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# The end of 'cosmopolitan' capitalism? Reflections on nations, models and brands in the global economic crisis

Robert Halsall

*This article reflects on the philosophical implications of the crisis for the nation-state and culture in relation to business and management. The global triumph of the neo-liberal economic model in the 1990s and early 2000s brought with it an ontological re-conception of the nation-state in its relationship to business, the market, and regulation: the nation was viewed as a 'brand-state' analogous to a company. Much of the successful appeal of the 'brand-state' was based on its annexation of the Enlightenment discourse of 'cosmopolitanism': it appeared that a world consisting of interlinked economies represented a fulfilment of the Kantian utopian project of detachment and perpetual peace. The economic crisis has brought this discourse into question. The article assesses whether lessons learnt from the crisis contain prospects for a post-teleological re-conceptualisation of the nation-state beyond the 'brand-state' towards a 'cosmopolitan solidarity' in which nation-states co-operate to ameliorate its worst effects.*

## Introduction: Cosmopolitanism, universalism and teleology

It is indeed an odd and seemingly inconsistent approach to want to narrate a history according to an idea of how the course of the world would have to progress if it is to be adequate to certain rational aims; it may seem that such a project would only yield a novel. Yet if one may assume that nature itself does not progress without a plan and ultimate intention even in the exercise of human freedom, then such an idea could become useful indeed; and although we are too shortsighted to understand the secret mechanism of nature's organization, this idea may nonetheless serve as a guiding thread with which to describe an otherwise planless aggregate of human activities, at least in the large, as a system.<sup>1</sup>

The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country. ... In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations. And as in material, so also in intellectual production. The intellectual creations of individual nations become common property. National one-sidedness and narrow-mindedness become more and more impossible, and from the numerous national and local literatures, there arises a world literature.<sup>2</sup>

The philosophical basis for this paper lies in the two quotations above. The first is from Kant's essay of 1784 setting out a 'cosmopolitan idea' through which nations would transcend their natural tendency towards 'isolation' and 'antagonism' towards each other by the establishment of a 'law governed external relation between states' or 'cosmopolitan right', the realisation of which Kant later sets out in more practical detail in *Towards Perpetual Peace* (1795).<sup>3</sup> This 'cosmopolitan idea' has been the subject of much debate as to its desirability and practicability in the areas of political philosophy and law, among others.<sup>4</sup> In the extract quoted, importantly for the argument of this paper, Kant argues that it is

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<sup>1</sup> Kant, I. 'Idea for a Universal History from a Cosmopolitan Perspective' in *Towards Perpetual Peace and Other Writings on Politics, Peace, and History* (ed. P. Kleingeld) New Haven: Yale University Press 2006, p 14-15.

<sup>2</sup> Marx, K and Engels, F. *The Communist Manifesto* Text of the English edition of 1888, London: Edition Elecbook 1998, p13-14.

<sup>3</sup> Kant, I. 'Towards Perpetual Peace: A Philosophical Sketch' in *Towards Perpetual Peace and Other Writings on Politics, Peace, and History* (ed. P. Kleingeld) New Haven: Yale University Press 2006, p 67-109.

<sup>4</sup> See, for instance, Bohman, J. and Bachmann, M. (eds.) *Perpetual Peace. Essays on Kant's Cosmopolitan Ideal* Boston: MIT Press 1997.

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necessary to see history in this respect as a teleology: the realisation of the cosmopolitan idea would be the end point of a process of history in which nations and peoples would have transcended their tendencies towards isolation and mutual antagonism and established such a rational order. Although such a teleological narrative may be a fiction, Kant argues, in some sense it is a necessary fiction.

In the second extract, from Marx and Engels' *Communist Manifesto* (1848) a similar kind of teleological thinking is employed in describing the 'cosmopolitan' nature of the world market. In the 'cosmopolis' of bourgeois capitalism needs are satisfied by 'the products of distant lands and climes' and 'local and national seclusion and self-sufficiency' are transcended in a global capitalism. Marx and Engels, of course, want to argue that this 'cosmopolitan' capitalism needs to be replaced by international communism, which would, nevertheless, be characterised by a similar state of affairs in which 'national one-sidedness and narrow-mindedness' would be overcome by means of international solidarity of the proletariat. The cosmopolitan idea common to both visions, then, is characterised by strong teleological and fictional or utopian elements: a belief in the desirability of a system which transcends nations, with their 'antagonism' and 'isolationism' (Kant), or their 'one-sidedness and narrow-mindedness' (Marx and Engels), and which would be both the end point of history and a utopian ideal which needs to be brought about.

