

The Contemporary State under Globalization

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Introduction

Many scholars have claimed that the world in the 1970s and 1980s was in a revolutionary transitional period of socio-economic history.¹⁾ Eric Hobsbawm, for example, calls the stage of this transition “the ending period of the short twentieth century (1914-1991)”, which is characterized by the fact that the nation state as a territorial, sovereign, and autonomous political unit is pulled apart by “the forces of supranational or transnational economy, and by the infranational forces of secessionist regions and ethnic groups.” He points out influences of globalization and claims that its force of unification is “a matter without precedent.”²⁾ James Rosenau shares a similar view, and describes these upheavals as a situation of turbulence, which can be compared to the changes the world went through in the Treaty of Westphalia, 1648.³⁾

It is surely the case, not only in journalism but also in academia, that there are many varieties with regard to the nature and future of ongoing “globalization”, including skepticism of it. However, there seems to be a common recognition that the 1970s witnessed a transition of the socio-economic system of advanced capitalist states and the international political economy. This implies that under “the Bretton Woods system”, so-called “embedded liberalism” brought a transnational economic system which had been gradually constructed under the transborder movements of multinational enterprises and financial capitals. Globalization is more strongly ascribed to the fact that the post-war dominant structures of Fordist-Keynesian systems in developed societies were hit by the eruption of contradictions and conflicts in the 1960s and 1970s and consequently some

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1) David Harvey (2005) for example, notes that “future historians may well look upon the year 1978-80 as a revolutionary turning point in the world’s social and economic history,” *A Brief History of Neoliberalism*, Oxford University Press, p. 1.

2) Eric Hobsbawm (1994) *The Age of Extremes : A History of the World, 1914-1991*, Vintage, p. 10.

3) James N. Rosenau (1990) *Turbulence in World Politics: A Theory of Change and Community*, Princeton University Press, p. 10.

responses were necessary to cope with the situation. In these historical contexts a market-fundamental neo-liberal “globalism” appeared under the hegemony of the strong states and spread around the world. In retrospect globalization provided opportunities for international organizations to raise their position as a consensus-making agency, and also made a strong impact on the former Soviet Union and caused it, at least indirectly, to collapse.⁴⁾ The “post-modernism debate” was a current at that time. But it should be located in connection with “the globalization debate,” albeit a bit in hindsight, because globalization requires a paradigm shift in linguistic, cultural, technological, and psychological dimensions as well as a restructuring of the political economic system.

Political science during these periods experienced various kinds of debates in connection with the current politico-economic and social issues. We can, for example, cite the Milliband-Poulantzas debate, German state derivation and “bring the state back in” debates, and now we are experiencing another one about ongoing globalization which has been literally “global”, though in varieties of methods and attitudes toward it.⁵⁾ These debates arose from the historical conditions that neo-liberal globalization accelerated the transnational reconfiguration process of capital flow which blurred the difference between “inside and outside”, or “local and global” dimensions of a bounded nation state.

The transition to the twenty-first century is a transitional period in socio-economic history. It is true that globalization made its way under American hegemony, but as early as the late 1990s its supremacy was declining as is apparent in the argument of “the decline of Pax-Americana”. The “American supremacy crisis” is also discussed in the comparative context of successive assents and declines of hegemons in history.

Ongoing globalization is a reconstruction of world economic and social systems by a principle of market fundamentalism. Mahathir Mohamad once argues that the twenty-first century is “the global century,” where globalization means transnational interconnection of social, political, and economic relations⁶⁾. Thus conceived, international politics or international relations and political science required some sort of theoretical convergence beyond traditionally separate disciplines, albeit keeping the autonomy of each field. Especially, at the level of democratic theory, the necessity to respond transnationally to global challenges is increasing, at least, for such problems as climate change, the threat of nuclear proliferation, transborder terrorism, and extreme poverty in underdeveloped

4) Gabriel Kolko (2006) *After Socialism : Reconstructing Critical Thought*, Routledge, ch. 6.

