

Approaches to Human Geography Philosophies, Theories, People and Practices

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31 Pricing Dignity: Psychoanalytical Frameworks and the Burden of Proof

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The need for economic growth in a developing country has few if any economic springs. It arises from a *desire to assume full human status* by taking part in an industrial civilization, participation in which alone enables a nation or an individual to compel others to *treat it as an equal*.

Chalmers Johnson, 1982: 25 [emphases mine]

I have not seen a book on how to build a nation ... or how to make a living for its people.

Lee Kuan Yew, 2000: 3

With apologies to Carl von Clausewitz, the economy is war by other means. To write about the economy is to write about the battleground for physical survival. But even among those fortunate enough to escape such draconian consequences, to write about the economy is to broach the battleground on which we seek to attain our desires and allay their distorted twin, anxiety. Chalmers Johnson (1982: 25) recognized these stakes as the driving force behind economic growth. As such, there is no place *outside* from which to write, for we are all inside this battleground. Yet, for those countries and populations aspiring to the promised land of economic growth and, thus, full human status, there are few useful guides on how to get there. Meanwhile, official guidelines from experts often appear to guide their protégés in the exact opposite direction. Fittingly, the epigraph above from Lee Kuan Yew (2000: 3), the former Prime Minister of Singapore, comes from his memoir *From Third World to First*, in which he writes of the complex and conflicting choices the government of a nation-state must make in getting to the promised land of first-rank status in the global hierarchy. The tensions between costs and rewards are high; as Johnson implies, to succeed is to assume full human status, whereas to fail is to confirm one's darkest fears of selfhood and to condemn one to secondary status in the human community.

I began my professional life as a hydrologist working on water-related issues in development projects both abroad and in Canada. I was often intrigued by the choices made by the communities I worked with, which, when assessed from strictly physical and/or economic cost-benefit perspectives, did not seem advantageous. But the disadvantaged, as Ashis Nandy (1983: xiv) points out, make choices in the moral and cognitive venture in

their battle for survival as best they can: sometimes consciously, sometimes contradictorily and sometimes by default. Beyond monetary profits and losses, Kasese-Hara (2004: 545) reminds us that group conceptions such as race are important because development has come to be viewed as the potential for a group or region to progress—one might add, “to full human status”. And development is still commonly equated with economic growth. This interiorization of standards becomes the territory of power and, centered in emotional life, raises the stakes for economic growth. In the process, economic success becomes synonymous with moral success and if we assess individuals subjectively through group identity, certain groups, by virtue of their economic success, become the arbiters of what should be valued for everyone. By the same logic, if one’s group/nation fails economically, the taint of failure sticks to individual members of the group.

To recast Lee Kuan Yew’s statement, if the price of dignity for a nation-state and its people is economic growth, how do we arrive at the price and what needs to be done to afford it? For example, when I worked in development, it was widely accepted—if not part of official messages—in the international community that poorer countries accept the higher burdens of physical danger and environmental damage if they wish to advance economically. Equally inherent, if *never* articulated, is that poor countries will make morally reprehensible decisions as the price for moving higher up the globalization hierarchy. The first choice can be excused from the perspective of material necessity; the second always invites the harshest judgment since it infers that the decision-maker is unfit to assume full human status, even if the decision is seen as necessary for economic growth. We see this in the insistence on the part of western multinationals for docile labor forces as the price of investment, while the blame for human rights abuses falls mainly on the host country governments. I do not condone labor repression, of course. But I want to point out that the unspoken price seen as necessary for economic growth becomes detached from its political context, whereby governments of poor countries enforce *domestic* repression to create the stable social environment that is a necessary condition for *foreign* investment. Therein lies the paradox behind the choices for the economically disadvantaged; only success redeems one from having to face such Faustian choices, but success requires making those choices. Cultural expectations that accompany the economy serve to reproduce and perpetuate relations of dominance. In this chapter I use the term “globalization” to highlight the economic dimension of inter- and trans-national polities. Culture is used in the sense of a system of interrelated values active enough to influence and condition perception, judgment, communication and behavior in a given society (Kasese-Hara, 2004: 547).