A similar form of teleological utopian thinking characterised the era which began with the fall of Communism in the early 1990s and arguably came to an end with the crisis of 2008. This was associated with the triumph of neo-liberalism and belief that this represented the realisation of a utopia. Fukuyama's *The End of History and the Last Man* (1993), for instance, was a clear example of such triumphalism. Such utopian thinking, however, was seen to be largely independent of empirical events, in particular those which challenged the belief in the inevitability of the neo-liberal utopia. As Derrida wrote in his *Spectres of Marx* (1994), "In the name of the trans-historic and natural ideal, it (neo-liberal utopianism<sup>5</sup>) discredits the same logic of the so-called empirical event, it has to suspend it to avoid chalking up to the account of this ideal and its concept precisely whatever contradicts them"<sup>6</sup>.

In other words, neo-liberal ideology ignored anything which might have run counter to a belief that the end point of history had been reached. In the last two years, of course, we have experienced precisely such a cataclysmic empirical event which, it seems, even the apologists of neo-liberalism find hard to ignore. As Žižek comments in his recent book on the economic crisis: "If the 2008 financial meltdown has a historical meaning, then, it is as a sign of the end of the economic face of Fukuyama's dream"<sup>7</sup>.

To return to Kant, what precisely was 'cosmopolitan' about this neo-liberal utopia which may now have been brought to an end? Cosmopolitanism as a discourse has been present in both an implicit and explicit way in management and business thinking, as reflected in the texts of management gurus and of popular globalisation theorists whose ideas have influenced the business and management world in the last 10-20 years. We can view this invocation of the spirit of Kant and Marx as part of a 'new spirit of capitalism' which emerged during the 1990s. Boltanski and Chiapello argue that, following Weber's idea, each age has need of a specific 'spirit of capitalism': "to be attractive, capitalism must be capable of being presented ... as 'stimulating' – as containing possibilities for self-realization and room for freedom of action"<sup>8</sup>. In addition to providing a source of stimulation, the spirit of each age must also address sources of critique directed towards previous spirits of capitalism.

The spirit of capitalism which characterised the management texts of the 1990s, in Boltanski and Chiapello's analysis, saw the emergence of the 'network' and the 'network manager' as the principal models of inspiration: "The manager is network man. His principal quality is his mobility, his ability to move around without letting himself be impeded by boundaries, whether geographical or derived from

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<sup>5</sup> Insertion R. Halsall.

<sup>6</sup> Derrida, J. *Specters of Marx* London: Routledge 1994, p 69.

<sup>7</sup> Žižek, S. *First as Tragedy, Then as Farce* London: Verso 2009, p 5.

<sup>8</sup> Boltanski, L. and Chiapello, E. *The New Spirit of Capitalism* London: Verso 2005, p 16.

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professional or cultural affiliations”<sup>9</sup>. Two images are associated with the ‘spirit of capitalism’ which existed from the early 1990s until 2008. First, the image of the ‘cosmopolitan’ manager, who operates beyond national boundaries, and whose loyalties and affiliations reject ‘national one-sidedness and narrow-mindedness’. Second, the image of the global corporation as a ‘cosmopolis’: a community of individuals for whom the corporation has replaced the nation as the principal source of identification.

### Utopian ‘cosmopolitanism’ in global management texts of the 1990s and 2000s

If we examine such global management texts and popular accounts of globalization aimed at business managers from the early 1990s until the end of the 2000s from the point of view of critical discourse analysis, we can see how this ‘cosmopolitan’ spirit of capitalism is represented as what Jameson calls a “utopian allegorical hermeneutic”: the “symbolic figures ... whereby an essentially Utopian desire can be transmitted”<sup>10</sup>. Jameson identifies three generic characteristics of utopian literature which can be used as an interpretive framework to examine these ideas.

First, the utopian ‘body’, according to Jameson, is the means through which an individual experiences utopia, for instance through corporeal transcendence or a promise of eternal life or rejuvenation. Corporeal transcendence can be portrayed not just in temporal terms, however, but also in spatial terms, particularly important to the utopian idea of cosmopolis, through, for instance, the individual experiencing a feeling of detachment from local and national origins, and a feeling of belonging to the world. The utopian idea of the inhabitants of cosmopolis being able to transcend their cultural and national origins, to experience and learn from other cultures irrespective of the confines of place, is characteristic of Enlightenment and early rationalist utopias based on the ecumenical ideal of rationality and scientific method. More’s *Utopia*, for instance, is an artificial island closed off from the rest of the world, but nevertheless ‘cosmopolitan’ in the sense that, through this very enclosed nature, its relations with the rest of the world can be closely controlled and monitored. Campanella’s *City of the Sun*, although, once again, isolated from the outside world, has nevertheless at its centre a temple on whose walls there is “a map of the entire world with charts for each country setting forth their rites, customs, and laws; and the alphabet of each is inscribed above the native one”<sup>11</sup>. In Bacon’s ‘New Atlantis’, similarly, the inhabitants seemingly have knowledge of other nations, cultures and languages despite their isolated status:

