Global political legitimacy and the structural power of capital

Ugur Aytac

Department of Political Science, University of Amsterdam, Amsterdam, The Netherlands

Correspondence
Ugur Aytac, Department of Political Science, University of Amsterdam, Amsterdam, The Netherlands.
Email: u.aytac@uva.nl

Funding information
Nederlandse Organisatie voor Wetenschappelijk Onderzoek, Grant/Award Number: 016.164.351

Keywords: business elites, international political theory, political legitimacy, political realism, structural power

1 | INTRODUCTION

Various scholars ask why seemingly reformist administrations often fail to “deliver on a host of popular reforms” promised during their election campaigns, e.g., extensive restructuring of the financial sector (Young et al., 2018). One of their explanations is that many progressive proposals are off the table because of the danger of disinvestment and capital flight. Under conditions of capital mobility, global business elites can drastically restrict the options of policy-makers through their investment decisions, whether they intend to do so or not. Such features of the global economic system invite us to rethink where political power resides in global politics.

Drawing on the radical realist methodology in contemporary political theory, this article argues that our theories of global political legitimacy should be reoriented to include the structural power of the Transnational Capitalist Class as its subject matter. By structural power I mean the systematic and coercive effects of social institutions that are not reducible to intentional efforts of any individual or collective agent (Gill & Law, 1989; Guzzini, 1993; Gwynn, 2019). Even when global business elites do not intentionally exercise power to obtain political control of global governance, their structural power has recognizable effects that partly enforce the world order. I contend that an adequate theory of normative political legitimacy should theorize about any power relation that contributes to the imposition of a socio-political order. This is a methodological argument that aims to enrich all kinds of approaches to political legitimacy, particularly in international political theory. Given that the structural power of the Transnational Capitalist Class is constitutive of how and to what extent state power can be effectively exercised, it is then a major form of power that reproduces the existing institutional configuration in global politics.
This means that normative demands regarding the legitimation of global political power should incorporate the structural power of capital into their scope of evaluation.

In existing accounts, the subject matter of global political legitimacy is too narrow and does not make sense of global class power as a fundamental determinant shaping political systems. Some hold that the discussion of global political legitimacy pertains to the formal political powers of international organizations such as the UN, IMF, and WTO (Buchanan & Keohane, 2006; Caney, 2009). According to this, the principles of political legitimacy apply to those international institutions that make claims to rightful authority. Further, a second group of scholars argue that powerful economic agents such as multinational corporations also exercise political power to the extent that these instances of power substantially impact the realization of values that are essential in legitimate political orders, e.g., freedom and equality (Erman, 2016; Hurrell & Macdonald, 2012; Macdonald & Macdonald, 2010). One common feature of these approaches is the belief that political power controls and shapes others’ lives in a purposeful manner. Purposefulness is needed because “if entities do not act intentionally, affected subjects are not able to hold them to account” (Erman, 2018, p. 5).

While these approaches are useful in highlighting various forms of political power on the global scene, I argue that they do not adequately conceptualize the global socio-political order as a comprehensive power structure. As a complement to the existing conceptions, I propose to expand the scope of power relations that are assessed by normative conceptions of global political legitimacy. To advance my argument, I draw on radical realist thinkers who contend that the assessments of normative legitimacy are applicable to a large variety of social practices and institutions, not only to dyadic relations of power (Geuss, 2008; Prinz, 2015; Raekstad, 2015; Rossi, 2019). In this view, the notion of legitimacy does not necessarily presuppose a relationship between a ruler intentionally exercising power and those who are subject to it. I draw on radical realism to argue that not only actors’ intentional exercise of power but also structural power asymmetries should be incorporated into our theory of global legitimacy. More specifically, I focus on structural power relations that are constitutive of existing political institutions. For instance, a particular set of economic relations or patriarchal social structures are evaluated on the basis of political legitimacy to the extent that they reshape the functioning of state power. Following this, I contend that instances of structural power that determine political institutions count as political power, regardless of the social domain they originated in.

I support my theoretical argument with an empirically informed discussion of the “Transnational Capitalist Class” (TCC) (Carroll & Carson, 2003; Robinson & Harris, 2000; Robinson & Sprague, 2018). The TCC is a relatively close-knit community of global business elites with a set of shared interests, norms and powers, which are both intentionally and structurally exercised. The structural power of the TCC stems from economic institutions that disproportionately empower its members. For instance, in the absence of a global sovereign, corporate elites’ investment decisions and the threat of capital flight are structural factors in the world economy that compel domestic policy-makers to be disproportionately responsive to corporate preferences (Block, 1987; Swank, 2016).² The structural power of the TCC captures two main insights derived from radical realism: i) non-dyadic power relations shape the nature of political institutions, even when these power relations do not arise from states or other authoritative organizations; and ii) the demands of political legitimation are applicable to a wider range of social practices and institutions.

The three-fold contribution of this article starts with questioning the sustainability of a sharp distinction between the justice of social structures and the legitimacy of powerful actors (Prinz, 2015; Rossi, 2019). I show that political legitimacy as a normative category applies to
certain social structures. I aim to advance a theoretical lens that helps us see how normative questions around class-based structural power relations go beyond considerations about intentionally exercised power of the wealthy or distributive fairness about economic resources. Further, conceptualizing the structural power of capital within a theory of legitimacy conveys the message that we should partly shift our attention from formal political organizations to the surrounding power relations that restrain the capabilities of such institutional bodies. This is particularly important in the field of international political theory in which there is a strong focus on formal organizations (Buchanan, 2011; Buchanan & Keohane, 2006; Caney, 2009). This article aims to raise greater awareness of underlying power dynamics in the scholarly debate on the future of multilateralism and international institutions. Lastly, my approach complements the expanding literature on structural injustice (Lu, 2017; Nuti, 2019; Young, 2011). Rather than focusing on responsibility attribution and moral aspects of structural dynamics, I adopt a more functional approach and categorize a subset of structural power asymmetries in terms of their impact on political institutions. This taxonomical claim helps political theorists break down the umbrella term of structural injustice into questions of political legitimacy and social justice.

The article proceeds as follows: I first discuss two existing accounts of global political legitimacy and show their limitations regarding the subject matter of political legitimacy. In the second section, I present radical realists’ views on the legitimation of socio-political orders. In the third section, I argue that the structural power of transnational capital constitutes an instance of political power under the radical realist way of thinking about socio-political orders. Section four replies to several objections.