So far, I have been trying to unpack the stakes inherent in economic choices that anchor those decisions with such emotional force. Economic choices in globalization are underwritten by a value system derived from implicit political, cultural, and racial hierarchies that have evolved historically and continue to build on the anxieties related to the consequences of being on the losing end of global competition. Understanding the assumptions and elisions that are part of economic decision-making in the era of globalization requires more than one disciplinary framework. In this chapter I draw on a variety of methods and theories, including political economy, discourse analysis, and postcolonialism, as well as psychoanalysis, to help articulate clearly the importance of understanding the drivers of economic behavior and the contexts within which those drivers are forged. In rational choice economic theory, our decisions begin and end with ourselves, and we make those decisions to accrue maximum profit. Instead, Freud (1958: 8) would argue that our decisions result from a substratum of

the unconscious that stretches back generations. And for that we have to take history into account, because it remains “impressed upon a culture as a palimpsest, shaping and coloring all of the images that evolve at later dates” (Brooks Bouson, 1999: 210). How do these images permeate our lives to influence economic decisions? Tracking motivations in economic decisions requires attention to language on many disciplinary fronts—a deconstruction, if you will—as power links across micro and macro scales to reinforce itself. Textualist approaches can complement political and economic analysis by highlighting the underlying representational structures that prop up material inequalities (Hiddlestone, 2009: 6). Globalization takes place not just in a material world but also in a symbolic one that consists of conceptually organized, rule-bound belief systems about what exists, how to get to goals and what is valued. In this chapter, I illustrate the use of multiple overlapping frameworks to understand the outward foreign direct investment (OFDI) decisions of emerging economy government-linked corporations (EGLC). In particular, I highlight the use of a psychoanalytic framework to examine counter-intuitive decisions that seem to be characterized by the search for economic advantage, yet without concomitant gains. Ashis Nandy (1983: xi) argues that the experience of colonialism resulted in culturally marked expectations and transformed the concept of the west from a geographical entity into an existential standard. Thus does “the need to earn the admiration or the love of others erect a value-making superstructure on my whole vision of the world” (Fanon, 1967: 41).

Globalization and Meaning: The Cultures of Financial Decision-Making

In the second decade of the new century, the economic rise of the East Asian states, spectacularly so in the case of China, heralded a cultural symbolism beyond economic gain in the global hierarchy. If this has gone largely unremarked in scholarly economics, it has certainly not gone unnoticed amongst governments and the upper echelons of the business community in emerging economies. A nation-state’s position in the international hierarchy depends on its power to convince others of the legitimacy of its position. Today, economic ranking serves as a marker of international legitimacy. Controversially, by the standards of western neoliberal models, these countries have often advanced economically through heavy policy intervention directed by the state. This is epitomized in the ranking of government-linked corporations in Fortune 500’s top 10 positions (http://money.cnn.com/magazines/fortune/global500/2012/full_list/). This chapter discusses the methodological considerations of using a psychoanalytic framework articulated with political economy, discourse analysis, and postcolonialism to examine the motivations behind the decision-making process of emerging economy government-linked corporations (EGLC). The study integrates two controversial issues in globalization studies surrounding the continuing role of the state in the spectacular growth of the East Asian emerging economies. The first consideration pertains to the role of EGLCs in national development strategies. The second consideration is the implication of emerging economies, many of which are also post-colonial, becoming significant shapers of globalization processes. These countries now account not only for 50% of the inward flows of foreign direct investment (FDI), but their multinational corporations also account for 27% of outward flows of FDI OFDI (UNCTAD, 2012).

International business models

The rise of EGLCs has been so recent that there is no consensus explaining the motivations behind their OFDI trends. The most popular international business model is the eclectic paradigm, which even its proponents agree is an ad-hoc assembly of factors based on minimizing transaction costs (Sauvant, 2008; Ramamurti, 2010). These factors include access to raw materials and/or labor, building vertically integrated businesses especially to access technology, and circumventing trade restrictions. OFDI can be an alternative to or can augment exports in generating national income (Saw and Low, 2009; Ramamurti, 2010). Studies on multinationals from emerging economies have focused mainly on the private sector and only on the economic imperatives behind the decision-making process, on the assumption that capital has no nationality (Sauvant, 2008; Ramamurti, 2010). Even those focusing on EGLCs, including sovereign wealth funds, have assessed success solely from the criterion of profit maximization (Ghesquiere, 2007; Buckley et al, 2008; Williamson and Zheng, 2010; Fleury and Fleury, 2010). Inconsistently, these commentators warn of EGLCs being used as foreign policy instruments even as they argue that the world is moving away from territorial considerations of power to corporations as agents. However, if we accept that EGLC policies are determined by the “rules of the game” (Ghesquiere, 2007; Buckley et al., 2008; Goldstein, 2009) that implicitly include cultural and political considerations, then we need a better understanding of what constitutes those rules.

