**The Emergence of Global classes**

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It is evident that what holds the human species together is its genetic setup; it makes each individual member an element of the species. On the other hand, it is far less clear in which way the structuring of groups within the species evolves. Of course, the continuing growth of the number of individuals increases the impact on the environment of the species as well as on its internal structure necessary to maintain its flourishing. As history shows, this evolution comes in the form of alternating stages: long periods of relatively smooth growth with only slightly changing structure intermitted by much shorter periods during which the old structure is broken up, new organization forms, and social entities emerge, while some others are eliminated[2](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn2). The focus of political economy is to understand this highly complicated nonlinear dynamic process, needless to say that a formal treatment is out of sight as long as even a preliminary canonized understanding of its major ingredients in prose is not available.

The task here therefore is more modest. It is just one step in the long-run evolutionary process of human progress that is considered: the step from nation states and their internal class structure to the emergence of possible global classes. This introduction will present some general ideas on how the growth of the sheer size of political entities—governance of countries, of continents, and of the whole earth—interacts with the traditional class concepts and enforces their theoretical adaption.

2. The primacy of the group

The human species, like all forms of living systems, starts as a biological entity, i.e., with the property that single members die faster than the species. It is the organization of self-reproduction and inheritance that is the characteristic feature defining a group and the way in which physical material and its interaction are bound together and are organized, defining a certain species[3](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn3).

The qualitative step leading to the evolution of the human species has been the emergence of a sophisticated type of group consciousness. Its forerunner in the animal kingdom evidently was based on kinship relations, on families. If a group member dies, it should already have transmitted its traits to the next generation to maintain the species. For the lower forms of biological species, the consciousness of their species is encapsulated in the distribution of traits that its individual members exhibit. As John Maynard Smith showed with the help of game-theoretic reasoning[4](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn4), the same species might well consist of different groups that are determined by the environmental conditions. For animals it cannot be assumed that a member of such a group *knows* that there would be the option to become a member of another group. It is only the interaction with its environment, with “nature,” which selects the distribution of traits by extinction of the unfit, thus leaving more room for the survivors. Note that for the single unconscious member of a group, also the interaction with the member of another group within the same species appears as an encounter with “nature.” All consciousness of an animal species therefore is hardwired in its overall distribution of characteristic traits. With the emergence of the human species, the software of internal model building of its members enters the scene. Now the knowledge of the parents can be transferred to the next generation by passing on these internal models. Learning of the species is no more restricted to the extinction of the unfit by “nature,” but some lethal mistakes of members can be avoided by the use of internal models stored in an explicit collective memory. Under these new circumstances, the concept of the *family* assumes a new role. In a family now, socialization of children takes place by the conscious transfer of behavioral rules. Complementary to the inherited genetic setup—and for the largest part replacing its influence—socialization during the first years of life within the local environment of the family sets a basic frame for the internal models of individuals, till today. Socialization thus dominates the inheritance of genes, and since it is family business, this means that the group behavior of a family already dominates individual behavior. This is the first instance of what I call the *primacy of the group*.

The next larger local environment that was covered by shared internal models concerned the dispersed activities of groups of families, call them *tribes*. In a tribe some division of labor accompanies the split of activities into those that are beneficial for the whole tribe and those that only help the single family[5](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn5). This development is the root cause for all considerations of political economy. The success of a tribe by and large was its ability to shape its environment in a way that allows for maintenance and even growth of the number of families. To promote such success, the regulatory framework of the tribe usually prescribed rather rigid behavioral rules for its members. In this ruleset, the knowledge of the tribe manifested itself. This knowledge became the core characteristic of the tribe; it can be called the *culture of the tribe*. Again, the culture of the tribe preexists when new members of families are born. Their lifelong socialization process to a large extent remains embedded in this culture. The primacy of the group, of the culture of the tribe, cannot be denied.