2 | TWO CONCEPTIONS OF GLOBAL POLITICAL LEGITIMACY AND THEIR LIMITATIONS

2.1 | Decision-making power and global legitimacy

I will now review and assess two main ways of conceptualizing the subject matter, specifying what social relations are to be regulated or assessed by principles of global political legitimacy. First, some believe that what the concept of global political legitimacy aims to regulate is the institutions that wield authoritative decision-making powers (Buchanan, 2011, p. 7). These powers amount to legal and/or organizational capacities to demand and ensure a degree of compliance on the grounds of content-independent reasons that are claimed to be binding. This form of power mainly refers to global governance institutions that make and implement international rules (Buchanan & Keohane, 2006, p. 411; Caney, 2009). Such institutions explicitly claim that they have authority within a defined policy-making area. Further, global governance institutions usually have authoritative legal standing defined in international law and have been ratified by nation states.

Formal decision-making power as the subject matter of global political legitimacy has a serious limitation as it excludes the powers of a variety of social actors just because they do not make official claims to authority or do not simulate the discourse of public authorities, e.g., by claiming to pursue the common good. Restraining our understanding of political power by the language of authoritative directives is a remnant of state-centric conceptions of legitimacy. Within the domestic context, focusing on states’ right to rule, or to make authoritative decisions, might be a reasonable strategy since there is a sense in which state power is, at least theoretically, ultimate within a given jurisdiction. However, this is not the case on a global
scale. The belief that the authority of global governance institutions is the only or the most significant category of political power in the global arena seems implausible. For instance, MNCs could exercise informal power over global governance institutions, states, and local actors (Hurrell & Macdonald, 2012; Macdonald & Macdonald, 2010). These informal uses of power seem to be a form of political power as they significantly shape the world order. One might argue that focusing on authoritative directives is useful because it establishes the conceptual link between a claim to authority and a duty to obey. However, compliance with authority is only one form of legitimacy-based prescription. There are other ways the notion of legitimacy might refer to action guidance, e.g., informing whether one has a reason to disrupt an established power relation. Answering this question is possible even in the absence of any particular actor explicitly demanding compliance.

2.2 An expanded conception of the subject: Public power

Criticizing the account of decision-making power, some political theorists defend a broader conception of political power as the proper subject of principles of global political legitimacy (Erman, 2016; Hurrell & Macdonald, 2012; Macdonald & Macdonald, 2010). According to the proponents of this account, public power is any type of social power that effectively promotes or undermines core values associated with the acceptability of a political order via its systematic and intentional exercise (Erman, 2016, pp. 7–8; Hurrell & Macdonald, 2012, p. 566). By political order, Hurrell and MacDonald (2012, p. 557) mean “the institutionalized pursuit of certain fundamental common interests, which—in significant part at least—constitutes a group as a political society.” Following this, the category of public power covers any actor’s power that substantially impacts the legitimation of global political institutions, i.e., a network of organizations that constitutes a rule-making environment, including international organizations, states, international law, and even global NGOs.

Whether an instance of power is public depends on its capacity to promote or curb the realization of certain political values. What these values are varies according to the broader normative framework we adopt. For instance, individual autonomy and equality are the fundamental political values within the liberal-democratic project (Macdonald & Macdonald, 2010, p. 21). Further, publicity in this sense of the term cuts across the traditional public–private distinction. For instance, private market transactions could be included within the category of public power if the market power of certain actors induces politically significant effects, which are not regulated within an already existing state system. Moreover, public power presupposes purposeful activities which make issues of accountability and responsibility attribution more visible. In this sense, public power is different from unintended consequences of agents’ actions that reduce others’ freedoms (Erman, 2016).

The power of the MNCs over workers and small-scale producers of the Global South is an example of public power on a global scale. To illustrate, Macdonald and Macdonald (2010) discuss the power asymmetries within the global supply chains of the garment and coffee industries. The MNCs “use their power within global supply chains to push down wages and increase workloads, with significant and direct implications for the well-being of workers” (Macdonald & Macdonald, 2010, p. 29). Workers in these industries typically suffer from low wages, barriers to freedom of association, and poor working conditions (Macdonald & Macdonald, 2010, p. 28). Local small-scale producers, who are subcontractors of MNCs, are also vulnerable due to unstable prices and the disproportionate market power of the dominant buyers. Local producers
usually have little to no bargaining power against the MNCs because they cannot afford to lose their sales contracts by not complying with the demands of these MNCs.

The market power of the MNCs restrains workers’ and small-scale producers’ freedom significantly as the latter are torn between losing their jobs/sales contracts and being forced into a position of vulnerability and humiliation. “The existence of autonomy-limiting relations of power” is not, however, sufficient to frame corporate power as a form of public power (Macdonald & Macdonald, 2010, p. 29). Macdonald and Macdonald (2010) hold that an instance of power is private if it is already subordinate to a superior public authority. Nonetheless, within the global order, where there is no state-like sovereign figure, the autonomy-limiting powers MNCs enjoy are not properly subject to any political authority. National governments’ jurisdictional authorities are hardly sufficient to genuinely regulate MNCs (Rodrik, 2012, p. 190). As the powers of the MNCs are not effectively categorized as private by superior public authorities, and the impacts of these powers are politically significant, they are conceived of as an instance of public power.

The concept of public power does a better job in specifying the subject matter of global political legitimacy in relation to two desiderata (Hurrell & Macdonald, 2012, pp. 558–559). First, it is non-conservative. It shows that the notion of legitimacy is applicable to those who exercise certain types of powers over others, regardless of whether power holders are a part of formal institutions claiming to have political authority. In this sense, the account of public power substantially departs from the traditional state-centric conceptions of legitimacy by expanding the subject matter into new groups of agents. Further, public power develops a richer understanding of political relationships as it destabilizes the conventional distinctions between private and public realms. This is because the proponents of the public power account explain how private economic actors can indeed exercise political power that shapes political relationships and institutions. The non-conservativeness requirement is needed because adjusting our theory of political legitimacy to the global context should be freed from the preconceptions associated with domestic legitimacy. Good conceptual innovation should not be bound to reproduce traditional traits. Second, this account is non-overly-inclusive (Hurrell & Macdonald, 2012). There is a clear distinction between social relations that are regulated by principles of legitimacy and those that are not. Hence, it preserves the distinctive characteristics of political legitimacy, not reducing it to the broader category of justice. The second requirement counterbalances the first one, making sure that the notion of political legitimacy does not lose its analytic utility in the name of innovation. If the notion of legitimacy is overexpanded, the risk is that one might not be able to distinguish it from other political values such as justice or democracy.