North, whose views I summarize below, coined the expression “rules of the game.” These retain traditional economic assumptions of scarcity and hence competition, but concentrate on how cultural values inform economic aspirations and are acquired collectively and intergenerationally (http://www.nobelprize.org/nobel_prizes/economics/laureates/1993/north-lecture.html). Institutions, in North’s conception, are humanly devised constraints that structure human interaction and can be formal, as in laws and constitutions, or informal, as in norms and conventions. He said: “Our theory must include ... the processes that generated the actor’s subjective representation of the decision problem, his or her frame.” And “History demonstrates that ideas, ideologies, myths, dogmas and prejudices matter.” Incorporating the role of history and institutions in economic decision-making requires us to invoke multiple theoretical and methodological frameworks to help us reconstruct how a decision-maker perceives his or her reality.

David Harvey (1984; 2005; 2011) has articulated over the long span of his career that imperialism—and now globalization, the contemporary stand-in term for capital’s geographical expansion—is the logical result of a crisis of overaccumulation which would otherwise lower profit margins. In this argument, capital, in its search for surplus value, invests in real estate, transforming ground rent into fictitious capital through speculative profit. The geographical expansion of capital is often referred to as the “grow or die,” or GOD, imperative (Schweickart, 2009; Kallis, 2011). Harvey (2011: 205) defines territorial logic as political, diplomatic, economic, and military strategies deployed by the state in its own interest. By this definition, I argue that EGLCs are territorial in their activity. If command over space is a form of social power exercised by a group, then to preempt control over space is to deny social power. Harvey (2011: 193–212) claims that while states often increase their social power through capturing flows of capital, this process is in tension with how the respective

governments and citizens prioritize affective bonds based on religion, ethnicity, and language in their territorial formation. It follows that perceptions of security and threat can be invoked to mobilize collective action (Castells, 1992). The rules of the game for globalization evolved from a common understanding of what governs the value, access, and distribution of material wealth. How does race as a social construction impact the labor theory of value, and how does this in turn affect the psychology of different groups? Society not only needs to produce material things to sustain it; it needs to reproduce the conditions that allow production to occur (Hayes, 2004: 165). If political economy explains how the material conditions of inequality are reproduced, discursive and psychoanalytical frameworks help us understand the construction of the mentality that makes those conditions acceptable.

Michel Foucault was interested in how assumptions, values, concepts, and procedures diffuse themselves to form a system of signs that constructs meaning—a discourse. Discourse organizes subjects by categorizing and placing information in relation to each other to present social conventions as natural truths which then justify exclusion and hierarchy among subjects. But how do we arrive at that tacit knowledge of *where* we are placed within that hierarchy? Foucault (1972: 6, 11, 14, 220, 227; 1994: 3–16, 218) notes that our tacit knowledge is constructed through our respective cultures and time. Although Foucault developed his concepts in the west, through colonization and globalization his ideas come to be relevant for the rest of the world today (Hook, 2004b: 214). Fanon (1967: 58) describes discourse as a “constellation of postulates” that works its way into one’s mind and shapes one’s view of the world to which one belongs. The enunciative capacity of colonialism was transmitted through generations by repetition and institutional embeddedness, living on in the standards and values of the discourse of globalization (Escobar, 1996). The political significance lies in the material consequences of these subliminal assumptions for ascribing blame and allocating rewards and, even more significantly, acquiescing in judgments based on these assumptions. Thus, an alertness to the unsaid that undermines what is said helps resist the influence of the unsaid (Collins, 2004: 6). Hiddleston (2009: 4) makes the point that because all conceptual systems construct rather than only describe our reality, discursive analysis becomes a form of ethical critique by describing the mechanics of power.

If discursive analysis explains how we arrive at meaning through habit and custom, we still need to explain the emotional force attached to certain meanings. For Sigmund Freud (1965: 84) ideology and material conditions could never entirely explain social behavior as “‘Mankind’ never lives entirely in the present”. If the unconscious is that part of our mental life that operates out of sight to influence our actions powerfully, then any attempts to explain motivation must track how we develop organizing principles through which we know the world. But Freud’s radical insight was to recognize that the processes that result in habituation and normalization in discourse may be buried so deeply that these principles may persist even when faced with other evidence, or result in hostile reactions when challenged because they were formed in such emotionally or physically threatening conditions (Kahn, 2002: 8–9). Freud (1966: 340) used traumas such as war and physical accidents as models of the threats that produce anxiety. The term anxiety, derived from *Angst* – *angustiae* and *Enge*, which in the original Latin and German mean “narrow place” and “straits,” has a two-fold origin—as a direct consequence of the traumatic moment and as a signal anticipating the

