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Extended Commentary: Predicting the Fifth Phase: Interpellation, World Systems Theory, and the Fall of Nation-States

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Cover Page Footnote
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Electronic technology and capital are inextricably tied. Today more than ever, it is hard to distinguish one from the other. The predominant medium for capital transfer and accumulation, electronic technology supports capitalists in the creation of further capital. In the United States, the divergence between workers’ wages and productivity—where wages have grown by 9 percent since 1973, while productivity has grown by a whopping 72 percent—is due, in some significant portion, to workers’ use of technology to enhance their ability to create capital.1 Relatedly, outside of the mode of production, electronic technology has become a significant means of entertainment, social networking, communication, commerce, education, and more. In some respects, the nature of postmodern technology makes it difficult to discern between these things. This paper argues that electronic technology and capital have changed the way people interact, form identity, and by extension, the way we are governed.

Electronic technology, after all, must have impacts upon these facets of social life. Such technology enables unprecedentedly rapid “sacrificial doublings,” the process where “human animals substitute a sign (or a totemic image) of something for complex, fleshy, ambivalent, and the often-contradictory sensations of being in relation to others.”2 In other words, electronic “sacrificial doublings” enable meta-constructions which bear superficial similarity to the original social construct but are ever-more detached from the underlying construct’s source. Sacrificial doublings appear to relate to truths but are often flashy, numbing, referents of referents. Facebook’s double of a social network is different than non-electronic networks because users’ presentation and construction of self is subject to the rules and modalities of the medium.3 If being in sustaining relation to another requires interpretation of the other’s self, certainly social

1 Croce: Extended Commentary: Predicting the Fifth Phase

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media disorients users in that process. This happens, in part, because social media users create a representation of themselves within a non-neutral medium: each social media platform encourages certain types of behaviors. Interpreting electronically-mediated face-line pairs requires a set of skills apart from those learned by in-person interaction. As users of electronic social networks adapt these skills, issues are bound to arise in the electronically-mediated sphere. In addition, there is a significant likelihood that what is practiced in the electronic sphere will leech into in-person interaction and self-conceptualization. Never before in human history could doubling occur at such a pace, or in such complex networks. Therefore, sociologists must contend with the unique residuals of such sign-making.

This paper introduces theory that examines how electronic capital production and acquisition have changed social interaction. Louis Althusser’s theory of interpellation is interpreted into a context where capital, not political governance, is the most important modern factor of subject-object formulation. By defining ultramodern forms of power and culture, the paper explores their consequence. Second, this paper examines what these power-charged developments signal for society going forward, especially in the West. Using the theory of Immanuel Wallerstein, this paper argues that this shift in electronic capital fundamentally changes power formulation, reification, and relation, ultimately leading to the end of modern nation-states.

Althusser: Interpellation by Capital upon Human Subjects

In Louis Althusser’s Ideology and the Ideological State Apparatuses, he elaborates upon modern forms of power, building on Marx. Drawing a bifurcation of modern power perpetuation, Althusser calls political governance the “repressive state apparatus” (RSA) whose power comes mainly through violence and repression. The “ideological state apparatus” (ISA), on the other hand, is made up of private institutions like the religious ISA, educational ISA, family ISA, and
others, and gains power primarily through ideology propagation. Althusser defines ideology as the “imaginary relationship of individuals to their real conditions of existence.” In addition, Althusser contends that ideology functions to create a subject-object relationship through a process he calls “interpellation.” The process of interpellation, as imagined by Althusser, is the perpetuation of ideology. Interpellation calls out into the world, and those who respond are thus defined. Any response is an acknowledgment that the interpellator not only recognizes the object but may also compel that object to respond in certain ways. Althusser’s example is that of a police officer calling out to a person, and that person responding. Through the call and response, both parties solidify the nature of their identities and legitimize the structures within which they exist. This is the process of interpellation, an exercise of power. The process of interpellation makes the imaginary feel real, in a way acting as the Lacanian “suture” between the “real conditions of existence” and that which is imagined—ideology formation.

Althusser sees the source of societal ideology as coming from Ideological State Apparatuses. Interestingly, he does not include the economy, or mode of production itself, as an ISA. His list of ISAs includes the “trade-union ISA” but he does not name a “capitalist ISA” or a “market ISA.” In the West, it is plausible not only that there exists an “electronically-mediated market ISA,” but that the market has become a substantial, irresistible, if not the dominating source of ideology.