This happy island where we now stood ... we found wonderful strange; for that all nations have inter-knowledge one of another either by voyage into foreign parts, or by strangers come to them; ... But for this island, we never heard tell of any ship of theirs that had been seen to arrive on any shore of Europe... . But then that they should have knowledge of the languages, books, affairs, of those that lie such a distance from them, it was a thing we could not tell what to make of. <sup>12</sup>

The second generic characteristic of a utopian allegorical hermeneutic put forward by Jameson is utopian ‘temporality’, which involves, for instance, a projection of a future state in which the ills of the present are remedied, or a present state which embodies an ideal of perfection. There are two elements to this according to Jameson: the experiential (how the individual experiences time), and historical time itself. In the case of utopian temporality, “these two dimensions are seamlessly united”, and “existential time is taken up into a historical time which is paradoxically also the end of time, the end of history”<sup>13</sup>. Both Kant’s and Marx’s versions of a cosmopolitan world order, as I have argued above, contain such a ‘utopian temporality’.

As far as neo-liberalism is concerned, although its foundational ideologues such as Hayek and Friedman appeared to expressly anti-utopian in their beliefs, rejecting what they claimed were the ‘totalitarian’

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<sup>9</sup> Ibid. p 80.

<sup>10</sup> Jameson, F. *Archaeologies of the Future: The Desire called Utopia and other Science Fictions*. London: Verso 2005, p 6.

<sup>11</sup> Campanella, T. *The City of the Sun: A Poetical Dialogue*. Los Angeles: University of California Press 1981, p.33.

<sup>12</sup> Bacon, F. *The New Atlantis*, in S. Bruce (ed) *Three Early Modern Utopias*. Oxford: Oxford University Press 1999, p. 161.

<sup>13</sup> Jameson, F. *Archaeologies of the Future: The Desire called Utopia and other Science Fictions*. London: Verso 2005, p.7.

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elements of state intervention in the economic and social affairs of individuals in the pursuance of utopian social ideas, nevertheless, in the 'fundamentalist' version of their beliefs, as Naomi Klein puts it in her recent book, they can be seen as utopian: "The Marxists had their workers' utopia, and the Chicagoans had their entrepreneurs' utopia, both claiming that if they got their way, perfection and balance would follow"<sup>14</sup>.

Central to the experience of 'utopian temporality' as depicted in global management texts of the 1990s and 2000s are metaphors which carry strong connotations of finality: the belief that the present phase of globalization is the incarnation of an ideal towards which the world has been inevitably moving. In Kenichi Ohmae's *The Invisible Continent* this central metaphor is associated with motifs of discovery:

Throughout human history, ... as explorers and settlers have come to new continents, they have shifted their ways of life – not just for themselves, but also for the old worlds they left behind. ... In our time, it seems as if no remaining new continents are left to be discovered. ... There are no new places to settle. Yet, during the past fifteen years, civilization has changed at a planetary scale more quickly and continuously than ever before. It's as if some kind of new continent has been discovered – a continent without land.<sup>15</sup>

We are, according to Ohmae, at the end of terrestrial history in the sense that there is no part of the real world yet to be discovered or explored: the imaginary entrepreneurial utopia of the 'invisible continent', however, which is at once 'no place' and potentially in any place, is yet to be discovered. In literary terms, the idea of an invisible continent evokes immediate associations with the utopian islands of More, Bacon and others, as argued above.

In the case of Friedman's *The World is Flat* the central extended metaphor for utopian temporality and spatiality, the 'flatness' of the world, alludes to a metaphorical reversal of the teleology of terrestrial discovery: on a journey to visit businesses in India Friedman 'discovers' that the world is 'flat', not round, as he had thought:

When I set sail, so to speak, I too assumed that the world was round, but what I encountered in the real India profoundly shook my faith in that notion. Columbus accidentally ran into America but thought that he had discovered part of India. I actually found India and thought many of the people I met were Americans.<sup>16</sup>

The world's 'flatness' stands metaphorically for a 'cosmopolitan' utopian state in which all are 'equal': no-one (not even Americans, for whom the book is primarily written) is privileged by their culture or history, and everyone has undergone a 'levelling' brought about by neo-liberalism, thus bringing about an 'equalisation of opportunity.'