moment repeating itself (Freud, 1965: 118; 1966: 493, note 9). Freud distinguished between realistic anxiety, which is “intelligible” as a signal to expect injury from an external threat, and neurotic anxiety, which is “free floating” and attaches itself to any possibility that threatens the loss of love (Freud, 1965: 103, 110, 116). I suggest that the process through which an individual fears loss of love can find its group correlate in which the group fears humiliation and loss of social power; the (once-)colonized is an example of such a group. Even without having the actual experience of official colonialism, China describes the twentieth century as the Century of Humiliation, and uses that trauma as a rationale for its determination to achieve economic growth at all costs (Jacques, 2009: 72). Moreover, Freud’s distinction between real and neurotic anxiety is less likely to hold the lower down the economic food chain individuals or countries are positioned as the threat to survival becomes very real. Cathexis, the resultant defensive mechanism against anxiety, is an unconscious process by which libidinal energy is displaced onto certain practices and objects (Freud, 1966: 515; 1965: 104).

According to Jean Francois Lyotard (Cooper and Murphy, 1999: 231), every economic exchange has an incommensurability not captured in political economy. This incommensurability is most apparent in counter-intuitive decisions that can best be understood as a set of affect-driven decisions, which invest political and economic decisions with a savage competition beyond the endpoint of material accumulation. Within this framework, derived from Johnston (2004: 263), the question is how the agents of an emerging economy construct meaning about its participation in the international political economy, building on the possibilities and limits posed by its present group identity (Hook, 2004a: 15). Traditional psychology assumes the individual is constituted independent of social forces rather than constituted through intrasubjectivity, thus decontextualizing the individual from politics and history. This separation is important because it elides the ways in which social and political power can precede and constitute an individual.

Departing from conventional psychoanalysis, Frantz Fanon argued that among the dominated, anxieties are neither restricted by familial experiences nor fantasies but are anchored in the socio-economic realities of powerlessness and its attendant humiliations (Collins, 2004: 6). Instead, grounding psychoanalysis in political economy—particularly in a racialized context—Fanon (1967: 106, 134, 158) showed how idealizations are fetishized to represent both the threatening and desired Other. The latter becomes the ego-ideal, which is the ideal subject within the dominant culture for the dominated culture (Boyarin, 1997: 271–311). The abjected (humiliated) self simultaneously desires and internalizes the characteristics of the powerful Other (Fanon, 1967: 18, 43–47, 111, 161–165). Fanon (1967: 134) describes the experience of living within a dominant culture as “meaning that was already there, pre-existing, waiting for me.” Emerging economies experience anxiety about future humiliation as a legacy of collective past humiliations—and recent ones, such as the Asian financial crisis of 1997–8—and reconstruct an abjected self-image each time they imagine themselves incorporating the values of western, capitalist modernity, such as those of the international financial system. The contemporary alienation of many societies from their indigenous value systems tracks back to colonialism, which normalized a valorized western modernity since internalized by globalization’s subjects. These subjects of contemporary economic globalization continue to live according to the rules of the game that have been devised elsewhere (Sioh, 2010).

For the purposes of this chapter, a logical extension of the insights in the above paragraph is that the abjected subject cathects to certain financial practices as a defense against the anxiety of potential humiliation. These buried anxieties reveal themselves through the emergence of thematic motifs in cultural references that appear unconnected to such grounded practices as financial investment. Malcolm Bowie (1991: 12, 57–58) suggests that things dismissed as irrelevant reveal layers of meaning, so that desire and anxiety become independent of material roots and instead are determined through social interactions. These meanings inhabit their time and are constantly evolving through conflict, condensation and displacement.