A newborn baby can be described along two perspectives: From the perspective of the human species, it is subject to a grand lottery. It is completely arbitrary in which groups and with which family its existence starts. From the perspective of the baby itself, these circumstances—once the wheel of fortune has stopped—are totally exogenously given facts. Its further development starts with rulesets of a family in a specific tribe, and emancipation from this framework, the breakup of traditional behavior, is only possible if it is already disposed in the respective framework. The size of the room to escape from predetermined structure thus is itself subject to the long-run evolution of societies. At different times, individuals as members of families and tribes can exploit this room, and if a society manages to enlarge it, then exceptional outcomes are possible. What then correctly appears as the achievement of an individual still is bound to the emancipatory status of the society it came from. To understand why the emancipatory process of cultures sets in in the first place, of course, needs some further explanation.

The general and immediately obvious reason is that any growth process in a finite world will hit limits that produce contradictions. An observed state of affairs that is relevant for a tribe is a contradiction if it cannot be understood with the knowledge of the tribe[6](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn6). Two types of contradictions have to be highlighted:

The *first contradiction* occurs if the growing territory of different tribes starts to overlap. In this case tribes start to build a special group of particularly strong specialists, of fighters, to conquer and to defend territory. The *second contradiction* is closely related to the first one but concerns the internal organization of the tribe. As the group of warriors is selected by strength, there is no reason not to apply this strength also inside the tribe. Since warriors risk their life in combat, it seems to be justified that the rest of the tribe compensates them for this service of higher security by providing their economic welfare. Politics, to exert coercive power, and economics, to produce food and tools for production, start to be reflected in the emergence of different groups in society. In times of peace, the amount of support for warlords coming from the population can be regulated by the former, quite generally the classical political division of society into a reigning nobility, and ordinary families become a permanent property. These are the two originally opposing classes envisaged by classical political economy, a ruling class and the rest of the population.

Since the source of the political power of the ruling class is its capacity to apply power, it consists of two factions, which specialize in the two ways in which power can be applied: Power can either be (1) direct coercive, physical power or (2) ideological power, i.e., consists of the manipulation of the internal models used by the opposing class[7](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn7). From the classical slaveholder empires of Athens and Rome till the Middle Ages[8](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn8), these two factions of the ruling class are a historical constant. They usually share and cooperate in the exertion of power, one faction is governing the “worldly ruleset,’ and the other governs the “religious ruleset.”

The divided tribe, as a mixture of what could be called groups, developed into a society divided into two large and opposing forces that now better are called classes. They are forces, since it needs permanent power for the ruling class to dominate the ruled class, and this oppression provokes resistance, i.e., a counterforce that in historical revolutionary episodes leads to a deeper restructuring of the power relations between classes, even to the emergence of some and vanishing of other classes.

It is also remarkable that these early societies were economically almost exclusively agricultural societies—though trade rapidly increased in importance—and that the political class structure therefore implied a dominance of farming activities in the exploited, the productive part of the population. Class status therefore typically could be derived from the position in the production process; the political class structure was congruent to the economic class structure. The theoretical concept of political economy is based on the historical emergence of these two interwoven aspects.

The newborn child thus also is thrown into the socialization process of a certain class[9](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn9). The primacy of the class is felt as soon as the young adult looks for the possibilities of economic activities, but even earlier her or his class status is at least implicitly communicated within the family. One of the pivotal, though often ignored, achievements of the bourgeois revolution was to institutionalize a somewhat more permeable borderline between classes.

3. Nations and class formation

The most important contradiction in late feudalist regimes probably was the impossibility to secure the finance of their oppressive forces. The reconstruction of trade links after the dark Middle Ages had led to the emergence of rich trading families that were not part of the nobility. But to give away its political supremacy was not imaginable for the feudal class; different forms of compromise proved to be of little help[10](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn10). With the French Revolution of 1789, the bourgeoisie, in official political term the Third Estate, could overthrow Louis XVI. Till 1814, till the restoration of the Bourbons, this radical change in the political power structure was spread over all of Europe by Napoleon Bonaparte. The seeds of a possible emancipation of lower classes were not only well received in some intellectual circles; the idea to take education out of the hands of the church, the main ideological institution of feudalism, became a popular demand[11](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn11).