In Ohmae's *The Next Global Stage* the central teleological metaphor is the Shakespearian one of the world as 'stage'. The primary emphasis in Ohmae's deployment of it, however, is not on its dramatic connotations, but on the 'cosmopolitan' nature of the stage: because we are *all* on it, and cannot escape from it, the differences and privileges of the 'real' world are abolished and we live in a utopian state of mutual interdependence:

The world is one huge arena for economic activity, no longer compartmentalized by barriers or other unnecessary stage furniture. We all form part of a giant troupe of interdependent actors and actresses. We don't all recite the same lines or even perform similar repertory pieces, but none of us is entirely independent.<sup>17</sup>

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<sup>14</sup> Klein, N. *The Shock Doctrine. The Rise of Disaster Capitalism*. London: Penguin 2007, p 52.

<sup>15</sup> Ohmae, K. *The Invisible Continent: Four Strategic Imperatives of the New Economy*. London: Nicholas Brealey 2001, p 10.

<sup>16</sup> Friedman, T. *The World is Flat: The Globalized World in the Twenty-first Century*. London: Penguin 2006, p 6.

<sup>17</sup> Ohmae, K. *The Next Global Stage. Challenges and Opportunities in our Borderless World*. London: Wharton School Publishing 2005, p.91.

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Although neo-liberal globalization forces us to be on this 'stage', nevertheless its 'cosmopolitan', inclusive nature should make us *want* to be on it. The metaphor thus combines successfully (in terms of the ideology which motivates it) economic necessity with cultural desirability. Ohmae spells out the political implications of this 'cosmopolitan' idea by contrasting it with the phase of history which it is supposed to have transcended, a world still dominated by nation-states:

By breaking up the world's population into supposedly self-sufficient entities, nation-states have stymied the realization of inter-dependence. Political entities, whether large or small, still believe that, at the end of the day, they can survive on their own, though things might be a little tough. Confrontation rather than cooperation has followed in its wake.... . This can be achieved only at the cost of great human suffering.<sup>18</sup>

The attractiveness of being on the 'cosmopolitan' world stage, then, is apparent: we leave national conflict and rivalry behind, and live together in harmony and peace brought about by economic competition. Ohmae clearly draws inter-discursively on Adam Smith's vision of a world market which forces all who are in it to co-operate, as evident in the following passage from Book IV of *The Wealth of Nations*:

The inhabitants of all the different quarters of the world may arrive at that equality of courage and force which, by inspiring mutual fear, can alone overawe the injustice of independent nations into some sort of respect for the rights of one another. But nothing seems more likely to establish this equality of force than that mutual communication of knowledge and of all sorts of improvements which an extensive commerce from all countries to all countries naturally, or rather necessarily, carries along with it.<sup>19</sup>

The final generic characteristic of Jameson's utopian hermeneutic is the depiction of the utopian 'collectivity': that group of people who are seen to embody the qualities deemed necessary for the enactment of the utopia. The 'utopian collectivity' invoked in the management texts of the 1990s and 2000s are the 'cosmopolitan' managers and employees of the global corporation, whose character is described by Kanter:

Cosmopolitans are card-carrying members of the world class – often literally card carrying, with passports or air tickets serving to admit them. ... But it is not travel that defines cosmopolitans – some widely traveled people remain hopelessly parochial – it is mind-set.<sup>20</sup>

The utopian 'collectivity' invoked by Kanter and other management gurus is defined as both inclusive and exclusive: inclusive in the sense of embracing all cultures; exclusive in the sense that only if people act in prescribed ways and hold particular beliefs, specifically belief in unrestricted consumerism and individualism, will they be allowed to be part of it. The aspect of *belief* in this utopia is particularly important given the predominant religious tone of many of the management texts. Ohmae invokes such a community of faith of managers by drawing on familiar metaphors of discovery:

The new continent was discovered first by Americans, but no nation holds a monopoly on entrance to it. Any nation, any company, any race, any ethnic group, or any individual may enter. In this sense, it is far fairer than the old world. Entrance depends on adopting new types of behaviours ... People who enter, no matter what their ethnic origin or gender, have all learned to act in particular ways and to hold particular beliefs. Otherwise they don't get in.<sup>21</sup>

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<sup>18</sup> Ibid. p 91.