However, the concept of public power is still too exclusive in identifying the types of power relations that are constitutive of the global political order. It is an agent-centric conception according to which political power can only be exercised through “intentional actions of some identifiable agents” (Hurrell & Macdonald, 2012, p. 566). According to Hurrell and MacDonald (2012, p. 559), “the subject must be some set of agents—or some set of social institutions through which groups of agents intentionally and systematically act—rather than some set of background social structures that generate social outcomes through unintended patterns of behaviour.” Similarly, Erman (2016, p. 35) contends that public power cannot result from “unintended patterns of behaviour.” This narrow focus on intentional action is problematic if one wants to develop a radical criticism of political institutions by revealing how they are inescapably intertwined with a variety of problematic social structures and institutions that are not deliberately controlled by actors.

I believe there are certain important cases in which structural power asymmetries have formative impacts on the way political institutions operate at the global level. The unintended coercive effects of socio-economic institutions could generate asymmetric positions for different
actors that give some greater voice and influence in the political process. By this, structural power inequalities are likely to impose a significant change in the global political order, regardless of whether this change is achieved intentionally or not. While I do not deny the relevance of public power, it seems entirely useful to complement our theories of legitimacy with such instances of structural power. Despite this possibility, the notion of public power categorically excludes instances of structural power from its scope of assessment. In the remaining parts, I will introduce radical realism as a way of theorizing political legitimacy in relation to socio-political orders, which develops out of the nexus of political and seemingly non-political institutions.

3 | LEGITIMATION IN SOCIO-POLITICAL ORDERS: WHAT RADICAL REALISM OFFERS

Political realism, out of which the radical realist line of thought develops, is a heterogenous ensemble of methodological positions in contemporary political theory (Aytac, 2022; Cross, 2021a; Geuss, 2008; Sleat, 2016a; Williams, 2005). Realists’ primary contention is that political theory is an autonomous form of practical inquiry that is not reducible to the imperatives of moral philosophy (Williams, 2005, pp. 2–3). A number of secondary claims follow from this generic commitment: the centrality of essential facts about political life in normative theorizing such as power relations, the primacy of legitimacy over justice as the fundamental political value, sensitivity to historical and cultural context instead of attempting to develop abstract moral principles, and the heavy emphasis on the conflictual nature of politics that deems consensus-centric accounts of political normativity implausible (Burelli, 2021; Prinz, 2015; Rossi, 2012). These secondary claims rest on the idea that politics is a power-centric, historically situated, and conflict-ridden human enterprise, which should shape the way we do political theory (Sleat, 2016a).

Radical realism is a particular interpretation of what counts as essential facts about politics and how to address, evaluate, and critique political phenomena (Brinn, 2020; Cross, 2021b; Rossi, 2019, pp. 642–644). This approach is different from liberal realism, which focuses on the conditions under which a political order can be legitimated in relation to the given cultural-historical context of a community (Sleat, 2014). While Bernard Williams, a prominent figure of liberal realism, offers some tools to criticize the existing beliefs and motivations prevalent in a cultural-historical context, his critical tests are largely confined to extreme cases of collective circular reasoning, e.g., acceptance of a legitimizing narrative as a result of indoctrination (Williams, 2002, p. 231).

In contrast, radical realists expand their scope of evaluation and critique in two senses. First, the lack of state indoctrination, as discussed in Bernard Williams’ critical theory principle, and justifiability in terms of historical-cultural givens are not sufficient to genuinely legitimize power relations. “If a legitimation story isn’t what it purports to be, it becomes epistemically suspicious and so should be debunked, and the practices it supports should be disposed of” (Rossi, 2019, p. 645). A broader epistemic assessment of cultural traits and shared values comes into play in order to filter out ideologically flawed narratives (Prinz & Rossi, 2017; Rossi & Argenton, 2021). This position is methodologically realist as it takes certain important features of politics into account: the social and psychological facts about ideological belief formation (Rossi, 2019, p. 643). Further, as the radical realist approach investigates the interlinkages among political, cultural, and social institutions, they tend to conceptualize comprehensive power systems as socio-political orders rather than employing an understanding of political order narrowly characterized by state-like entities (Prinz, 2015).
Second, a noticeable common ground among radical realists is the widening scope of legitimacy as a normative concept:

So a more realistic understanding of what is at issue in politics in a wider variety of circumstances would connect it with attempts to provide legitimacy not simply for acts of violence, but for any kinds of collective action, such as deciding voluntarily to build a new road or change to a new unit of measurement. (Geuss, 2008, p. 35)

The notion of legitimacy ceases to exclusively apply to dyadic relations of power, i.e., an authority figure intentionally exercising power over others (Raekstad, 2018). In radical realists’ understanding, any social institution and practice can be questioned on the basis of legitimacy. This opens up a wide range of options that radical realists target in their normative criticism, e.g., the legitimacy of capitalism as a complex institutional order or other social structures such as patriarchy. In this approach, not only powerful actors but also social institutions and the broader cultural phenomenon that limit human freedom are subject to the demands of legitimation (Prinz, 2015, pp. 163–166). The main advantage of radical realism is its effectiveness in dealing with the charge of status quo bias by extending the questions of legitimation from state power to the surrounding social, cultural, and economic factors (Finlayson, 2017, p. 270; Prinz, 2015; Thomas, 2017, pp. 315–316).

However, the radical realist approach needs to explain why it continues to employ the notion of legitimacy instead of justice. Liberal realists’ usual way of distinguishing legitimacy from justice is to suggest that the former is less normatively demanding, and exclusively focus on a narrow set of requirements regarding the exercise of state power (Horton, 2012). However, this strategy does not quite work for radical realists because their critical inquiry is not limited to state power. Further, there is nothing in their account of normativity implying that legitimacy is less demanding than justice, given the radical nature of their critique (Rossi, 2019).