5) John A. Scholte (2005) *Globalization : A Critical Introduction*, second edition, Palgrave Macmillan, ch. 4.

Nick Bisley (2007) *Rethinking Globalization*, Palgrave Macmillan, ch. 1.

Justin Rosenberg (2000) *The Follies of Globalization Theory : Polemical Essays*, Verso.

6) J. Nederveen Pieterse (2000) ‘Globalization as Hybridization,’ in M. Featherstone et al., eds., *Global Modernities*, Sage, p. 4.

areas. Under such circumstances, global democracy or global democratic governance is discussed along with democracy in nation states. Thus considered, many problems to be resolved have been emerging in the age of globalization. These conditions indicate that social science needs to have a coalescent point of view between state-centric approach and analysis of international dynamics.

I . What is “Globalization”?

Although the term “globalization” came to be used in academic work in the 1990s, its definition is jargon owing to its multifarious processes. For example, Agnew claims that globalization means the intensification of expansion and contraction, integration and interdependency on a global scale⁷⁾, while Bromley states that globalization connotes the situation where social interaction is cut apart from each local context and expands beyond space, and Sørensen says that globalization means nothing but the deepening and strengthening of economic, political, and social relations beyond territory. Furthermore, Kolko points out that if it implies that bankers and investors benefit from the world more than before, the term is valid in spite of variations in its definition.⁸⁾ These prescriptions reflect the situation where transnational socio-economic relations are deepened and territorial distinctions are eroding, or where the world is being restructured by the free-floating financial capital beyond boundaries for profit.

According to “World Economic Outlook” (1997) by the IMF, globalization is the process through which an increasingly free flow of ideas, people, goods, services, and capital leads to the integration of economies and societies by increased trade liberalization and advances in communication technology,⁹⁾ while a group of scholars at the LSE defines it as “a process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions — assessed in terms of their extensity, intensity, velocity and impact — generating transcontinental or inter-regional flows and networks of activity.”¹⁰⁾

In fact, it can be said that there appear a flood of theoretical perspectives on

7) John Agnew (2005) *Hegemony: The New Shape of Global Power*, Temple University Press, p. 119.

8) S. Bromley (1999) ‘Marxism and Globalization,’ in A. Gamble, et al. eds., *Marxism and Social Science*, Macmillan, p. 281.

Georg Sørensen (2004) *The Transformation of the State : Beyond the Myth of Retreat*, Palgrave Macmillan, p. 23.

Gabries Kolko (2006) op. cit., p. 116.

9) IMF (1997) *World Economic Outlook*, May p. 45

10) David Held, et al. (1999) *Global Transformations : Politics, Economics and Culture*, Polity, p. 16

globalization. Scholte identifies five theoretical trends: 1) internationalization, 2) liberalization, 3) universalization, 4) westernization and modernization, and 5) respatialization, and he argues that globalization entails reconfiguration of geography, so that social space is no longer wholly mapped in terms of territorial places, territorial distances and territorial borders¹¹⁾. On his classification, globalization should be distinguished from internationalization. In this respect Scholte uses “globality” as a social geographical concept and assumes that it implies the global social relations spreading from local to macro regions. So globalization means a process of deepening of the social relations in supra-national or trans-national scope and scale, and social geography is being reconfigured in the process of ongoing globalization. Following the argument above, the concept of globalization is different from internationalization, although overlapping. In this context ongoing globalization is qualitatively different from the many precedents in history, because this one is unprecedented in its temporality and spaciality. These phenomena are recognizable in the extensity and intensity of reconstruction of the social relations across the world. Therefore, Harvey calls globalization a “compression of time and space”, and Castells the development of a “Network society”. It is necessary for us to ascertain how de-territorial social geography is being made up, and where the nation state stands in this context. Moreover, it is necessary to consider what kinds of causes are deepening trans-national relations as well as to specify the connections and separation between trans-national and territorial domains.