<sup>19</sup> Smith, A. *An Inquiry into the Nature and Causes of the Wealth of Nations* (Book IV. Section vii) (ed. R. H. Campbell and A. S. Skinner) Oxford: Oxford University Press 1976.

<sup>20</sup> Kanter, R. *World Class: Thriving Locally in the Global Economy* London: Simon and Schuster 1995, p 23.

<sup>21</sup> Ohmae, K. *The Invisible Continent: Four Strategic Imperatives of the New Economy*. London: Nicholas Brealey 2001, p 18.

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The rhetoric of the utopian collectivity of managers who will bring about the cosmopolitan utopia thus combines 'revolutionary' zeal and Messianic faith reminiscent of Marxism, as indicated by Friedman's ironic reference to the *Communist Manifesto*, where the global corporation and the managers who run it are seen as the realisation of Marx and Engels' prediction of "the inexorable march of .... capital to remove all barriers, boundaries, frictions, and restraints to global commerce".<sup>22</sup>

### The nation-state, the 'model' and the 'brand-state'

The influence of 'cosmopolitan' utopian ideas and teleological thinking in relation to business and management was not just restricted to their 'inspirational' depiction in the texts of management gurus. The idea of a 'cosmopolitan' capitalism which was the end state of a neo-liberal teleology was also accompanied by a re-conceptualisation of the nation-state itself and its relationship to business and enterprise. The central idea was that the nation-state "should be run like a company", or that the nation is *like* a company in that it has symbolic 'brand' attributes which are presented both to its inhabitants and to the outside world, which can be favourably manipulated and thus its standing in the world improved.<sup>23</sup>

This reconfiguration does not just mean that such activities as tourism and other aspects of 'inward investment' are subject to the conscious application of techniques from marketing, but that government itself re-conceptualises its role as purely that of a 'brand manager' or 'location manager,' whose task is to make the 'nation brand' as attractive as possible by de-regulating and rolling back social programmes. What is 'cosmopolitan' about this process? The 'cosmopolitan' element comes from the fact that the proponents of the 'brand state', as I will demonstrate, are able to mobilise the same kind of teleological arguments which occur, albeit in a different form, in the ideas of Kant and Marx described above: through the 'brand state' national 'antagonism', 'isolation', and 'one-sidedness' can be overcome, and we can live in a peaceful cosmopolis of 'nation brands' which are just involved in economic competition, not nationalistic conflict.

In *Trading identities. Why Countries and Companies are Taking on Each Other's Roles*, a paradigmatic text in this reconceptualisation, Wally Olins, a marketer and brand consultant employed by various nations in their 're-branding' campaigns, proceeds from the simplistic but appealing assumption (from the point of view of marketing professionals wishing to expand their activities into the area of 'nation-branding') that the historical process of definition and redefinition of the cultural identity of nations is and has always been analogous to a company's creation and redefinition of its brand. In the case of the French Revolution, for instance, France's change of symbolism, Olins argues, was analogous to a 're-branding exercise':

The first French Republic changed the flag from the Fleur de Lys to the Tricolore, introduced the Marseillaise as a new national anthem, replaced old weights and measures with the metric system and introduced a new calendar with different names for the months. Even God was replaced by the Supreme Being. You couldn't get much more radical than that.<sup>24</sup>

A form of 'argument from analogy' is employed here which deliberately overlooks the complex interlinking of politics, history and culture of the nation as 'imagined community'.<sup>25</sup>

For a second proponent of the nation-brand, Peter Van Ham in his book *European Integration and the Postmodern Condition* (2001), the 'postmodern' discourse of the 'brand state' is a way of overcoming 'national' modernity, in particular the view that national politics should be based on some concept of

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<sup>22</sup> Friedman, T. *The World is Flat: The Globalized World in the Twenty-first Century*. London: Penguin 2006, p 201.

<sup>23</sup> Beck, U. *What is Globalization?* London: Polity Press 2000, p.27.

<sup>24</sup> Olins, W. *Trading identities. Why Countries and Companies are Taking on Each Other's Roles*. London: Foreign Policy Centre 1999, p.7.

<sup>25</sup> Anderson, B. *Imagined Communities: Reflections on the Origin and Spread of Nationalism*. London: Verso 1991.