While it is interesting to consider whether Althusser’s theory should recognize the globalist-capitalist market as an ISA in its own right, such an analysis has few consequences beyond theoretical distinctions. What is more interesting, and likely of greater practical importance, is whether electronic technology plays a role in interpellation. What are the consequences of new forms of capital transfer and production that occur in the digital realm? Is it
possible that capital itself engages in the process of interpellation, in a way partially
disconnected from the user of the capital? Althusser notes that interpellation is one of the “rituals
of ideological recognition, which guarantee for us that we are indeed concrete, individual,
distinguishable and (naturally) irreplaceable subjects.”

Stated differently, interpellation situates its subjects within fields of power and gives them identity within that field. With such power-imbued identity they may function, carrying out ritual and task whose worth is partially proscribed by that field and partially self-imposed.

For the Western mind, it is difficult to spot the ways in which electronic capital interpellates ideology-laden identity upon us, and vice versa. One of the clearest sites to spot capital’s interpellative function is brand loyalty. For many people, one’s purse designer says a lot about them. According to The Telegraph, a “midi-bag” (referring to its price point) needs to be “aspirational as well as affordable.” Small shoulder bags, on the other hand, “feel very current.” What the author is really saying is that someone with a midi-bag is aspirational but savvy with their money. Someone with a small shoulder bag, on the other hand, wants to be on the leading edge of fashion trends. These are statements about identity, not mere preferences. Bags, and their accompanying designers, make subjects out of consumers. One’s bag, both its form and designer, says a lot about the possessor’s (or possessed’s?) social, economic, and class status. Not only does a bag ascribe meaning upon its possessor, but within the social sphere, one’s bag interpellates with other persons, governing in some way the interactions between any two people. Just as the police officer calls out, and the citizen responds in Althusser’s example, capital calls out to people, and they know how to respond. Since capital’s ideological ascription is evident upon people-subjects, and that ascription has consequences for social (power) interaction, capital itself engages in interpellation and the subject-object, meaning-making
process. Similar brand loyalty and identity exists in the Android versus iPhone contest in a way that transcends functionality and relates strongly to self-conceptualization and social identification. Interestingly, I have often heard people say “thank goodness you have an iPhone” when they see the blue-colored text message boxes appear on their iPhone’s screen. To say this is only about function is farfetched: this is electronically-mediated interpellation between people, and perhaps even in a bizarre way between our devices. Brands today are containers of ideology and give reference points for social interaction, facilitating the process of interpellation and general meaning-making.

Another forum of the modern process of capital interpellation is social media. People use social media through the construction of “profiles,” which are electronically-constructed, doubly-fictive identities. The profile allows for the ideological recognition that Althusser speaks of, guaranteeing users as “concrete, individual, distinguishable and (naturally) irreplaceable subjects.” A recent television series Black Mirror, illustrates—perhaps with slight albeit foreboding exaggeration—the consequences electronic, ultramodern capital could hold for society. The episode “Nosedive” depicts a dystopian, quasi-futuristic, world where every social interaction is rated. In this reality, individuals walk around with their cell phones out, and after each interaction rates the other up to “five stars.” Social ratings appear, floating above each person’s head. Interactions are governed by these icons, the 0.00 to 5.0 numeral, akin to an Uber or Yelp rating. Social and economic privileges are afforded to those with high ratings. Despite some people trying to opt-out of the system, it is impossible to completely escape. While fiction, Nosedive illustrates that complete mediation of social interaction by electronic capital is not so removed from the modern Western-globalist reality. Perhaps in the past a mark of social prowess was how many parties one attended, but today most visible is how many likes a person’s latest
profile picture received, or what designer clothing they have chosen to wear—or has it chosen them?

*What it Means: The End of Nations*

While it is plausible that capital has always had an interpellative function, there are potential, unique consequences of *ultramodern* capital’s interpellation. Immanuel Wallerstein’s World Systems Theory posits that, since the fifteenth century, the world has gone through four “phases” of capitalism: Agricultural, Mercantile, Industrial, and Consolidating. The theory assumes that economics, and the ability to command labor in ways that coerce other states to act, is determinative for measuring inter-state power in a globalized world. The states whose power dominates the world market are “core states,” and the states whose “labor is forced” are “periphery states.” The laboring bodies in the periphery are exploited to expand corporate profit in fulfillment of what Marx calls “modern capitalism,” production whose primary end is accumulation of capital. Ultramodern capital—electronic, rapid, numbing, hyper-visible—arose during the Consolidating Capital phase.