A new social agent, the republican state, entered the political scene. Its advent in the form of the nation state marks the most important turn in human history. The young republic emancipated itself from being the state of one dominating noble family, e.g., the Bourbons. But whom should this abstract social agent represent? And how? As history showed, the first best guess was a military leader, who in the beginning subscribed to abstract revolutionary goals, Napoleon Bonaparte. He quickly resorted to the old feudal forms of reassuring his power, i.e., to war against outside enemies. And he failed dramatically; after a second try to overcome feudalism in 1848—again a failure—it took 70 more years till the bourgeois revolution finally succeeded in 1918. These years of a troublesome birth process of a bourgeois society, from 1789 onwards, are the years when the idea of the nation as a political entity that unites different tribes and classes along the lines of a common culture took hold.

The birth of the nation state therefore was linked to the emancipation of society from feudalism. This was its progressive element[12](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn12). But the change of the internal class structure of a nation state was a far more ambivalent and complicated process than the simple abolishment of the political dominance of the nobility would have suggested. Nations in the nineteenth century mostly were built following military aspirations, be it on a more progressive track like Italy under General Garibaldi or be it on a conservative track like the German princedoms under the Prussian lead. The economic structure of the territories experienced a differentiation due to industrialization. The economically determined class structure followed this trend—experiencing a split-up of the lower class into working class, farmers, and bourgeoisie—but the split was ideologically varnished by nationalist propaganda, which already antedated the upcoming cry for national unity that was the hallmark of policy in World War 1.

For many scholars of political economy living in the nineteenth century, e.g., Karl Marx, the possible detachment of a class’ consciousness from its true role in political economy was the starting point of their analysis. If only the working class could be given its appropriate internal model, i.e., its consciousness to be the exploited class, then the necessary next structural break, the revolution, would happen. In that sense the Marxian practice was just a prolongation of the strategy of the French Enlightenment. But Marx and his followers underestimated the strength of the ideological battalions that the ruling class together with the frightened parts of the bourgeoisie could bring on the table. With some slight improvements of working conditions combined with an increasing nationalist propaganda, not only the British working class could be silenced. The question of class consciousness could be reduced to a national agenda that in a nationally institutionalized way could act as a thermostat responding to the heat of class struggles.

The nation state, already only too visible as a feudal state toward the end of the nineteenth century, became the dominant political arena of the era of integrated capitalism in the twentieth century. It is interesting that even earlier it was the state that initiated the (modern) concept of the nation, and not vice versa. As the historian Eric Hobsbawm proves, nationalism is a comparatively new concept, emerging only in the last decades of the nineteenth century ([[9](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#B9)], pp. 14–45). It is the state which also transforms the inner class structure of feudal kingdoms and starts to exploit the vague notion of a nation. Classes appear in these late feudal states as the four estates: nobility, clergy, bourgeois, and workers. For enlightened absolutism political command had to rest in the hands of the first two states, while for economic support some agreements with the third estate became necessary. The fourth estate should remain politically invisible and under the fractioned control of the third estate. This classical division of a state in four estates implied a further split of functions in the ruling class. It followed the political and economic functions that had to be served. The first two functions, both concerning political leadership, were divided according to the two forms of power to exert. These were the roles for nobility and clergy. The economic part, organizing and improving the extraction of social value from nature and workers, was assigned to the bourgeois. Since the members of this class now not only had to play an explicit role vis-à-vis the workers but also had to be tamed as members of the state, the bourgeois assumed his second interface “citoyen,” as citizen. As long as this structure remained valid—that is till the end of World War 1—there was practically no political role for the working population. Remember that the (still mainly agricultural) economic activities included farmers as well as the emerging industrial proletariat. The hope of the diverse communist and socialist labor movements of the nineteenth century was that a revolution would sweep away the first two classes and would then lead to a democratization of political leadership under the lead of the economically productive class—the workers.