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'deep' national cultural identity, "Should we take it for granted that national selfhood is some kind of puzzle that has a hidden solution based on the assumption that to know the 'nation' is to know the hidden national self that lies buried deep within it?"<sup>26</sup>

Conceiving national identity, not as a 'deep' identity to be discovered, but as a 'brand' comprising "the outside world's views about a particular country" thus seems attractive from the point of view of overcoming nationalism.<sup>27</sup> Van Ham's concern that nation-states might react to the perceived threats to national sovereignty as a result of globalisation (brought about, for instance by factors such as job losses due to company relocation, takeovers by foreign companies etc.) in a re-nationalisation of politics is a legitimate one, shared by Habermas. Habermas reflects on the dilemma of the nation-state faced with the pressures of neo-liberal globalisation in *The Postnational Constellation*:

On the one side, a defensive rhetoric ... arises from the state's protective function ... this defensive rhetoric invokes the political will to close the floodgates against uncontrolled waves breaking in from the outside. ... On the other side, an offensive rhetoric attacks the repressive features of the sovereign state, which consigns its citizens to the homogenizing pressure of a regulation-crazy bureaucracy, and locks them into the prison of a uniform lifestyle.<sup>28</sup>

The perceived powerlessness of the nation-state to do anything about job losses and economic insecurity, which is certainly characteristic of the present crisis, and the resulting pressure from national publics may lead to some national governments resorting to a national 'protectionism' which may have a covert or overt tinge of ethnic nationalism. The only alternatives put forward by proponents of country branding, however, are *either* that we return to ethnic nationalism *or* we reduce the political and economic role of the nation-state to that of a 'brand manager' supported by brand consultants as advisers.

A third possibility, that nation-states should seek, in collaboration with other nation-states, to guard against the worst effects of uncontrolled neo-liberalism by means of 'cosmopolitan' solidarity in supra-national bodies such as the EU, as advocated by Habermas, is excluded from the conceptual schema of advocates of the brand-state.<sup>29</sup> The necessity of adopting such a *truly* cosmopolitan solution to the crisis, which Habermas has re-iterated in recent comments on the crisis in the Euro zone.

The third area of cultural discourse which shows evidence of the infiltration of business and management thinking into national and international politics is that of competing national 'models of capitalism' and, wedded to this, the teleological belief in convergence towards the adoption of 'successful' models in other parts of the world. The idea of competing 'models of capitalism' and the export of these models to other countries has been present in popular business literature since the early 1990s, with the publication of Michel Albert's book *Capitalism against Capitalism* in 1993: as communism in Europe had been overcome, the primary ideological conflict within Europe was one between a deregulated, free market 'Anglo-Saxon' model of capitalism and the social market or 'Rhineland' model of capitalism, where there was still a large degree of involvement of the state in the economy.

The very over-simplification of this dichotomy is part of the reason for its attractiveness viewed in the context of the neo-liberal teleological thinking alluded to above. As Amable points out, the simplistic logic of the convergence hypothesis ('adapt or die') has gained it popularity in politics, media and popular business literature, which tends to portray the diversity of capitalisms in Europe in terms of a 'good' or successful 'model' at one end of the spectrum, and a 'bad' or unsuccessful model at the other.<sup>30</sup> During the 2000s the UK, and Tony Blair in particular, but later also Gordon Brown, set out

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<sup>26</sup> Van Ham, P. *European Integration and the Postmodern Condition*. London: Routledge 2001, p.65.

<sup>27</sup> Van Ham, P. 'The rise of the brand state. The postmodern politics of image and reputation' *Foreign Affairs*, 80(5 September 2001), p 2.

<sup>28</sup> Habermas, J. *The Postnational Constellation. Political Essays*. Cambridge: Polity 2004, p.80.

<sup>29</sup> See Habermas, J. 'The European nation-state and the pressures of globalization', *New Left Review* 1999, 1/235.

<sup>30</sup> Amable, B. *The Diversity of Modern Capitalism* Oxford: Oxford University Press 2003, p 77.



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on a campaign to convince both individual countries such as France and Germany and the EU as a whole of the advantages of the 'Anglo-Saxon' model, which they should adopt and abandon their adherence to the 'old' European social model, for example in a speech he gave to the European parliament on June 23<sup>rd</sup> 2005:

What would a different policy agenda for Europe look like? First, it would modernise our social model. Again some have suggested I want to abandon Europe's social model. But tell me: what type of social model is it that has 20m unemployed in Europe, productivity rates falling behind those of the USA; that is allowing more science graduates to be produced by India than by Europe? ... And since this is a day for demolishing caricatures, let me demolish one other: the idea that Britain is in the grip of some extreme Anglo-Saxon market philosophy that tramples on the poor and disadvantaged. The present British government has introduced the new deal for the unemployed, the largest jobs programme in Europe that has seen long-term youth unemployment virtually abolished. It has increased investment in our public services more than any other European country in the past five years. We needed to, it is true, but we did it. ... It is just that we have done it on the basis of and not at the expense of a strong economy.<sup>31</sup>