In response, one can offer the following explanation: the difference between justice and legitimacy can be highlighted through the distinction between attributing positive normative qualities to an institution on the basis of philosophers’ reflection, and doing so on the basis of whether an institution is reflectively acceptable to actual people embedded in a historically contingent socio-political situation (Geuss, 1981, p. 91; Geuss, 2005, p. 7; Hall & Sleat, 2017, p. 282). The second route is an inquiry on the legitimacy of an institution in a realist sense. It is undeniable that a realist inquiry on legitimacy also involves philosophical reflection as any requirement of reflective endorsement will need some degree of rational reconstruction. However, in this case, our normative judgments are ultimately informed by our beliefs about whether actual social actors would have endorsed an institution under sufficiently realistic circumstances. Hence, it is the quality of the actual social relation between an institution and subjects that matter in realist legitimacy. In contrast, judgments about the justice of an institution might rely on a host of other considerations that are deemed important solely in theorists’ judgments. This contrast is largely inspired by Simmons’s (1999) distinction between justification and legitimacy. Nonetheless, I am not denying that there are some contextualist theorists who use the term “justice” in a way that is similar to my characterization of legitimacy here (Sangiovanni, 2008). My interpretation simply suggests that radical realists might have preferred the use of legitimacy in a wide-ranging domain to better emphasize that their focus is actual social relations among institutions, social practices, and citizens.

Finally, I will introduce two qualifications to fine-tune the radical realist concept of political legitimacy in order to better make sense of the global socio-political order. First, while their conception of legitimacy is applicable to a wide range of social practices, radical realists seem to conflate
institutional legitimacy with political legitimacy (Adams, 2018). Although any institution, from sports club to church community, is subject to the demands of legitimation, raising the question of whether these institutions should exist, this does not immediately show their relevance for the legitimation of political power. In this sense, it makes sense to draw a distinction between institutional legitimacy as a broader category and political legitimacy, which pays attention to how the socio-political order is imposed upon the subjects. This distinction is important because political legitimacy as a distinctive concept typically addresses a particular set of grievances that carry a special weight for most people, e.g., domination, unfreedom, and tyranny. The centrality of such grievances in political life seems to justify our need for a distinct concept that does not melt in broader categories, which also include considerations such as collective rationality, optimality, and efficiency.

However, it would be a mistake to assume that a socio-political order is all about state power. The exercise of state power is situated and influenced by the surrounding social institutions, e.g., the economy, civil society, and patriarchal family. To capture the interconnectivity between state power and social institutions, radical realists can draw on critical theorists’ conception of legitimation found in the works of early Habermas and Fraser.

In his early writings, Habermas (1988, pp. 20–21) employs the term Liberal-Capitalist Social Formation in his characterization of the socio-political order on the nexus of political and economic institutions. While the market economy has its own autonomous functioning, it is also constitutive of political institutions as the exercise of state power is limited by the structural constraints of the economic system (Habermas, 1988, p. 21). Further, in its laissez faire phase, the market also “relieves the political order of the pressures of legitimation” as the previously political task of coordinating resource allocation was delegated to non-political institutions (Habermas, 1988, p. 22). Nancy Fraser (2015, p. 160) similarly conceptualized capitalism as “an institutionalized social order” consisting of an economic subsystem supported by other subsystems of politics, social reproduction, and natural ecology. In parallel with Habermas’ (1988, pp. 34–35) discussion of the Administrative System, Fraser (2015, pp. 162–163) highlights that the economic subsystem of capitalism inevitably depends on “extra-economic forms of political power” in the regulation of markets to meet the demands of capital accumulation and economic stability. However, she also suggests that the depoliticization of the economy, separating it from the proper domain for the exercise of political power, kicks in whenever “the drive to limitless accumulation” conflicts with the imperatives of public power that are essential in democratically legitimated systems (Fraser, 2015, pp. 162–163). This in turn amounts to “a legitimation crisis, in which public opinion turns against a dysfunctional system that fails to deliver” (Fraser, 2015, p. 165).

Following critical theorists’ understanding of a social-political order as a complex network of subsystems, radical realists could develop a fine-grained conception of political legitimacy that is more specific than the broader concept of institutional legitimacy. According to this, one might propose that any relation of power that determines or restrains the ways political institutions (e.g., the state, political parties, the UN, etc.) function constitutes a form of political power regardless of what social domain it originates in. For instance, if/when patriarchal power structures play a crucial role in the historically specific configuration of state power, e.g., overrepresentation of men’s interests in the political system, and the legitimizing narratives it relies on, our notion of political legitimacy should be able to evaluate such social structures as well. As a form of meta-power, such social structures draw the limits of state power or partially determine the particular direction it takes. As a result, our conception of political legitimacy analyzes and evaluates socio-political orders as a complex ensemble of institutions and power relations that influence the operation of political bodies.
Let me note that this conception of political legitimacy is not overinclusive because it does not indiscriminately apply to any instance of power. For example, consider that firm A exercises a degree of market power over firm B. Let us further assume that the extent of A’s power over B is only sufficient to pressure B to lower their price levels. Such a power relation can be normatively problematic on some grounds. However, it would not be included in my conception of political legitimacy insofar as this power relation does not have any significant transformative impact on major national or international political institutions. In contrast, if a firm reaches a degree of market power that would enable its managerial elites to considerably determine or restrain the ways political institutions operate, then it would be subject to the principles of political legitimacy.

My second qualification is about the relational nature of political legitimacy. The notion of political legitimacy conventionally seems to be a relational concept as it describes normatively desirable qualities of the relationship between the ruler and the ruled (Raz, 2005; Williams, 2005, pp. 4–6). Although radical realists are critical of this narrow understanding of political power, there are good reasons for them to preserve the relational aspect in an alternative way. I propose that a radical realist conception of political legitimacy would focus on social structures that make the political process responsive to the preferences or interests of a group of agents at the expense of another group. This does not mean a moral endorsement of equality of interests. The point is that creating a legitimate socio-political order is understood as adequately managing intergroup conflicts of interests and values. The end result might be inegalitarian if there are effective legitimizing narratives to sustain such social relations. For instance, patriarchy arguably leads to the overrepresentation of men’s interests in contemporary democracies (Connell, 1987). In the absence of an adequate justification for such a power relation, this is a potential form of relational illegitimacy focusing on intergroup conflict. Relational illegitimacy arises when conflicts of interests and competing values cannot be normatively reconciled in a stable and binding order, which is the primary task of politics (Burelli, 2020, p. 11; Mouffe, 2005, p. 70). This way of characterizing political legitimacy is more harmonious with realists’ emphasis on conflict as the central dimension of political life. It highlights the distinctively political character of legitimation problems in a socio-political order.