The concept of democratization quickly proved to be very complicated. The experiences of Paris in 1789 and 1871 had shown an additional dimension of contradictions: The population of large cities, of the polis, lives in a very different environment than that in the open land. It usually is better informed and ready to take action; it is on the other hand often more exposed to the threat of a famine and can eventually be cut off from what it needs from outside the city. The already existing necessary political organization in a big city makes its citizens usually more aware of collective organization—and therefore a larger potential option for further progressive advance can be assumed. Feudal regimes typically played their political games on this contradiction, e.g., by using troops from the French countryside to reconquer Paris. Since in the meantime the majority of the world’s population lives in big cities, this contradiction plays an enormous role in todays’ global class structure[13](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn13).

After World War 1, participation in political power of the existing economically determined classes—now excluding nobility—had to be cast in institutionalized mechanisms. In Russia the success of the Bolshevik revolution to a considerable part could be attributed to Lenin’s skill in building a coalition between the small industrial proletariat and the big group working in agriculture. As a rule, the art of coalition building becomes mandatory in politically turbulent times. The radical change in state power from the ultraconservative Tsarist regime to a new institutional setup made room for a new type of agent: the communist party[14](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn14). In European countries, the regime change was softer. The two winning classes, workers and the bourgeoisie, did stick to the idea that the Republican state is the next step toward democracy. It is this state that distributes economic and political power, and influence on its decision can be exerted by political parties. Class structure thus was expressed as the relative power of political parties measured by votes in elections. Therefore, in most countries two strong parties, representing the two classes, were establishing themselves in the early 1920s. It was the constitution of the state, i.e., written supreme law, which determined how class interaction has to take place. In a lower level of the law-setting process, this supreme law also determined in which ways the lower level could modify interaction rules. Both classes inserted their class-determining essentials more or less explicitly into the constitution: Workers are not slaves, there exists a catalog of essentials called human rights, and the private property of the means of production is sheltered by the state.

This political upgrading of state mechanisms coincided with the need to fix the state structure of Europe after Germany had lost the war, and WW1 had set an end to Austria-Hungary and the Osman Empire. What could be considered to be a proper state followed the new ethno-lingual dimensions of the concept of a nation. The nation state in this modern meaning only had occurred around 1874[15](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn15), when in Germany and in France its leaders discovered its ideological force. Despite its role played in determining the new map of Europe, the concept of a nation when compared to the actual diversity found in each “nation state” remained vague.

It probably was one of the major clues for the Fascists’ success that they (mostly unconsciously) discovered that vague concepts can be an extraordinary ideological weapon. While other parties were looking for complicated answers to complicated questions, the fascist movement at best did hint at the shortcomings of others and apart of that invented an unreal cult of supreme nation and supreme race. Their movement therefore completely escaped the categorical apparatus of the two main classes and their parties. Members of the fascist movement were not characterized by belonging to a certain position in the production process. They came from everywhere. The only necessary condition was that they could be impressed by the fascist ideological offer: fascist social identity. While the old parties in principle still did refer to the important economic function of their class and therefore tried to “enlighten” the general public to vote for their cause, the fascist movement simply tried to turn the (economic) light off and set a spotlight on race and ethnicity. The main lesson to be learned of the interwar period thus is that the strength of ideological warfare relative to old-style institutionalized class struggle in modern states can explode. The tremendous impact of Fascism in the twentieth century justifies—even necessitates—to broaden the class concept. If the scientific goal is to understand the major social agents that shape social dynamics, one of these agents has been Fascism. Agents are formed by power structures binding groups into classes. If Fascism was able to use ideological power (without much reference to economic status) to create such a strong movement, then it is justified to talk of a fascist class. Of course, history also showed that once in state power, the fascist class has to fall back on dictatorship and the mechanics of an authoritarian command economy. The missing relationship to an actual role in political economy then has its price—Fascism in state power is aggressive and costly, but short-lived. That does not mean that national racism is short-lived in the minds of its members. The basic interpretation scheme it provided to explain what happens in the world is a durable intervention in the internal model-building process of potential fascists; it is ideological micropolitics. If one accepts the broadening of the class concept, then the fascist class is a still existing, globally dispersed underground force.