Methodological Issues: We Do Not Say What We Mean and We Say What We Don't Mean

Two methodological points need to be raised. Can we extend influences beyond the family to the larger social realm? And do groups and individuals respond in the same manner if similarly motivated? To answer no in one or both cases assumes that an essential difference exists between intra-subjective and intersubjective dynamics (Johnston, 2004: 259–260). Brennan (1993: 10) argues that the agency for psychosis is located outside the individual and within the milieu impacting the individual, and that furthermore, social psychosis can manifest itself in a social collective. Freud himself (1959; 1962; 1965: 84–85) extended the concept of the psyche to groups, including nations. The biggest challenge I encountered in applying psychoanalytical frameworks to political economy is how to identify significant issues and symbols that are not overtly referenced to the economic and political realm, yet through repetition create thematic motifs. These motifs can manifest themselves as contradictions in official texts or through the introduction of decontextualized or seemingly irrelevant topics (Moore-Gilbert, 1997: 84). Psychoanalysis is a way of reading significance into everyday activities and the systematic ways in which groups carry out certain things and react to other groups to create political and social systems while being created or reinforced by the same systems (Parker, 2004: 144).

Geographers have used toys, buildings, and imagery such as maps, movies, advertisements, and graffiti to make associative psychological relations with multiple influences (Nast, 2000; Pile, 2005; Kingsbury, 2005). This “constellation of postulates,” as Fanon (1967: 158) terms it, also incorporates novels, music, and official texts. The point is to show behavioral influences beyond what is openly articulated. Categories such as race or the state can become moral categories capable of conveying the fear/desire inherent in their associations, unmoored from their material origins. Internalization of those messages and standards are detected through repeated thematic references in speech, texts, and imagery. And since social and psychical relationships are an ongoing dynamic, we then act in ways that lead us to reproduce and reinforce psychic influences too (Brennan, 1993: 10). Robert Young (Moore-Gilbert, 1997: 141) cautions against using psychoanalytic methodologies and concepts in non-western contexts without a knowledge of local culture. But recall that Hook (2004c: 213) points out that although a theory may have developed in the west, through colonization and globalization the same ideas become relevant for the rest of the world. The problem of decontextualization can also be mitigated through familiarity with and

attention to the nuances of the culture and temporal contexts incorporating language and visual symbols.

This particular study uses open-ended interviews to examine the implications of applying a psychoanalytical framework to analyzing motivations in senior executive decision-making for an EGLC. While open-ended interviews do not allow for hypothesis-testing, they reveal complex on-going negotiations involving conflicts, maneuverings, trade-offs and historical contingency not revealed in aggregate data. This is especially true during periods of great economic and social change, when the strategic terrain shifts very quickly and actors rarely know what questions to ask of themselves when making decisions (Schoenberger, 1991: 181–182). Recall that business studies have not yet come up with an explanatory model regarding OFDI from emerging economies because it is such a recent trend.

The Burden of Proof

One of the most startling contradictions of so-called personal life under capitalism is that it is not personal at all.

Graham Hayes, 2004: 184

Assumptions

The insight that psychoanalysis brings to political economy is that capitalism mimics at the level of the collective system, the logic operating at the level of the individual psyche that unconsciously senses something is lacking in its life and attempts to assuage this lack. This insight has been criticized because it is based on the methodological sliding between psychoanalytical theory that deals with the workings of the singular psyche and the analysis of socio-cultural phenomena that involves collective structures (Johnston, 2004: 269–270). Implicit in this criticism is that an essential difference exists between intra-subjective dynamics and intersubjective ones. But Johnston (2004: 259–260), citing Jacques Lacan and Slavoj Žižek, argues that the individual psyche is the product of a mediation among memory, identification, and culture. Similarly, Freud (1959: 78) argues that we are not isolated units but our psyche is “an aggregate of multiple associative elements,” and goes on to claim that “Each individual has a share in numerous group minds – those of his race, of his class, of his nationality.” Or as Nast (2000) puts it, our bodies come already raced and gendered. This comes across in my study as interviewees allude to affiliations with ethnicity, race, religion, nationality and even regional background. Interestingly, despite the varied class origins of the interviewees, no one mentioned class. But then, all the interviewees had arrived at the same class standing for decades by the time I interviewed them.

Implications: explanation and the burden of proof

For Freud (1965: 97–103) the unconscious is made up of frozen meanings from our earliest painful memories that are too problematic to be confronted directly, since this

would cause massive anxiety; hence the displaced associations will only appear as indirect references. Methodologically, in interviews, broaching a painful subject may result in the interview being shut down completely. Since psychoanalysis stresses the potential of the unconscious to subvert anything through which we can make an identification, shameful fears and transgressive desires that cannot be articulated directly and represented in the symbolic domain of formalized codes surface instead in the realm of culture through disguised forms (Parker, 2004: 142). But if the process of displacement takes place at such a deep level, this poses problems for us in recognizing associations when these memories resurface in disguised form. This is especially problematic in terms of finding a speaking voice for an unacceptable subject. Once again, a familiarity with history and context is crucial, as the sensitivity and significance of different subjects vary with time and only familiarity with the nuances of the languages used (in my interviews, interviewees sometimes switched languages) and the contextualization of vocabulary, including the use of slang, allow a recognition of displaced associative meanings.