What normative implications follow from this conceptual revision? I do not wish to overspecify action-guiding prescriptions because there is no consensus on what political legitimacy necessitates, e.g., a duty to obey, a right to function without interference, or a liberty right to coerce. However, it seems plausible to hold that reorienting political legitimacy toward structural power asymmetries invites one to evaluate the normative qualities of a political system through surrounding social and economic institutions. This does not mean that we should entirely drop the talk of legitimate state power. It might still be useful to distinguish tyrannical from non-tyrannical states. However, my account would suggest that any legitimacy-related assessment above the threshold of tyranny would require one to focus on the socio-political order as a whole, rather than the narrow category of state power. Practically, this would require prioritizing structurally induced legitimacy deficits over other structural injustices, as the question of a legitimate order is the central issue for realists. Further, depending on the degree of a legitimacy deficit, one might have a pro tanto reason to engage in disruptive protest activities that aim to raise awareness about deep-seated structural power asymmetries.
4 | STRUCTURAL POWER AND GLOBAL POLITICAL LEGITIMACY

There are two main steps in this section. First, I will clarify what the notion of structural power entails and show how radical realism conceives certain structural power relations as a form of political power, evaluated by the requirements of global political legitimacy. Second, I discuss the structural power of the Transnational Capitalist Class as a real-world example to support my theoretical claims about global politics.

4.1 | Defining structural power

The notion of structural power is used in various ways across the social sciences literature (Gill & Law, 1989; Guzzini, 1993; Gwynn, 2019). I am not able to discuss alternative conceptions due to space limitations. Instead, I present a particular conception of structural power and explain under what circumstances it should be conceived as a form of political power.

The conception of structural power I adopt in this article is seen when the institutional setting makes some agents act in accordance with others’ preferences through cost impositions for non-compliance (Gill & Law, 1989; Gwynn, 2019). I employ this conception of structural power for two reasons. First, it is easily distinguishable from agent-centric conceptions of power because it is not reducible to actors’ deliberately employed capacities. In the agent-centric model, power is mainly characterized by actors’ intentional efforts to bring about certain outcomes (Gilabert, 2018). In contrast, I shift the focus from such instances to those cases in which human freedom is curbed through the unintended effects of social practices and institutions. An instance of power is structural in that the institutional context, i.e., the aggregation of formal and informal institutions such as organizations, social norms, and shared belief systems, is what makes one party comply with the other. Second, although it is different from an actor intentionally exercising power over another, this type of structural power still implies an interpersonal relationship. This is because one party is pressured to conform with others’ preferences as a result of structural power. Capturing asymmetric power relations between actors is important for our purposes as the notion of political legitimacy similarly presupposes intergroup power differentials, i.e., suggesting the relational aspect of political legitimation.

This account is also different from the idea of structural injustice in two senses. Unlike structural injustice (Young, 2011, p. 44), I do not associate structural power with any particular category of moral wrongness. In contrast, I simply suggest that a subset of structural power relations should be subject to legitimation demands when we assess political systems. Whether a successful legitimation story that justifies the power relation exists is a separate issue. This brings us to the second difference. Structural injustice is a broader category that might include any form of morally problematic unintended consequence created by social structures. However, my focus is not all sorts of distributive outcomes that are generated by impersonal processes. The aim of my argument is to conceptualize structural power asymmetries as a constitutive element of political systems, shaping the context in which state power and other political organizations operate.

To clarify my conception of structural power, I will work with the following definition borrowed from Gwynn’s (2019, p. 204) recent work:

Structural power characterizes a situation in which the institutional context shapes the costs tied to certain courses of action in such a way that actor B conforms her
actions to actor A’s preferences, independent of any specific attempt by A to affect their relationship.8

What does it mean to say that an institutional context shapes the cost structure in line with some advantaged groups’ preferences? Imagine that a patriarchal institutional setting causes women to act in line with men’s preferences in certain domains of social life. This implies that major social institutions such as the family, legal systems, and mass media shape incentives and disincentives in such ways that it is an expensive option for women not to conform their actions to men’s preferences. They face severe sanctions associated with a variety of formal and informal institutions, whenever they challenge the status quo that socially obliges them to comply with men’s preferences. It is also important to clarify how high the costs of non-compliance are. I am not able to articulate an account of prohibitively high costs here due to space limitations. However, I assume that the costs would be significant in the sense that they would have major impacts on individuals’ well-being and life chances.

Including structural power as the subject matter of political legitimacy is exactly the kind of revision radical realism would offer. First, in comparison to dyadic relations of power, structural power refers to a broader category of social and cultural phenomena that could be evaluated and criticized. Not only is the legitimacy of actors who deliberately exercise power over others called into question, but also oppressive social institutions. This exactly fits the radical realist ambition to develop a more comprehensive critique of power relations. Further, in the context of global politics, radical realist analysis of structural power offers a new strategy to conduct normatively demanding practical inquiry without committing to a moralized theory of justice. Previous realist attempts to theorize about global justice were considerably limited by the narrow scope of how they define political power, i.e., formal powers of international organizations that make claim to authority (Sleat, 2016b). By expanding our understanding of what counts as political power, one stops taking for granted the background social, cultural, and economic factors that play a constitutive role in the formation and functioning of political institutions.

Further, the conception of structural power I employ is in line with my qualification about the relational nature of political legitimacy. While its scope is broad enough to go beyond dyadic relations of power and authority, it still captures the intergroup asymmetries of power: one group being in the position of advantage that make other actors act in line with the former’s preferences. Hence, problematizing structural power relations does not merely raise the question of whether certain institutions are desirable, which is a question of institutional legitimacy. It rather poses the distinctively political question of whether certain institutions are oppressive toward some groups in the organization of social life as a cooperative order under the circumstances of conflict. A structural power governing individuals’ lives in a way that is subject to others’ preferences or interests is potentially in tension with the function of political institutions: maintaining an order of cooperation under the circumstances of intergroup conflict.