Interesting about this speech is, first, that Blair makes reference to the discourse of national models of capitalism, in particular the 'Anglo-Saxon' model and the 'European social model'. Second, he attempts to make the case for the introduction of more 'Anglo-Saxon' style deregulation in Europe more palatable by pointing to New Labour's social achievements in the UK. Thirdly, and most importantly for my argument, he employs a form of teleological thinking, the logic of 'adapt or die' alluded to above – Europe *must* follow the Anglo-Saxon model because otherwise jobs will be lost to India, China etc. Of course the ultimate irony in Blair's speech in the light of the present economic crisis comes in the final line of the quotation, that the Anglo-Saxon model which he is recommending is built on a *strong economy*. This 'strong economy', at least from the perspective of those sceptics towards the adoption of the Anglo-Saxon model in countries such as France and Germany, as we now know, was built on wild speculation in the financial sector followed by a crash, huge personal debt, and a property boom followed by a collapse.

The discourse of the export and adoption of successful economic models, and the accompanying belief in competition between states and geographical areas, then, is an essential part of the belief system that David Harvey has called 'The Flat World of Neoliberal Utopianism':

Competition between territories (states, regions, or cities) as to who has the best model for economic development or the best business climate has intensified in the more fluid and open systems of trading relations after 1970. Successful states or regions put pressure on everyone else to follow their lead. ... But the competitive advantages all too often prove ephemeral, introducing an extraordinary volatility into global capitalism. Periodic episodes of localized growth have been interspersed with intense phases of localized creative destruction, usually registered as severe (and often socially devastating) financial crises in particular places at particular times.<sup>32</sup>

The recent economic crisis, clearly reflected in Harvey's description, while shaking belief in *one* model, has, it appears, by no means shaken belief in the desirability of following models per se.

### **The economic crisis and its impact: a retreat to 'national antagonism' or an opportunity for 'cosmopolitan solidarity'?**

The response to the crisis by global leaders, if we take as an example of it the conclusions of the G20 summit held in London in April 2009, appears at first sight to recognise that belief in the 'end of history' is over and history has begun again, at least if that means that a radically different course needs to be embarked upon: "We face the greatest challenge to the world economy in modern times; ... which

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<sup>31</sup> Tony Blair, speech to European Parliament, 23<sup>rd</sup> June 2005, *The Guardian*, June 25<sup>th</sup> 2005.

<sup>32</sup> Harvey, D. *Cosmopolitanism and the Geographies of Freedom* New York: Columbia University Press 2009, p.65.

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affects the lives of women, men and children in every country, and which all countries must join together to resolve. A global crisis requires a global solution”<sup>33</sup>.

At the same time, however, the document re-affirms the need to maintain the ‘cosmopolitan’ nature of capitalism and ‘resist protectionism’:

World trade growth has underpinned rising prosperity for half a century. But it is now falling for the first time in 25 years. ... We will not repeat the historic mistakes of protectionism of previous eras. To this end: we reaffirm the commitment made in Washington: to refrain from raising new barriers to investment or to trade in goods and services.<sup>34</sup>

Although the document does recognise that the crisis has a disproportionate effect on the poorest nations, nevertheless it re-affirms that, notwithstanding the need to strengthen regulation, the global free market capitalist system should continue in the same mode as before, “We believe that the only sure foundation for sustainable globalisation and rising prosperity for all is an open world economy based on market principles, effective regulation, and strong global institutions”<sup>35</sup>.

The response to the crisis, therefore, appears to present the same kind of dichotomous schema which the proponents of the neo-liberal teleology outlined above adhere to: the only alternative to a retreat into ‘national protectionism’, as the statement argues, is to maintain an ‘open world economy’ by basically retaining the same system as before, just adding tighter regulation.

Beyond the surface consensus of global leaders, however, differing views about the degree to which the free market system can be maintained and the degree to which a system of tight regulation can or should be implemented have emerged. It is here that the discourses of the ‘brand state’ and competing ‘models of capitalism’ have entered the debate. The main such difference, which emerged at the G20 summit and has been maintained since, is that between France and Germany, on the one hand, and the UK and the US, on the other, although it increasingly seems the US under Obama has advocated and gone further in advocating regulation than the UK, leaving the UK in a rather isolated position within Europe.