Kenneth Allan’s illustration of Wallerstein, in tandem with the current state of global socio-economic affairs, begs many questions. Most immediately is, of what use is Wallerstein’s World Systems Theory, beyond that of a framing, a facet of the history of global economic power? Marx contends that all capitalist systems are doomed to fail, and Wallerstein seems to agree. Unresolved is, does World Systems theory have any predictive power for what is to come? Relatedly, if Wallerstein is right, and we are nearing the end of the fourth phase of capitalist power (Consolidating Capitalism), what are the signs? Does the burgeoning role of electronically-mediated, ultramodern capital as interpellator have any bearing on this coming phase shift?
The Fourth Phase of World Systems Theory: The Origins of Consolidating Capitalism

According to Wallerstein, the fourth phase of World Systems Theory began to coalesce around the end of the First World War. Consolidating Capitalism arose out of revolution in Russia, the resolution of both World Wars, and the erosion of classical colonial power. Out of this milieu entered a dominant United States, in terms of military and economic power, especially during the decades following the Second World War. During this period, the rate of technological advancement grew exponentially. As is becoming increasingly clear in modern times, technology is changing the economic system. A new type of capital has arisen—electronic capital. Such capital shapes all other types of capital, by facilitating capital formation and conversion, and by enabling capital transfers in ways that governments struggle to regulate. The instrumentalities of capital-formation (i.e. labor and financial instruments) as well as the pathways of capital conversion, have become increasingly complex, numerous, and amorphous. Althusser’s ISAs, which act as a counterweight to the government RSA, are either exceptionally undergirded and regulated by electronic capital, or are made less relevant by the emergence of an extremely influential, electronic-capital ISA.

Perhaps the emergence of ultramodern capital and culture partially explains why United States economic hegemony has been short-lived in Wallerstein’s view. Under the first phase of capitalism, Agricultural Capitalism, capital was easily regulated via nation-states and monarchs. The same is true under Mercantile Capitalism; trade during these times was sponsored and chartered by nation-state entities, e.g. the East India Company and the Royal Crown. In fact, the East India Company was established by the English Crown as a response to the rising power of the Dutch Crown.
During the Consolidating Capital phase, however, the nation-state’s role in directing and regulating capital has waned and continues to decline. The way nations recognize and relate to corporations has become less straightforward (as compared to Mercantile times) and more complex. Multinational corporations (MNCs) seek no charter from nation-states. Instead, MNCs use their conglomeration of capital to supersede nation-state power and political structures. This concentration of capital into increasingly fewer hands is clear upon the face of each of the World Systems phases. The Consolidating Capitalism phase is different in that it is marked by the greatest concentration of capital in the fewest individuals and corporations that the world has ever seen. Without electronic capital, it would be implausible for eight individuals to own as much capital as half of the world.²² In the American context, wealth (i.e. capital) inequality is at the highest levels since the beginning of the Consolidating Capital phase.²³ MNCs are enabled to behave in powerful, transnational ways that were impossible under Mercantilism. Electronic technology has enabled these new possibilities.

*The End of Consolidating Capital in the Fifth Phase*

Conceivably, the world has reached the end of the Fourth Phase. Assuming that political power flows from capital, witnesses to this phase-shift must look to where capital has coalesced. In this way, the First Phase offers a hint about the origins of the Fifth Phase. Again, the First Phase—Agricultural Capitalism—was made possible by the establishment of powerful nation-states. They used force, coercion, and royal power to direct capital. Althusser argues that the power of Repressive State Apparatuses (RSAs) is mainly rooted in coercion. Seemingly, this power has devolved from nation-states and into the hands of MNCs. Time and time again, the Fourth phase has been marked by the impotence of nation-states, RSAs, to regulate MNCs. These corporations use a combination of regulation evasion, political lobbying, and the reliance
on their products by state and private actors alike to maximize their own power, and, in some ways, make the traditional capabilities and roles of nation-states unimportant. The governance of nation-states has become corrupted by the power wrought by the MNCs’ control of capital. These corporations have exploited labor, yes, but also exploit government regulation to maximize profits. Nation-states are reluctant to rein in MNCs either through nationalization (due to capitalist ideology), regulation or taxation (due to inter-nation competition and the political influence of MNCs).