For the reasons I discussed in my first modification in the previous section, I also hold that a radical realist conception of political legitimacy should slightly narrow its focus and concentrate on structural power relations that have important implications for the formation and reproduction of political institutions. Otherwise, we would not be able to sustain the analytically useful distinction between institutional legitimacy and political legitimacy. Translating this claim to the context of global politics, I contend that we need to focus on structural power relations that restrain and shape the functioning of political bodies such as nation states, international organizations, and other global political actors. While I use the term “global”, my argument does not deny that these political institutions are both international and transnational at the same time.
For instance, the state system is international in the sense that individual states are constituent elements. However, they are also integrated into a complex network of formal and informal institutions that are transnational in nature: international organizations, international law, and other stakeholders of global governance (Rosenau, 2000). The global political institutions are then a wide network of rules, directives, and regulations that are derived from this integrated whole. Any relation of power that significantly impacts how an element of this system operates should be deemed a form of political power on a global scale, evaluated by the considerations of political legitimacy. So if a structural power relation in economic or cultural domains has formative influence on political institutions, they count as a form of political power. In the following part, I will show how an instance of such power reshapes the way state institutions, an important element of the global political institutions, operate.

4.2 The structural power of the transnational capitalist class

There is a growing literature within international political economy on the Transnational Capitalist Class (TCC). It is defined as a relatively close-knit community of global business elites with a set of shared interests, norms and behavioral patterns (Carroll & Carson, 2003; Robinson & Harris, 2000; Robinson & Sprague, 2018). Social scientists investigate if global business elites are sociologically well connected to such an extent that they are a genuine community or a social class. The TCC scholars suggest that global business elites enjoy a substantial degree of integration through interlocking directorates, policy groups, and NGOs. Interlocking directorates are observed when a person occupies seats on the boards of several MNCs. This is an important phenomenon as it is the primary way business elites and corporations are connected to each other through face-to-face communication. Interlocking directorates are the main mechanism through which information is spread among corporate elites. Further, they are central in the making of the global business community as they also have a normative function in building shared norms and preferences across different segments of the transnational capital. For instance, Murray’s (2017) statistical analysis shows that both domestic and multinational corporations are much more likely to donate to the same political candidates in the U.S. congressional elections when they are, ceteris paribus, connected to each other via interlocking directorates. Such findings are often interpreted as an indicator of shared attitudes created by an environment of community and social cohesion into which corporate elites are socialized. Showing that the TCC is a socio-economic group with a considerable degree of integration is important because our definition of structural power presupposes an interpersonal and/or intergroup power asymmetry. In this view, there should be a more or less clearly defined group whose interests and preferences influence other actors’ behavior. After this brief review, I will first elaborate on the structural power of the TCC, and then show that this type of structural power has formative impact on political institutions, making it a subject matter of global political legitimacy.9

Social theorists have long argued that business elites as a group have structural powers that limit the capacity of any democratic government to implement policies that are unfavorable to corporate preferences (Block, 1987; Przeworski & Wallerstein, 1988). As governments have an interest in growth, economic stability, and ongoing investment, they are disposed to maintain a positive investment climate in their jurisdictions (Barry, 2002). This is because corporate elites will withhold their funds and downscale production and investment when they believe that there is no prospect of profitability. In a capitalist institutional setting, where the majority of investment decisions are made by private actors, economic stability depends on how those actors perceive
the friendliness of the business environment. As a result, the possibility of disinvestment and capital flight substantially increases business elites’ influence on policy-makers, pressuring the latter to be responsive to the former’s preferences.

Although such structural power relations are present in domestic capitalist societies, globalization further deepens power differentials among various socio-economic groups and states. In the last decades, the combined effect of institutional arrangements such as capital mobility, labor immobility, and general dependence on private investment decisions has led to a situation in which investment decisions made by the TCC have increased in importance for economic policy-making. The recent empirical evidence suggests international competition to attract investment makes domestic policy-makers loosen labor standards in their jurisdictions (Davies & Vadlamannati, 2013; Olney, 2013). Similarly, inter-state competition to attract mobile capital leads to a decline in the corporate income tax rates to maintain a positive investment climate (Swank, 2016). Yet, the cost of loosening labor standards or making tax cuts is not as serious as the failure to attract investment because labor is still a relatively immobile factor of production. Further, contemporary capitalist economies cannot simply compensate for a lack of private investment by boosting the level of public investment due to an unsuitable institutional set-up. These factors all imply that the institutional setting of the global economic system places the transnational business elites in a position of structural advantage where their investment decisions have drastic impacts on others. In sum, the members of the TCC enjoy a relation of structural power restraining domestic policy-makers’ freedom. The institutional context of the global economic system shapes the cost structure in such a way that policy-makers are partly compelled to conform their actions to the preferences of global business elites. Otherwise, they face the high costs of massive capital flight that would endanger the standards of living and political stability within their territories (Baiocchi & Checa, 2008; Campello, 2015).

Secondly, I argue that the structural power of the TCC fundamentally shapes political institutions, i.e., the exercise of state power, which makes it relevant to the assessments of political legitimacy. I contend that structural power asymmetries between the TCC and democratic states change the nature of political institutions which both citizens and formal institutions are subject to. The mere fact that global business elites are disposed to exit a domestic market whenever they can maximize profits elsewhere worsens the choice menu of democratic states. This restrains the policy-making options of domestic political elites and pressures them to partially ignore certain democratic demands. For instance, Ezrow and Hellwig’s (2014) empirical findings show that dependence on transnational investment decisions significantly reduces democratic responsiveness to the median voters’ preferences. As private investment decisions in a country become increasingly sensitive to the quality of the business climate in comparison to other countries, the course of policy-making has considerably shifted away from the agenda of electoral constituencies to the preferences of global business elites.

This shift implies an emergence of a new political institutionalization in which the mechanisms of political influence are structured differently within the state system, i.e., policy- and rule-making institutions such as the government and legislation. Regardless of the de jure status of how political rights are equally distributed, structural power asymmetries de facto transform the way democratic state institutions function. Such institutions are now systematically biased toward the preferences of the TCC more than ever. How these institutions operate in reality is different from how they would operate in the absence of the abovementioned structural power asymmetries. As a result, the structural power of the TCC imposes a new institutional setting within formal decision-making structures. As state institutions are a major element of the global socio-political order, it seems plausible to believe that the structural power at hand partially
determines what type of order is enforced in contemporary global capitalism. The losses of freedom caused by the structural power are constitutive of the political system we live in.

