for the sake of excellence" the skill in trade, any trade—with no direction, except an aggregate of market demands. Readings's prognosis for the university of dissensus is, however, finally not clearly distinguishable as an operational alternative from Gerald Graff's idea of the university and faculty as mediator/facilitator—the university where students are encouraged to disagree and argue—with the faculty as an open-minded witness, though covertly assuming an ultimate consensus, like a talk-show host.

Outside academia—in union halls, neighborhood meetings, NGO programs, and alternative activist groups—resistance, opposition, and struggle are unavoidable daily routines for survival, but they are quietly dismissed from academic discourse as insignificant, ineffective, and outmoded, if not wholly delusional. In its condemnation of the master narratives, academic discourse refines and complicates the ideas of gender and ethnic identities to

such an extent that class conflicts are conveniently pushed aside. What is not seen does not exist. One's own identity, on the other hand, is private property to be guarded from all others. Minority discourse is often no longer a step toward the establishment of social equality, but a claim to monopoly rights. Among competing groups—especially between the dominant and the dominated—hybridity, accommodation, and pragmatism are aggressively promoted as if they were the only viable strategies in the postmodern reality of the capitalist world. History as a combative process is advertized to be over, and conflicts and contradictions are declared to be already resolved. In fact, the university classroom as a talk show that promises to entertain rather than discuss seems to be more and more the typical undergraduate expectation. Students also want to have been, but not be, in the classroom. It is a sadly vacuous place that has little to offer except for licensing and professionalism—Readings's "excellence" plus diversion—without the substance of profession. Once professors presumably professed; they are now merely professionals, entrepreneurs, careerists, and opportunists, as in the corporate world. We may be in a far worse situation than we like to imagine—unless we seriously tackle what we should think, teach, and do.

The *New York Times* of March 27, 1996, published an editorial on the news of City University of New York's having cut its budget by \$97 million. The chancellor as a result declared a state of financial emergency, which means a legal authority to suspend tenure. Which in turn means that Anne Reynolds, the chancellor, can decide what to teach, what not to teach, who can teach, and who cannot teach. Higher education is now up to the administrators. And sooner or later, research, too, will be up to the administrators. Of course, we know that the administrators are merely in the service of the managers of society and the economy, who exercise their supreme authority vested in the transnational corporate world.

When do we begin to fight back? And how do we—the workers in Dayton, Ohio, and those of us in the university—form an alliance?

Notes

- 1 Donald W. Nauss, "Little Apparently Accomplished with Costly GM Strike," *Los Angeles Times*, 23 March 1996, quotes Harley Shaiken as saying that the UAW "triumphed" in Dayton.

- 2 Paul Hirst and Grahame Thompson, "The Problem of 'Globalization': International Economic Relations, National Economic Management and the Formation of Trading Blocs," *Economy and Society* 21, no. 4 (November 1992): 357–395.
- 3 U.S. Department of Labor, Bureau of Labor Statistics, *Productivity and Economy: A Chart Book, 1985* (Washington, DC, 1986).
- 4 David Harvey, *The Conditions of Postmodernity: An Enquiry into the Origins of Cultural Change* (Oxford, 1989), 190–192. In a more recent unpublished paper, "Globalization in Question," presented in February 1996 at the University of California, San Diego, Harvey again raises the question, "has there been a qualitative transformation wrought on the basis of these quantitative shifts?" and replies, "My own answer is a very qualified 'yes' to that question immediately accompanied by the assertion that there has not been any fundamental revolution in the mode of production and its associated social relations and that if there is any real qualitative trend it is towards the reassertion of early nineteenth[-century] capitalist values coupled with a twenty-first century penchant for pulling everyone (and everything that can be exchanged) into the orbit of capital while rendering large segments of the world's population permanently redundant in relation to the basic dynamics of capital accumulation" (15).
- 5 U.S. Department of Commerce, Bureau of the Census, *Historical Statistics of the United States: Colonial Times to 1970*, vol. 1 (White Plains, NY, 1989), 135, 226–227.
- 6 Mikiso Hane, *Modern Japan: A Historical Survey* (Boulder, CO, 1986), 341.
- 7 U.S. Department of State, *State Department Policy Planning Study* 23, 24 February 1948.
- 8 U.S. Department of State, Policy Planning Staff, *The State Department Policy Planning Staff Papers* (New York, 1983), 1:viii. I learned of this document through a conversation with Noam Chomsky many years ago. Since then I have quoted it several times and am again reproducing it here—only because I consider Kennan's pronouncement crucial for the understanding of U.S. postwar policy.
- 9 Cumings made these remarks in a discussion at a workshop I organized at the University of California, San Diego, in 1995. George Kennan, *Russia Leaves the War* (Princeton, NJ, 1956), 352–363.
- 10 Noam Chomsky, *Year 501: The Conquest Continues* (Boston, 1993).
- 11 Seymour Melman, "Military State Capitalism," *The Nation*, 20 May 1991, 649, 664–668.
- 12 The New York Times, *The Downsizing of America* (New York, 1996).
- 13 John Cassidy's rebuttal, "All Worked Up: Is Downsizing Really News or Is It Just Business as Usual?" (*New Yorker*, 22 April 1996, 51–55), faults the *New York Times* and other publications for distorting the statistics of current layoffs and unemployment. Cassidy attributes downsizing to capitalism's inevitable aspect of "creative destruction." But his actual complaint is limited to the *Times's* not consulting the 1996 *Displaced Workers Survey* (D.W.S.) by the Department of Labor, which is not published as of this writing. The survey, according to Cassidy, might

present a different picture: "all suggest that there has been little change in overall job stability" (53). Having made the statement, however, Cassidy proceeds to concede that displaced workers have to take a pay cut, that more educated workers are now losing their jobs, and that "the intensification of global capitalism has been undermining the living standards and the prospects of the unskilled." "But," Cassidy goes on, "contrary to common belief, people who lost their jobs in 1993 suffered no more than those laid off in 1983." Cassidy may prove right, but in the absence of the *Displaced Workers* statistics, I cannot agree or disagree. One thing that occurs to me, though, is that Cassidy, too, might have waited for the publication of the Labor Department report if he is serious in complaining that the *New York Times* should have waited.