Broadcasting, more generally technological advance in communication techniques, was a major catalyst for fascist movements. This throws a light on the role played by technology in class formation processes. The larger the audience that can be reached, the more volatile and fragile the control by reality check becomes, by testing an issue with empirical experiments, in particular if the communicator hides the message behind emotionally loaded but vaguely defined words. Welcome to the twenty-first century.

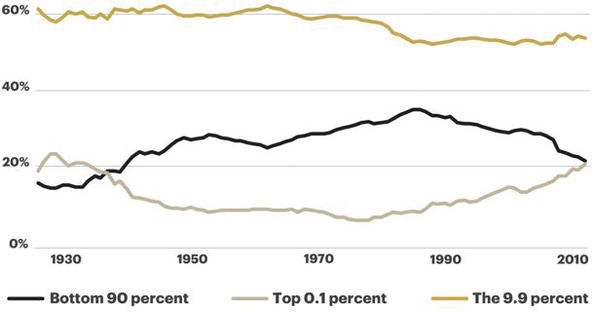
4. Global class formation

Technological advance took giant steps forward in the last four decades. We now have an incredible amount of the knowledge of the human species literally at our fingertips; this is the “I” (information) in the abbreviation “ICT.” Additionally, and to be distinguished from the former, we can communicate—the “C” (communication) in the abbreviation—via smartphones instantly in person-to-person calls around the globe. The “T” (technology) in ICT has taken us to a different level of possibilities for the human species. At least our characteristic property—building and exchanging the internal models we used to interpret our surroundings and to choose our actions—now could be developed on a technological backbone unimaginable only 150 years ago.

The timid beginnings of the first wave of globalization in the production sphere just before WW1 under the hegemony of Great Britain had been interrupted by WW2 only to be continued under the hegemony of the USA after 1945. Today production activity is already a highly interwoven global network. The remaining short and closed production-consumption circles that still exist are embedded (and of little impact) in the grand dynamics of global business and politics. It is hard to imagine that the fruits of the global division of labor manifested in the globalization of production processes can be radically reversed. But what can happen is a temporary backlash by a third World War, which today evidently also includes the risk of an extinction of the human species. As the twentieth century, experience showed the danger comes from a dynamic in class formation that is driven by ideological warfare[16](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn16). To understand the workings of this type of dynamic processes, a kind of “social cancer,” it is necessary to study empirically a rather wide set of conditions, which allow its emergence and can speed up its growth.

In the national settings considered in part 3, it was the nation state that could set the political stage for nationally admitted agents and sublimated class struggle—at least it attempted to stay in power until fascist movements took over. For the global dynamics of today, no such arbiter of last resort exists; there is no global governance yet. The elastic adhesive agent that keeps the diverging forces together is *global capital*, which hides behind the misnomer *financial markets*. The essence of this rather new and truly global agent is that it determines on the most general level what social value is and how it is produced, distributed, and consumed. It does not need to be globalized, it already is. It enters the internal models of individuals as an invisible but almighty force; only data perceived on international stock exchanges allows to perceive the moves of the monster. When Rudolf Hilferding at the beginning of the twentieth century tried to update Marx’ concept of capital by writing his influential book *Das Finanzkapital*,[17](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn17) he barely could know to which wonders this latest transformation of the species character of social value will lead.

The “character masks” of capital—this is the term used by Marx to avoid a too personal touch when he writes about executors of the capitalist algorithm[18](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn18)—are just a tiny share of the ruling class now. A look at the recent increase of power (measured as the share in wealth) of this group in capitalism’s home base, the USA, shows that it is leaving the still well-off citizens (the “9.9 percent”) behind; compare [Figure 1](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#F1). Mathew Steward nicely explains how this development in economic wealth influences socialization and cultural habits of these three distinct groups in the US society.