In the run up to the summit Sarkozy raised the provocative question: “The crisis didn’t actually happen spontaneously in Europe, did it?”<sup>36</sup> and went further in his provocation, saying, “This is a historic opportunity afforded us to give capitalism a conscience, because capitalism has lost its conscience and we have to seize this opportunity”.<sup>37</sup> Similar sentiments have been expressed, although in characteristically more measured language, by Merkel. Although it is ironic that Sarkozy, who was elected on a platform of introducing more ‘Anglo-Saxon’ style de-regulation into France, should now be advocating more regulation than the UK is willing to contemplate, more important for the purposes of this paper, is the fact that France and Germany have seen the failure of the ‘Anglo-Saxon model’, towards which European economies were supposed to converge, as a vindication of the ‘European social model’ and are now indulging, in a reversal of the previous rhetoric of Tony Blair and Gordon Brown, in a kind of didacticism in reverse. While the ‘Anglo-Saxon’ model might be dead as far as the rest of Europe is concerned, the crisis does not seem to have led to a desire of countries formerly at the forefront of deregulation to adopt the ‘European social model’. The discourse of ‘models of capitalism’ has nevertheless continued, commentators now variously praising the Canadian and the Australian ‘models’ as ones which have withstood the crisis well.<sup>38</sup>

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<sup>33</sup> *The Global Plan for Recovery and Reform*, G20 summit, 2 April 2009.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> As reported in ‘Gordon Brown battles to save G20 agreement from Franco-German opposition’, *The Guardian*, Thursday April 2<sup>nd</sup> 2009.

<sup>37</sup> As reported in ‘G20 summit: Nicolas Sarkozy and Angela Merkel demand tough market regulations’, *The Telegraph*, 1<sup>st</sup> April 2009.

<sup>38</sup> ‘Coalition government: the Canadian cuts model that the Tories wish to emulate’, *The Telegraph*, 6<sup>th</sup> June 2010.

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The second element of the political response to the crisis alluded to in the statement of the G20 leaders might be seen as an element of 'cosmopolitan solidarity' is the recognition of the 'disproportionate impact' of the crisis on "the vulnerable in the poorest countries". Notwithstanding the issue that the bank bailouts which have been necessary in the UK and other countries have had a disproportionate effect on the poor in those countries, the other 'test' for such a 'new solidarity' within Europe came in the form of the Greek 'bailout' crisis and the response to other EU countries to it. Judging by European press discourse of recent weeks and months, it is a test which Europe has not passed.

Firstly, the crisis affecting Greece and other European economies has largely been characterised by recourse to essentialist stereotyping of the worst kind. The economic situation in Greece, according to this stereotyping, is connected to some kind of innate tendency on the part of Greeks to live outside their means, an inability to budget, and a desire to be subsidised by others. Within this press coverage the absence of voices from Greece itself is conspicuous but not surprising. The blindness of the media to the realisation that, due to unbridled speculation, virtually any country could be brought down, whether Greece, Portugal, Spain, Ireland, or even Britain, seems to testify to an inability to recognise the root cause of the problem and to blame the victim. In a commentary on the Euro crisis, Habermas clearly sees it as an opportunity for a cosmopolitan solution which has been missed, "It is not about Greek 'deceitfulness' and Spanish 'illusions of prosperity', but an economic policy of bringing the level of development of heterogeneous economies within the single currency area into alignment with each other"<sup>39</sup>. The 'new indifference' which Habermas sees as characteristic of the response of Germany in particular, but of other European countries in general, is a reflection of the fact that nations have, in his view, retreated into "an egocentric mixture of aestheticization and profit maximisation".<sup>40</sup>

Does this 'new indifference', then, testify to a return to the 'national parochialism' which the visions of Kant and Marx sought to transcend, whereby nations no longer see the need to help others, instead just looking after themselves? It is hard not to agree with Žižek in this respect, who says, "the primary immediate effect of the crisis will not be the rise of a radical emancipatory politics, but rather the rise of racist populism, further wars, increased poverty in Third World countries, and greater divisions between the rich and the poor within all societies".<sup>41</sup>

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<sup>39</sup> Habermas, J. 'Wir brauchen Europa! Die neue Hartleibigkeit: Ist uns die gemeinsame Zukunft schon gleichgültig geworden?' *Die Zeit*, 27.5.2010 (my translation).

<sup>40</sup> Habermas, *Die Zeit* 27.5.2010.

<sup>41</sup> Žižek, S. *First as Tragedy, then as Farce*, London, Verso 2009, p 17.