- 14 There is an excellent report covering the Caterpillar strike in the *Los Angeles Times*. The five-part series began on May 14, 1995, and this series, too, was published later in book form.
- 15 Louis Uchitelle and N. R. Kleinfield, "On the Battlefield of Business, Millions of Casualties," *New York Times*, 3 March 1996 (later included in *The Undersizing of America* as the first chapter, "The Price of Jobs Lost").
- 16 Kenneth N. Gilpin, "Market Takes Steepest Drop since '91," *New York Times*, 9 March 1996.
- 17 Barry Bearak, "After a Long Tug of War, Labor Slips," *Los Angeles Times*, 14 May 1996.
- 18 Benjamin Schwartz, "Reflections on Inequality: The Promise of American Life," *World Policy Journal* (winter 1995-96): 38.
- 19 Louis Uchitelle, "1995 Was Good for Companies, and Better for a Lot of C.E.O.'s," *New York Times*, 29 March 1996.
- 20 Catherine Arnst, "The Bloodletting at AT&T is Just the Beginning," *Business Week*, 15 January 1996.
- 21 Allan Sloan, "The Hit Men," *Newsweek*, 26 February 1996.
- 22 Todd S. Purdum, "Clinton, in Ohio, Asks Industry to Share with Their Workers," *New York Times*, 24 March 1996.
- 23 See Simon Head, "The New Ruthless Economy," *The New York Review of Books* 43, no. 4 (29 February 1996): 47-52.
- 24 Daniel S. Greenberg, "Well-Educated—and Unemployed," *San Diego Union-Tribune*, 6 December 1995.
- 25 Emily Eakin, "Walking the Line," *Lingua Franca* (March-April 1996): 52-60.
- 26 The Nike case has been often reported (see, for example, Richard J. Barnet and John Cavanagh's *Global Dreams: Imperial Corporations and the New World Order* [New York, 1994], 325-328). See also John Cavanagh and Robin Broad, "Global Reach: Workers Fight the Multinationals," *The Nation*, 18 March 1996, 21-24, and Bob Herbert, "Trampled Dreams," *New York Times*, 12 July 1996.
- 27 Barry Bearak, "Getting Cut Off by AT&T," *Los Angeles Times*, 18 February 1996.
- 28 "A 1989 report by the General Accounting Office found that some two-thirds of the 7,000 garment shops in New York City were sweatshops. Last year, a Labor

- Dept. spot check of 69 garment shops in Southern California found a stunning 93% had health and safety violations" (Susan Chandler, "Look Who's Sweating Now," *Business Week*, 16 October 1995). See also Marc Cooper, "Class War: Silicon Valley: Disposable Workers in the New Economy," *The Nation*, 27 May 1996, 11-16.
- 29 Christian Parenti, "Making Prison Pay," *The Nation*, 29 January 1996, 11-14.
 - 30 Jeremy Rifkin's *The End of Work: The Decline of the Global Labor Force and the Dawn of the Post-Market Era* (New York, 1995) is, I believe, finally wrong both in its diagnosis and recommendation, but contains interesting and important information along the way.
 - 31 Frederick Harrison, "Culture: A Dialogue," *The Choice of Books and Other Literary Pieces* (London, 1886), 103.
 - 32 Matthew Arnold, *Culture and Anarchy*, ed. J. Dover Wilson (London, 1960), 204.
 - 33 Mark Miller and Katrine Ames, "A League of Her Own," *Newsweek*, 22 July 1996.
 - 34 *Business Week*, 22 April 1996. I have not systematically examined other periodicals. It's entirely possible that the advertisements were placed elsewhere as well.
 - 35 Glenn Collins, "Advertising: Manhattan Museums Combine Resources for Newspaper Campaign," *New York Times*, 19 July 1996.
 - 36 David Rieff, "Multiculturalism's Silent Partner: It's the New Globalized Consumer Economy, Stupid," *Harper's*, August 1993, 62.
 - 37 Official Notices, no. 573, dated April 11, 1996. The remarks were delivered at a news conference on April 9.
 - 38 "High Stakes for Knowledge," *Los Angeles Times*, 28 April 1996, op-ed page.
 - 39 See Commission on National Investment in Higher Education, for the Council for Aid to Education, *Investing in American Higher Education: An Argument for Restructuring*, 5 January 1995.
 - 40 Clark Kerr, *The Uses of the University*, 3rd ed. (Cambridge, MA, 1982), 101.
 - 41 Although Bill Readings and I are not specifically in debt to each other, I would like to acknowledge—with deep grief—that toward the end of his brief life, we shared days discussing these issues and were planning to work together on university projects. *The University in Ruins* was published posthumously by Harvard University Press.