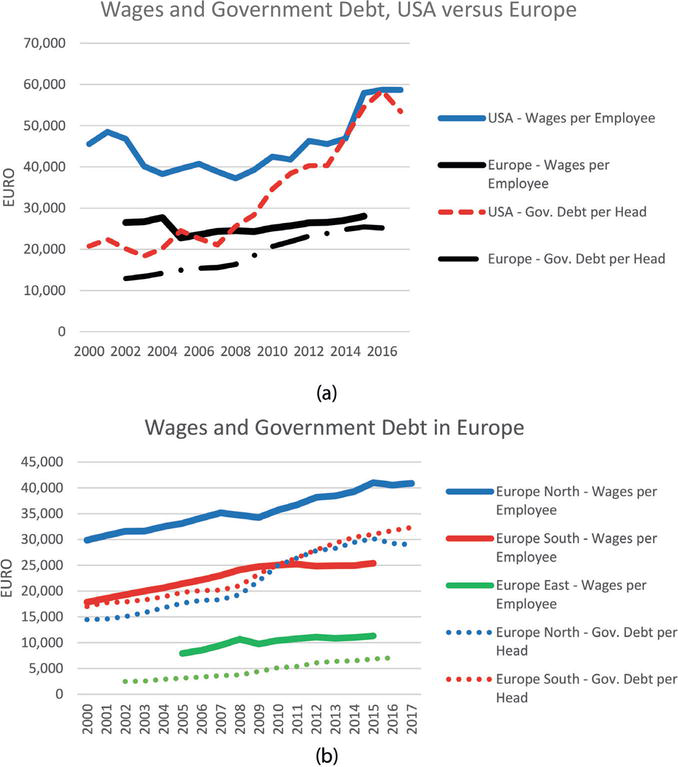
**Figure 1.**

Three groups of wealth in the USA. Source: [12] Using data produced by [13].

It would be misleading to introduce the term “middle class” for those still well-paid US households. Such a classification still sticks to a linear view of a bipolar class concept that spans between proletariat and capitalist class and allows for a gray zone in the middle. As argued elsewhere—and contrary to Tony Blair’s exclamation “we are all middle class now”—any consistent theoretical concept of social value necessarily provides a sharp border between exploiters and exploited. There is no middle class. The complications with the class concept are the result of the interplay between superstructure and economic base of the insufficient analysis of the wars on the ideological battlefield.

The local perceptions mixed with global interference from capitalistically driven mass media produce a strange brew of tribal communities. As Zak Cope vividly argues, a “labor aristocracy” in rich countries has to be distinguished from the proletariat distributed all over the third world; see Ref. [[14](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#B14)]. Moreover, those living in the megacities of the third world face radically different conditions than those in the open land. A similar distinction holds for rich countries—and for China. For both distinct cases and across all four cases, migration flows occur and probably will be amplified by global climate change.

An economically induced split in the global working class also came about: To sell products there must exist what Keynes called “effective demand,” i.e., families with enough money to buy. This cannot be the workers whose low wages have enabled exploitation, and the ever smaller group of superrich buying extraordinary expensive goods and services cannot compensate for the super poor. The solution is a credit system. Europe, the continent with the largest consumption, is a model case. The faction of the ruling class, which governs capitalist European nation states, can let government debt increase to help firm owners to sell. This can either be done by tax reductions, military and other state expenditure, or similar actions. The money borrowed by the state induces interest payments to creditors, and the security offered by the state faction of the ruling class to its firm owners’ faction is simply its monopoly of power. It can always raise taxes or reduce social transfers. From time to time, in particular after heavy financial crisis (see [Figure 2a](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#F2) and [b](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#F2)), the business faction wants to see that this state power is executed to feel sure that the security is there; this is the background of the so-called austerity policy. Nevertheless, in more quiet times, layers of different income levels in the global economy make sense for a smooth development of integrated capitalism. They undermine international working class formation and help to maintain effective demand. With this policy naturally comes a balanced increase[19](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn19) in government debt mirroring also the growth of importance of public goods necessitated by stronger global economic interdependence.



**Figure 2.**

(a) Two global wage layers and their connection to government debt. (b) Wage layers in the three parts of Europe. Source: AMECO database, European Union.