Further, these effects are not simply limited by domestic politics, as the changing balance of power between states and transnational capital also determines the terms of interactions between groups that are not restrained by the boundaries of states such as the global poor and the global rich. Decreasing state capacity implies increasing compliance of the poor on global markets. For instance, a number of empirical studies suggest that increasing dependence on globally mobile capital is a crucial explanatory factor behind declining unionization and hence the reduced collective bargaining power of the working people (Slaughter, 2007; Kollmeyer & Peters, 2019, p. 15). The result of competitive global pressure and declining bargaining power of labor is often observed in the decreasing shares of wages in GDPs (Gouzoulis & Constantine, 2020). Given the fact that these trends are partly cross-national, reduced state capacity in economic policy-making also transforms the terms of interaction between transnational capital and the global working class.

The radical realist way of conceptualizing political power and its legitimacy gives us a theoretical lens through which we can conceive of the structural power of capital as a form of ruling without intention to rule. While radical realism moves beyond dyadic relations of power, it rightly points out that seemingly non-political practices and institutions could impose a particular configuration of political bodies. In other words, power relations that the radical realist theory of global political legitimacy problematizes partly explain why our world order is in its current shape. Radical realism focuses on constituent or meta-powers that create and maintain a political system in addition to first-order powers of authoritative institutions. For instance, while state power is a first-order explanation of how a political order is enforced, radical realism also emphasizes how an effective exercise of state power is supported, restrained, or shaped by broader power relations crystallized in conventionally depoliticized areas of social life, leading to a broader understanding of power relations under the category of the socio-political order. The structural power of the TCC is an example of this approach, in that it reveals how global economic pressures lead certain political bodies to fail to deliver on their own promises such as equal representation of interests, which have certain implications for the legitimacy of the political institutions.

Further, despite its impersonal or non-dyadic character, the structural power of the TCC still constitutes an intergroup power differential which even radical realists should be interested in. There is a relatively clearly defined group whose preferences are disproportionately taken into account in the political process. If the global system of rule-making and cooperation is to be legitimized to constituent states and their people, the fundamental question is how to reconcile conflicting interests of multiple stakeholders while forming an effective and robust institutional order. The state system being biased toward the economic preferences of a close-knit and well-defined social group is a paradigmatic example of conflicting interests within a structure of governance. Given its relational dimension, the structural power of the TCC is one of the most important chapters in the debate on creating a legitimate world order. This is because it substantively impacts the capacity of political institutions within the global order, de facto keeping them from functioning in line with standards that subjects widely endorse, e.g., democratic equality.

Let me more concretely flesh out the implications of my argument. In previous accounts that I discussed above, a legitimacy deficit in global politics can only be attributed to: i) formal national or international political institutions, and/or ii) other powerful actors such as MNCs. Depending on one’s first-order normative commitments, a sufficiently large legitimacy deficit, combined with other relevant normative factors, will make certain courses of action justifiable,
e.g., revolution, disruptive protest activities, and/or boycotting illegitimate political procedures (Kapelner, 2019). However, the normative status of these activities that we associate with legitimacy deficits will be determined by whether there are responsible actors who intentionally exercise political power over subjects in normatively (un)acceptable ways. Incorporating structural power asymmetries into the subject matter of political legitimacy, my approach would potentially justify such radical courses of action even in the absence of an intentional power holder. In other words, blaming and holding intentional actors responsible would cease to be a necessary condition for the justifiability of actions motivated by addressing illegitimate socio-political orders.

For instance, adopting my methodological framework, a radical activist might find it easier to justify the use of coercive direct action against global business elites, e.g., strike action and picketing against these business actors, and disruptive protests against political authorities that reproduce the predominant social relations (Raekstad & Rossi, 2021). This is because, as structural power might diminish the legitimacy of a socio-political order in the first place, the claims of law enforcement that reproduce the same social relations would lose their normative weight. In one sense, this line of reasoning resembles the Marxian account of revolution and might contribute to its revival by reformulating it within the parameters of contemporary normative political theory (Allen, 1973). Unlike the justifications of civil disobedience that endorse the overall normative acceptability of the legal system (Brownlee, 2013), coercive direct action can also be legitimized by suggesting that certain prevailing social structures, e.g., the power of the TCC, undermine the acceptability of a seemingly fair (national or international) legal system in the first place. Although we still talk about the normative authority of rule-making and law enforcement, it is beside the point whether public officers or other intentional power holders should be held accountable or whether they are blameworthy. It is true that protesters face law enforcement officers in most cases. However, it is not agents’ intentions or intentional actions that undermine the acceptability of the legal system. The normative status of formal institutions is altered by non-intentional structural patterns. Let me note here that these implications should be further worked out. A more detailed account of structurally induced legitimacy deficits and how they relate to political obligation is a task for future research.

5 | OBJECTIONS AND REPLIES

The first objection is about whether my conception of structural power is a coherent idea. On the one hand, I suggest that the members of a group are made to conform their actions to another group’s preferences due to the institutional context they are embedded in. On the other hand, I contend that certain forms of structural power have a major impact on what type of institutional setting is imposed on subjects. This is how structural power relations establish a particular socio-political order as opposed to other potential institutional configurations. Nonetheless, there seems to be a chicken-and-egg problem here: what makes structural power possible in the first place is a given institutional context. Without any background institutional setting, structural power asymmetries cannot come into existence. If one holds that structural powers can be constitutive of an order, which enforces the institutional setting within a community, then it sounds paradoxical. How can an instance of power shape an order if it is the product of the very same institutional setting?

The solution to the paradox is to highlight that institutional settings are not monolithic social structures. There are multiple social and economic institutional settings across distinct spheres of human activity. Structurally induced freedom deprivations in one domain could have constitutive
impacts in another. For instance, consider a patriarchal culture in which women's attempts to join the workforce are severely discouraged within the given family institution. Further, assume that this freedom deprivation is structurally induced, in that it is explained by how the institutional setting, i.e., norms, shared beliefs, and patterns of interactions, disincentivizes such behavior. It is likely that the abovementioned structural power will have spillover effects on other spheres of human activity. For example, structural factors within the family institution probably change the nature of economic institutions in this polity by giving men exclusive control of economic life (Okin, 1991, p. 155). As a result, structural power asymmetries within one institutional setting (e.g., family domain) could lead to fundamental changes in other major institutions (e.g., the economic domain). Through such spillover effects, certain forms of structural power partially shape what kind of socio-political order we live in. The structural power of the TCC implies similar spillover effects that are originated in the economic domain but influence political institutions.