One signpost pointing to the Fifth Phase is the ongoing dispute between Ireland, Apple, and the European Union. In 2016, the European Commission ordered Apple to pay Ireland $14.5 billion USD in back taxes. Such a sum would benefit Ireland and increase its ability to provide public services in significant ways. According to an August 2016 article in Fortune, Ireland’s government is so desperate to not collect what it is owed, that it is legally appealing the European Union’s decision against Apple. European Union investigators and courts have found that Ireland, as well as Luxembourg, are giving selective tax treatment to certain multinational corporations that substantially reduce corporate tax burdens. When governments are so desperate to garner good favor with multinational corporations that governments selectively bend the rules, democratic power is diluted and the rule of law put up for sale. This ultimately diminishes the importance of nation-states and contributes to the coming Fifth Phase.

Supranational governments like the European Commission are supposed to command more power than any one nation-state. In the imagination of some, supranational governments like the European Union are the next step in the evolution of governance. Rejections of the European Commission’s judgment, as in the Ireland-Apple example, and the Brexit phenomenon, signal that nation-state evolution is faltering. Interestingly, supranational
governments/regulatory bodies are exactly what are necessary to rein in the growth of and properly tax and regulate MNCs. This metamorphosis of government to technocratic, capitalist-democracy will continue to produce outcomes that seem antithetical to democracy and republican forms of government but make far more sense in light of the coming Fifth Phase.

Across the pond, U.S. law “makers” continue to debate how best to repatriate huge sums of money (Donald Trump has said from $3 to $5 trillion)\(^{27}\) that has been kept offshore by U.S.-based transnational companies. Evidently, the law is up for negotiation in the face of such overwhelming capital. This is another clear sign that governments have become subjugated to contemporary, technology-facilitated, global capital flows and their managers—multinational corporations.

Therefore, it is inevitable that nation-states themselves will fail. It is not necessarily a cataclysmic failure; rather the shift has been mundane and hard to spot, potentially because nation-states have already been pushed to near obsolescence. Their function, if not their existence, is in the process of being supplanted by MNCs. As government regulation fails, citizens of the world must play by the rules of MNCs. Consumerism may constitute playing by the rules as well as engaging in brand/capital interpellation.

MNCs continue to extend their domain over capital in innovative ways. It is happening, as the cutting edge of ultramodern capital, information, is seized by MNCs via lengthy, non-comprehensible-even-to-lawyers “terms of service” “agreements.” It is not that people are explicitly supportive of this power shift; it is difficult to go through modern life without the mundane complicity that serves as the legitimization of this new “rule of law” created by MNCs. Governments have become agents in handing this new domain of capital (information), to the MNCs through, for instance, the granting of patents on natural genetic material.\(^{28}\) Of course,
MNCs are using this information capital to create even more information capital. Their ability to convert this capital into other types of capital (e.g. financial, political, or social) demonstrates the dominance of MNCs across the social, political, and economic spheres.

The United States government, which has led the Consolidating Capitalism phase according to Wallerstein, has hastened the arrival of this Fifth Phase. The *Citizens United* Supreme Court case increased the rights of corporations to conduct political speech. Justice John Paul Stevens, in his dissenting opinion, warned that the outcome threatened “to undermine the integrity of elected institutions across the Nation.” Justice Stevens realized that the power of nation-state institutions relies on their constituency: citizens. This decision did not broaden the franchise to corporations, but perhaps the result is not so different. What it has meant is that those with the largest levels of capital—MNCs—can influence policy in never-before conceived ways. Those who are loudest are often heard, and the volume of MNCs is now able to drown out the governed. In some ways, it is not a drowning out, but a confluence, the ultimate colonization of the mind. Students of Historical Sociology will determine whether the case was the symptom or watershed moment that ensured the victory of MNCs over nation-states.