[Figure 2a](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#F2) shows that there still is a substantial difference between average wage in the USA and in Europe, though it has to be taken into account that inequality in the USA is so much higher that low wages often even are lower than European low wages. A more revealing comparison of these wage layers with those prevailing on other continents goes beyond the scope of this introduction.

In [Figure 2b](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#F2) three parts of Europe are compared to show how strong economic layers are suggesting special economic policy measures. In EU North a similar, though somewhat weaker development than in the USA, can be observed. The demand stimulus in the USA could be stronger since it provides the globally used currency, the US dollar. The Euro has helped to imitate US policy but was applied only late and with hesitations. Nevertheless, it helped a somewhat retarded increase of effective demand in Northern Europe. This demand unfortunately had been partly made possible by financial transfers from Europe’s south including the closedown of affiliates of Northern transnational corporations in the south, raising debt and unemployment there. This depressed the southern average wage, which anyway was already far below the northern standard. The remarkably low debt level in Eastern European countries signals the missing trust in their governance competence. The corresponding low wage development relative to the other two parts of Europe points at a stagnating—or even widening—wage structure.

To take a look at Europe from such a more structured perspective does not imply that a “Europe of two speeds” should be supported. Each of the three parts emerged out of its particular historical role in the last century, and there is no single arrow of time that assigns the place of a role model for one of these parts. There is no best practice of capitalist management; different contradictions broke up in different ways in different parts of Europe.

What unites each part is only a similarity in their basic national class structure. For example, for Eastern European countries, the common past as socialist satellites of the Soviet Union and the transition mechanisms toward EU and NATO membership have produced some shared class structure similarities. Europe’s Mediterranean countries typically share a better safety net of family ties, village communities, and some informal tolerance when it comes to financial constraints. Only this sloppiness paired with deeply rooted humanism enabled them to accept the deterioration of wages and employment. Europe’s North excels at diligence and trustworthiness, an important feature to succeed in the world economy, but it also often misses flexibility and creativity needed to master new challenges. The art to combine the European diversity might be a pilot project for global diversity. The minimal toolbox to start with should contain (1) the acknowledgement of social classes as major agents in decision-making processes, (2) a sophisticated voting system that assigns mechanisms to well-specified groups of decisions[20](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn20), and (3) an independent public media sphere guided by a class devoted to progressive scientific knowledge. In the moment, the process got stuck at square one, though mathematical groundwork in voting theory already waits for application in field two.

Again, the layers of the proletariat thus emerging as an economic consequence enter the sphere of consciousness, e.g., as available family budget. With global comparisons (with the help of ICT) now much easier available for each family, a need for interpretative models emerges, models which explain why these income layers are there. This is the point of access for local and national political entrepreneurs to step in. Emancipatory revolts, like at the beginning of the Arab Spring, as well as revolutions and waves of migration can be set in motion. A broadened theoretical concept of class dynamics is needed—and has to be filled in each case with empirical data—to better understand what is going on.

Information and communication technology, tight global production networks, and a new money form have created an environment in which a broadened concept of class has to be established. Since the historical mission of industrial capital to increase labor productivity has been achieved and commodities for basic needs can be produced with less and less labor time by less and less workers, this implies that the economically determined power structures have shifted: With the dominance of global value chains, simple work now sits at the leaves of a production chain usually located and isolated in a third world country. Profits of transnational corporations stem to the largest part from exchange rate exploitation, which also allows them to sell the produced commodities to different layers of workers doing more complicated tasks, which are located in richer countries. The split-up of the economically determined working class not only has a geographical dimension implying that due to cultural differences the power of the class is reduced. It also changes the internal model-building algorithms of members of the upper layers of workers. For them working class consciousness can be replaced by the fear to slide down the hill to a lower layer—and ideological warfare of the ruling class will do its best to further such mind manipulation. It is interesting that this kind of manipulation simultaneously works in the opposite direction too: Instead of class consciousness, the hope to advance in the next higher layer of the working class is stirred. As an individual isolated between fear and hope, the worker loses its class relation; what remains is impotence.