Limits of inference: ambivalence and contradiction

Fanon (1967) argues that if the unconscious subverts both our fears and desires, then our responses to fear and attraction can exist side by side to convey ambiguous messages. Ambiguity and contradiction may pose problems in open-ended interviews, but they can also tell us how interviewees understand the circumstances and parameters of decision-making, and asking for clarification can yield new lines of inquiry (Schoenberger, 1991: 186–187). A variation on ambivalence and contradiction is the danger of being side-tracked when interviewees steer the interview in seemingly different directions, especially when interviewees are authoritative and used to being in charge (Schoenberger, 1991: 182). Yet this can be viewed as one of the strengths of a psychoanalytical framework, if seemingly unrelated issues are repeatedly inserted into the interview, creating thematic motifs that indicate an underlying issue of importance to the interviewee. This dimension is especially foregrounded in the case of my interviewees, who recognize their roles not just as entrepreneurs but also as representatives of other categories, such as nation and race. In a study such as mine, which seeks motivations for decision-making outside the profit motive, the voluntary introduction of certain thematic motifs is invaluable, because it precludes any prompting on my part.

The Narrow Space of the Postcolonial Nation

The EGLC in question is an East Asian publicly traded, multinational conglomerate with a workforce of over 100,000 employees, established by the British in 1910 before being nationalized in 1981. In January 2007 it merged with three other EGLCs from the same country. Its directors tend to be ex-politicians or senior civil servants and its majority shareholder is another EGLC. Its investments range across energy, utilities, property and healthcare in 20 countries, although its core revenue generator remains agricultural. In the early 2000s, as the national government realigned its globalization strategy to exploit its strengths in the agricultural sector, the EGLC expanded plantation operations overseas in Asia and Africa (420,000 hectares). It is preparing to expand to

another 300,000 hectares in Africa. Today its landbank stands at over 800,000 hectares and is the largest in the world. The information in the following pages was obtained through personal interviews, unless otherwise cited. The primary criterion for the interviewees was that they had to have had a very senior role in the EGLC's major (ranging from hundreds of millions to billions in US dollars) investment decisions.

Assumptions and counter-intuitive actions

Business studies literature assumes that investment decisions, in the final analysis, rest on profit maximization (Ghesquiere, 2007; Buckley et al, 2008; Williamson and Zheng, 2010; Fleury and Fleury, 2010). In the case of the EGLC I studied, while the strategy used to take control of businesses owning the country's main income generators made sense from an economic perspective, the strategy went beyond economic. In business deals, the intuition is to bargain to get the best price possible to ensure the highest profit. While it makes sense for the sellers to boast of getting the maximum price, buyers rarely advertise getting the worse of the deal. Yet in the case of the buy-out negotiations for this EGLC, participants on *both* sides of the negotiation agreed that government representatives paid above market value—or, in the words of one of the main negotiators on the buyer's side, "We paid top dollar." But the symbolism inherent in the repatriation of control of the companies that were the most visible agents of colonialism had a priceless significance. Although the country's eventual revenue generator would be oil, the "land dimension," so significant in nationalism, meant that ownership of agricultural companies was more significant symbolically. Moreover, interviewees told me that they understood their brief as a "conscious decision to nationalize the company" and eventually to refocus growth through investment in Asia rather than Europe, even if European investments were seen as safer choices at the time in terms of guaranteed profit.

Reflecting another counter-intuitive turn to profit maximization, in the 1990s the EGLC's activities switched to reflect government instructions that it become more activist in indigenous investment. This led the EGLC to take on the management of several troubled major banks, as well as environmentally controversial projects that were considered symbolically significant. The merger of the plantation companies was made on the basis of the need "to create a global presence" for the country rather than the corporation. The idea stalled owing to the financial crisis in 1997–98, but when it was revived in 2005, the corporation chosen to spearhead the merger was not the best placed or the one with the longest history; these were bypassed because "[T]heir corporate culture had stayed very British", and presumably inimical to national interests.