*What can be done?*

Systems-level solutions are hard to envision. Hegemonic power blinds us from seeing the shifting of the phases, while technology conditions us to seek immediate pleasure: rapid, fleshly feedback loops that are not an acknowledgment of Spinoza’s human-nature oneness, but are in fact its opposite. Theorist Herbert Marcuse envisioned that ultramodern forms of capital would blind people (or worse, lead to mundane indifference) and make capitalist systems difficult to critique. Perhaps what is most frightening about the emergent Fifth Phase is that, to many, contemporary times appear as the actualization of Gramsci’s “reign of freedom.” In reality,
consumerism is this historical moment’s perfection of the “reign of necessity.” Necessity, at least in many Western contexts, has become synonymous with the constant consumption of products.

It is possible that resistance to the coming Fifth Phase could arise from Wallerstein’s “periphery states.” The people of these nations have been subjugated by ultramodern capital flows that demand their production. In these terms, modern periphery states are those who produce electronic devices (think China and the behemoth manufacturer Foxconn) or provide technical support and systems maintenance (like many of the countries on or near the Indian subcontinent.) In World Systems Theory, we can find the subaltern in these periphery states, and indeed they can, and are, speaking. It is unclear to me what they are saying, or what will make minds receptive to what they say. Movements like “fair trade” are symptoms, or what Avery Gordon would call “hauntings.” A “haunting” is the trace left behind when a more powerful truth supplants a less powerful truth within the social imagination. In this case, the rise of “fair trade” is resultant of the pushing to the periphery of these subaltern nation-states and their people. Without receptivity and translation of what these states are saying, it is doubtful that anyone will listen; again, this is Marcuse’s repressive desublimation which dullens any social critiques made by theorists.

Still, even in the West, there are cracks in the hegemony of ultramodern capital’s power. Employee-owned companies and B Corporations are rising in prominence. Certified B Corporations, like Ben and Jerry’s and Patagonia, make “social and environmental performance” commitments that go beyond improving the bottom line. Concurrently, the gig economy has grown, enabling individuals to use their own capital to create more capital. Platforms like Etsy offer artists a large, direct-to-consumer marketplace. Of course, there are caveats: many cannot afford goods produced in small-scale (MNCs undercut using economies of scale) and the owners
of these marketplaces are often MNCs. “B” Corporations and gig economy electronic platforms are not really the rejection of ultramodern capital, but a small concession of MNC power to people.

Do such analyses even matter today? The rise of Donald Trump has brought about an environment of anti-intellectualism. Currently, intuition and emotion are the most prominent tools in social policy debates. Perhaps, then, our only hope to subvert the Fifth Phase is to seize the tension between intellectuals and the public and flip it on its head. If we can somehow bring about Gramsci’s call to empathy between the “intellectuals and the people-nation,” perhaps it is possible to re-envision what comes next.

Conclusion

Althusser writes that “the unity that constitutes this plurality of ISAs as a body is not immediately visible.” If it is not that there is a separate electronic capital ISA, perhaps the unity that binds together the religious, educational, family, legal, and political ISAs is capitalism. If so, the hypothesis could still hold true—that capital is overtaking the ideology-making of the ISAs—if capitalism is making their historically-significant roles less important or in fact subordinating them. Regardless, ultramodern forms of capital are creating ultramodern forms of culture. In this cultural milieu, ultramodern capital calls out and names ultramodern subjects. In a way, through the colonization of their minds and genetic material, they themselves are transformed into capital. These ultramodern subjects are intrinsically different than any other type of governable subject born since the dawn of modernity. Their attentions are enraptured by flashy capital-symbols that distinctly cross the suture between reality and the imagination because capital not only provides identity, but the necessities of life, like food and shelter. Any
potential subversion of ultramodern capital and the coming Fifth Phase must acknowledge this dilemma.

ENDNOTES

1 Josh Bivens and Lawrence Mishel, "Understanding the Historic Divergence between Productivity and a Typical Worker’s Pay: Why It Matters and Why It’s Real," (Economic Policy Institute, 2015).
5 Specifically, here, the West refers to the global cultural, military, and technological influence of the United States, whose roots are primarily in the economic boom in the wake of the Second World War.
7 Ibid., 246-47.
9 Louis Althusser in Lemert, 247.
12 When two iPhones send text messages, chat bubbles are blue. If an iPhone messages a non-iPhone, the text messages turn green.
16 Ibid., 232.
17 Ibid., 234.
19 Immanuel Wallerstein in Allan, 232-34.
20 Ibid., fig. 10.1.


29 Brian Duignan, "Citizens United V. Federal Election Commission."


34 Louis Althusser in Lemert, 246.