Second, one might argue that my conceptualization of structural power as the subject matter of global political legitimacy is too holistic and fails to capture what is distinctively useful about the notion of legitimacy (Hurrell & Macdonald, 2012, pp. 563–564). According to this, my account would unduly concentrate on social systems as a whole, as in the notion of global basic structure, and conflate the problems of distributive justice with the issues of accountability of power holders. Since what is important about the notion of political legitimacy is to hold power holders accountable, the objection would suggest that we would be better off keeping legitimacy agent-centric and shift the byproducts of economic institutions into the domain of distributive justice.

I already discussed realists' methodological reasons to prefer legitimacy over justice, which I endorse, in section two. Additionally, I have a three-fold reply to the abovementioned objection. First, I believe one can still draw a non-arbitrary distinction between the issues of political legitimacy and the broader problems of global justice. This is because, as discussed in section two, not every instance of distributive unfairness has a formative impact on the functioning of political institutions. For instance, economic and social inequalities that are small enough to be neglected in terms of their effects on political institutions can still be meaningfully evaluated or criticized on the basis of distributive justice. Hence, my account of structural power is different from the overall demands of justice in relation to the global basic structure. I exclusively focus on a subset of structural power relations that have constitutive impact on the way political institutions function. Second, the objection relies on an overinflated gap between distribution of resources and legitimation of power. The political reality is messier and one's accumulated resources often mean increasing political power, i.e., the capacity to influence the way public authorities work (Arlen, 2019; Vergara, 2020; Winters, 2011, p. 18). Indeed, there is a wealth of empirical evidence emphasizing how the distribution of economic resources is intertwined with the direction public power is exercised (Gilens, 2012). Hence, it would be a mistake to isolate the questions around economic structures from those of political power and legitimacy. Lastly, I agree that applying the notion of political legitimacy to powerful agents makes the talk of accountability more visible. However, my discussion on structural power relations is not incompatible with agent-centric accounts of political legitimacy. We can still normatively question the credentials of international organizations or the legitimacy of the power exercised by individual multinational corporations. What I am offering is to add another layer of analysis to our assessment of global power relations. The advantage of this approach is to create room for the analysis of systemic forces that are constitutive of formal political institutions. This insight is useful because individual organizations' limited capacities do not explain what power relations maintain and reproduce the global order as a whole.
I would like to thank two anonymous reviewers and the editors for their constructive criticism and valuable suggestions that helped me improve the previous versions of this article. I also would like to thank Antoinette Scherz, Gordon Arlen, Martin Vester gren, Enzo Rossi, Paul Raekstad, Alan Thomas, Johan Olsthoorn, Alasia Nuti, Donald Bello Hutt, Eric Boot, Ben Cross, Robert Jubb, Angus Hebenton, and Michael Bennett for helpful feedback and discussion. My research was supported by a Dutch National Science Organization Vidi grant for the “Legitimacy Beyond Consent” project (grant n. 016.164.351).

ORCID
Ugur Aytac https://orcid.org/0000-0002-4773-5472

ENDNOTES
1 Valentini (2011) develops a similar conceptualization of coercive power by highlighting that systems of rules can be coercive in the absence of intentional actors. However, the task of this article is different in that I focus on a particular subset of structural power relations that determine the functioning of political institutions.

2 Regarding the distinction between power as ability and power over others, my account is the latter kind: the structural position of one group restricts the choice menu of another (Young, 2011, p. 61).

3 In section three, I will discuss how my approach differs from structural injustice accounts in more detail.

4 Does any instance of power that shapes the world order count as political power? This might be too inclusive as lobbying and advocacy also shape political processes although they are not coercive or autonomy-limiting. As will be discussed in the next subsection and also in my account of structural power, there is a sense in which a political power relation involves prohibitively high costs in the event of non-compliance.

5 This weight can be understood in either a normative or sociological sense. In the latter case, one can only appeal to the perceived importance of these grievances in human communities without invoking first-order normative commitments. One should note that addressing problems about unfreedom and tyranny is not a sufficient condition for a social relation to be analyzed through the concept of political legitimacy. Instead, they are the necessary elements of imposing an order on subjects. It is just one important characteristic of political legitimacy that would indicate that its focus is more specific than institutional legitimacy.

6 One should not ignore that there are still substantial differences between realism and critical theory. Some realists are skeptical of the positive elements of Habermas’ thought, particularly his conception of the ideal speech situation (Geuss, 2008, p. 31). Second, Fraser’s less ideal-theoretic approach has important differences to realism. Although realists are in favor of making political theory more fact-sensitive, they still retain a relatively strict distinction between normative and explanatory claims due to their roots in analytic philosophy. Following this tenet in the paper, I discuss the normative implications of certain empirical findings about global capitalism without undermining the distinction between empirical and normative findings. In contrast, Fraser’s (2015, p. 169) account of legitimation relies on speculative methods of social theory that advance quasi-empirical claims at the level of theory-making.

7 By political bodies, I mean major elements of formal political systems, e.g., mainly states and international organizations.

8 Gwynn’s (2019) definition is slightly modified.

9 Although there is still much argument around the concept of the TCC, for the sake of the claims I advance in the article, I assume the abovementioned empirical conditions. For a critical reading of the notion of the TCC, see Hägel (2020).

10 Inter-state cooperation in coordinating tax levels is another possibility, which might be feasible with a small number of national economies with relatively homogenous characteristics (Genschel & Schwarz, 2011, p. 354).
REFERENCES


**AUTHOR BIOGRAPHY**

Ugur Aytac holds a PhD in political theory from the University of Amsterdam where he currently works as a lecturer. His research interests lie primarily in democracy, legitimacy, power & domination, and political realism. He researches how varying conceptualizations of legitimacy, power, and domination shape our normative judgments about the acceptability of socio-political arrangements including states, economic institutions, and digital platforms.

**How to cite this article:** Aytac, U. (2022). Global political legitimacy and the structural power of capital. Journal of Social Philosophy, 00, 1–20. [https://doi.org/10.1111/josp.12464](https://doi.org/10.1111/josp.12464)