If the EGLC was nationalized to control resources, from the 1980s onwards the reconceptualization of what was considered a national resource—that is, no longer a place-specific tangible object such as landbanks, but social power in national control—meant that EGLCs were slated to spearhead investment in high-risk areas that were seen as politically or symbolically necessary, even if financially risky. From 2006 onwards, the national strategy opted for only 10% of future OFDI in landbanks. This can be tied to the attempt to escape the dilemma posed by tying up capital in fixed assets such as real estate, which are prone to depreciation. In contrast, non-fixed assets in the form of OFDI allow the break up and reassembling of symbolic territory, in the form of the assets, in more stable financial markets.

Interviewees revealed a keen susceptibility among national elites to the notion that to be a viable sovereignty required a global presence as early as the 1980s, long before mainstream development studies caught up with the economic rise of East Asia. As Chalmers Johnson (1982: 25) noted so long ago, economic growth, OFDI in this case, is perceived as a necessary step to achieving full human status. What are especially interesting are the orders to embrace risky ventures in unstable regions, even if this meant abandoning lucrative local activities. In a similar light, interviewees emphasized that the EGLC's African ventures should be contextualized within a larger geopolitical strategy of south–south cooperation which began in the early 2000s, which plausibly accounts for why they continued investment in the face of other fellow national EGLCs' heavy losses. To apply Cooper's and Bradley's (1999) insights, the EGLC's actions, unaccountable from a profit motive, indicate the presence instead of a libidinal investment. I would also argue that we can read the EGLC's extra-territorial ventures as attempts to create a defensive buffer beyond the constraints of national borders. The GOD imperative in action can be seen as literally buying social power through the control of other spaces.

Explanation: recognizing displaced anxieties in themes and variations

The above-described OFDI activities can be adduced partly to a reasonably justifiable anxiety in a country that relies economically on natural resources that either are running out or, in the case of agriculture, running out of space for expansion. One of my questions in this study was whether it was possible to trace a common root to the anxiety that permeated the interviews. If we accept the psychoanalytic framework, the common root must lie in a traumatic moment (Freud, 1965: 118). Instead, the anxieties voiced traced back to associations the speakers wanted to make or avoid, thereby implying internalization of a default value system rather than referencing a specific moment. My task was to identify common themes that underwrote those values which could be linked to an historical moment in which they originated.

A key historical moment in national extra-territorial strategies is the Asian Financial Crisis of 1997–98, which witnessed the imposition of Gunboat Diplomacy Version 2.0. Observing the IMF-enforced sale of national assets in the affected Asian countries, then-Malaysian Prime Minister Mahathir, articulating a common view in Asia from my own experience of being in the region at the time, remarked: “Gunboats are no longer necessary it is really much cheaper ... to use [economic] pressure in order to achieve the effect of colonization.” For Mahathir, “Submitting to the IMF is not sufficient. Even after *abject submission* the currency can still be devalued” (my emphasis; Lim et al, 1998: 5). He acknowledged that it was unimportant whether or not there was a conspiracy in the west to devalue Asian currencies in the global currency market, because the result was just as damaging: “Might has always been right” (Lim et al, 1998: 95, 97). Traditionally, to use gunboats is to besiege a place and constrain its peoples within that place; in a globalized economy, constraint is achieved through financial tactics. But if financial practices are the modern version of besieging a country, then financial practices also can be a way of breaking the siege and pre-empting future sieges. This puts the financial crisis in an historical continuum. In the aftermath of the crisis, OFDI became a priority for every rising East Asian economy, including the home country of the EGLC. Tracking the anxieties of resource scarcity

to those of neo-imperial humiliation, the conviction among my interviewees was that their role, now more than ever, is to protect national assets.

At the risk of over-generalization, East Asians largely eschew psychoanalytical explanations at the personal level, yet psychoanalytical vocabulary was noted through most of my interviews when assessing competence and the EGLC's economic performance. Regardless of the opening preamble, a recurrent theme in the interviews was the anxiety over racial identity linked to the "psychology of crisis" that framed economic decision-making. This was true of interviewees of all racial backgrounds, even when race as a category seemed at times to be conflated with religious identity. One interviewee claimed that if financial losses became severe, the EGLC would appoint the most competent candidates, before pointing out the racial background of various competent decision-makers. (I use race rather than ethnicity in keeping with the term used by the interviewees.) Interestingly, all the interviewees distinguished between EGLC losses from different countries during the financial crisis. While losses in the EGLC focused upon in this study were attributed to incompetence, losses by EGLCs from other countries were attributed to global events beyond their control. We see Fanon's (1967: 18, 43–47, 111, 161–165) psychopolitics at work in the interviewees' acceptance of a racialized hierarchy of competence that shows that the abjected subject has internalized and situated itself within the contemporary value system of globalization that itself is a legacy of colonialism. Not surprisingly, interviewees distanced themselves from the failures of the EGLC with which they were associated.