The void produced, the loss of social identity[21](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn21) (previously derived from the position in the production process), provides room for many kinds of social identity surrogates. The classical, most dangerous example is the national racism that currently is surging again. A new fascist class using a less historically contaminated vocabulary seems to be at the doors in Europe and the USA. Another possible surrogate is a return to radical religious belief. The rise of the Islamic State is here the outstanding example, though less aggressive religious states, in particular in the Islamic world, have predated this development. The international dimension of this phenomenon probably allows one to talk of the emergence of an Islamic class. It is evident that the emergence of classes like these is a possible—almost necessary—consequence of global integrated capitalism. It can be expected that this century will see more like that.

But more humanitarian and progressive substitutes for economically determined class consciousness can be listed also. First of all, the class of feminists from its very beginnings has insisted to depart from a simple biological characterization by sex and to emphasize the social characteristic of gender. Its influence on today’s global class dynamics via the internal model building of its members cannot be denied. Another class has substantiated the common concern about environmental disasters caused by capitalist growth: the class of environmentalists, also known as the green movement. Finally, the third large and globally dispersed group to be mentioned is the group with higher education, scientists and intellectuals[22](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn22).

For the globally ruling class, the new conditions of the twenty-first century also imply important modifications. The group of the wealthiest families became smaller, much more wealthy, and somewhat less concentrated in the USA. The class now is split along its lines of action: pure ownership, management of assets, political leadership (including administration and military), and ideological leadership (including mass media and ICT). In a sense, the first two factions waiting to be taken over by the “demos” are waiting for democratization. Their inadequate concentration in the hands of a few families appears as global inequality in income and wealth, in living conditions. To exert power in its two abovementioned forms (physical and informational) is the task of the other two factions of the ruling class. The more authoritarian the setup of these two factions in specific states, the less cooperation between these states can be expected. Therefore, globalization either undermines authoritarian regimes, or authoritarian regimes drive back globalization in the hope to become *the only authoritarian regime* governing the world, e.g., Turkey for case 1 and the USA for case 2.

This more complicated global class structure of the twenty-first century has barely been consistently investigated. Using the economically determined class concept of industrial capitalism, i.e., the time before World War 1, is insufficient and inadequate[23](https://www.intechopen.com/books/classes-from-national-to-global-class-formation/introductory-chapter-classes-from-national-to-global-class-formation#fn23). In today’s ICT environment, the superstructure processes influencing consciousness, widening the gap between the isolated local individual and its simultaneously pretended global participation, are taking over the main role in the global power play. They have created conditions that make an update of the classical concept of class highly necessary. Individuals experience overlapping class memberships in an alienated local spot supplemented by pretended global citizenship on a screen. At the same time, the formation of new types of more global classes, humanist as well as racist, is on its way. Globalization has only just started; it will need democratization to be fully achieved. And to master this glorious task, successful and informed class struggle will be unavoidable.

5. The scope of this book

Despite its urgency the topic of this book did not provoke a canonical, generally accepted view yet. Of course, there has been a lot of empirical field work done by sociologists and anthropologists. There also have been numerous attempts to recast global political evolution in a theoretical framework by all major headquarters of political movements, and at least implicitly this always meant to take class dynamics into account. Perhaps the least fruitful research in the area came from economics, which due to its methodological backwardness—it still is under the spell of methodological individualism—stays firmly closed up in its ivory tower of surrogate mechanics paradigms.

The goal of this book thus is not to present a selection of consistent cornerstones of an already existing perspective on class formation. The best that could be done was to collect additional valuable pieces of a mosaic that currently is developing in this newly explored area of research.

Each of the presented chapters touches on one of the ideas that have been discussed in this introduction. This includes issues seemingly as far away of each other as finance, terrorism, inequality in education, and income. To some extent, it stays nevertheless up to the reader to discover connections and make up her or his own mind. In any case this burdensome intellectual effort will be rewarded by the feeling that one of the most relevant aspects of the evolution of our species has been better understood.