Contradiction and ambivalence

When I began this study, I referred to the EGLC as a state-owned enterprise. While I expected to be challenged on this definition, I was surprised at the insistence of all interviewees on contesting the term, finally agreeing on the term "government-linked corporation." Moreover, all the interviewees, while accepting that the EGLC was a government vehicle, were keen to insist that at least until the 1990s—in a number of cases pushing the date to the 2000s—government policy influence was minimal. Yet, as I stated earlier, there is no dispute that the directors and members of the board of both the EGLC and its majority shareholders, also government vehicles, were politicians or civil servants strongly identified with the state. The common theme was an anxiety about being associated with the state, to the point that even *degrees* of disassociation mattered. Certainly, even in many western countries, notably the United States, we have become used to the public discourse denigrating associations with the public sector as signifying inferior performance standards. In the case of the EGLC, one interviewee described it as not possessing a "culture of excellence," claiming that its employees were "not used to working hard" and had "a 9to--5 mentality." Two interviewees described the EGLC culture as having a "public sector mentality," where employees and employer alike began with "high expectations and high performance but eventually dropped down to the institutional level."

Contradictorily, even when criticizing a public sector mentality, interviewees were convinced that the state had a significant role in education, environment, infrastructure (health was not mentioned and protecting national assets through ownership, even as the speakers sought to distance themselves from appearing to be directed by the state. One interviewee, who described himself as a Thatcherite, went on to list all

the irreplaceable roles played by the state, emphatically stating that inequality hurts everyone in the end—thereby contradicting the hyper-competitive ethos espoused by corporate business models. The central theme that emerged from the interviews was the need to protect national assets in a global world. It bears remembering that all my interviewees are extremely successful in the global economy through their multiple international cross-directorships and personal investments and therefore had little personal anxiety about their economic standing. Yet they appeared to acknowledge that how their capabilities were judged was largely determined by their national and racial identities, which led them to support the notion of a strong *state* if such was needed for *national* economic success. Contradicting western business models, they acutely recognized the realities of differential cultural power in making the rules of globalization. Perhaps the capacity to ignore history and geopolitical power in slanting outcomes in the global economy is simply a privilege of those born on what has been the winning side for the past 250 years.

There Is No Outside

This study started two years ago with the intention of explaining why managers made the investment decisions they did, by identifying what they considered to be important factors influencing their decisions. These factors turned out to be a function of how they understood what the decision would gain them, their position in the world, and how their position impacted their ability to achieve their aims. So far, these factors fit well with the rational choice economic model of aiming for profit maximization. But, as the interviews show, important decisions did not always hinge on monetary profit but rather on gains in social power, sometimes through the capture of symbols of power such as a global corporate presence, even if the ventures lost money. Nor did interviewees understand their positions and the possibilities that those positions entailed as a function of professional capabilities alone; rather, they saw their possibilities as heavily mediated by their understanding of how group potential is overdetermined by historical legacies. And they understood investment and partnership in morally dubious projects in Central Asia and Africa as being necessary for generating the revenues required to support financial losses, but symbolic gains, elsewhere. The price for rising in prestige due to economic growth would come not just from physical risk but from taking on lucrative projects that wealthier countries had the moral luxury to ignore. Tellingly, the criterion that determined the potential for success—race, and consequently what economic growth purchased for that race: national dignity—were not always directly mentioned. These were only discerned through circumlocutory but repeated allusions to the motif of race and its role in a hierarchy of human potential. Freud and Fanon would have recognized these as tactics in broaching an issue of immense emotional weight. In this respect, the origins of this study can be found early in my career, when I tried to understand the water resource decisions of impoverished communities around the world and began to discern that poverty doesn't just destroy the body; it destroys the spirit, and human beings will risk their long-term environmental and physical survival if it will purchase them a short period of time in which to bask in the sun of human dignity. A few years ago, when I was teaching my course on globalization, an international student came to see me during office hours

to discuss his country's somewhat tortured labor history en route to its current OECD status. As he was leaving, he paused at the door and said: "It is our story too." Indeed it is: for if economic choices are only the routes we take to achieve human dignity, we all face those choices. And as scholars, intervention to influence decision-making can only begin when we acknowledge the emotional stakes buried in those choices.

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