Globalization also includes religious and cultural factors alongside of economic ones. In this respect globalization is a compound and multifaceted phenomenon, and the pattern of actors goes beyond the “nation state” as a fundamental unit in modern states. These trends are ascertained in the proliferation and extension of multinational corporations, nongovernmental and international organizations. In these contexts, Jessop describes globalization as “a supercomplex series of multicentered, multiscalar, multitemporal, multiform and multicausal processes.” He continues, as follows:

It is *multicentric* because it emerges from activities in many places rather than single center. It is *multiscalar* because it emerges from actions of many scales. It is multitemporal because it involves an ever more complex restructuring and rearticulation of temporalities and time horizons. Globalization is clearly multicausal because it results from the complex, contingent interaction of many different causal processes. And it is multiform. It assumes different forms in different contexts and can be realized through different strategies.¹²⁾

11) J. A. Scholte (2005) *op. cit.*, p. 8, pp. 16-17.

12) Bob Jessop (2000) *The Future of the Capitalist State*, Polity Press, pp. 113-14.

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Jessop further argues that globalization includes structural and strategic moments in the economy, although it “rarely, if ever, involves full structural integration and strategic coordination across the globe”¹³⁾.

It was in the 1980s that globalization was explicitly discussed, and its emergence was linked to the discussion of the neo-liberal reorganization of the world system. These policies were based on the structural crisis in the 1970s, in which the combined regime of demand management policy under Keynesianism and class-compromised growth policy under Fordism were gradually replaced by more flexible supply-side economic policies. Although Neo-liberalism is market-fundamentalistic, it does not mean non-regulation, but, requires multifarious interventions by government, and for neo-liberal ideology and policies to become dominant it is also necessary to have some instructions from international organizations and adjustments between states. In these conditions there appeared an “emulative uniformity” which means a competition among business, state managers and international organizations for the reconstruction of world capitalism¹⁴⁾. Acceleration of globalization based on neo-liberalism has caused a global environmental change as well as a social change including a severe economic disparity among workers. Coincidentally transboundary social movements have also assumed greater prominence as exemplified in peace, environment and feminism.

Globalization is *mondialisation* in the French word. It involves the process not only of homogenization and standardization, but also of differentiation and particularization. The latter tendencies are discernible in the dynamic of secessionist movements and resistance. This aspect is remarkable in the 2007 Presidential election in France and the socio-political movements in South American countries¹⁵⁾. The relation between globalization and the nation state are becoming a subject of inquiry as is seen in the debate between neo-liberals and neo-Weberians, because globalization is a reconfiguration and a trans-borderization process of social relations mediated by de-territorialization and re-territorialization. This is also the problem concerning the “politics of globalization” and the “globalization of politics.” Both are in a complex relation, and analytically the former stresses the shifting of state function or capacity to transnational organizations: changes in the traditional forms of states, while the latter stresses the role and place of states in

13) *Ibid.* (2000) p. 115.

14) Robert W. Cox (1987) *Production, Power, and World Order : Social Force in the Making of History*, Columbia University Press, p. 298.

15) Regarding the nature of passive revolution based on neoliberal accumulation strategy in Mexico, see next. Adam David Morton (2007) *Unraveling Gramsci : Hegemony and Passive Revolution in Global Political Economy*, Pluto Press, pp. 153-61.

globalization: strategic response of the states and social agents to globalization.¹⁶⁾

Fred Halliday once posed the question about a *raison d'être* of states in the globalizing economy,¹⁷⁾ and the way to build valid global governance is also under consideration in the currents of globalization. Kindleberger pointed out before that nation states as units of the economy were losing their place¹⁸⁾ and the same kinds of arguments have frequently appeared thereafter. Under such circumstances, the cogency and adoptability of the traditional political concepts are reconsidered in connection with the "state" under globalization. Although these indications seem to gain more persuasiveness in the deepening of globalization, we should consider whether the arguments about the declining state are cogent. This is the next topic.

II. Globalization and the Nation State

Because globalization is a process of trans-territorial reconfiguration of socio-economic relations and re-articulation of "scale," and taking into account of the fact that ongoing globalization is unprecedented in its spread and velocity, it is not strange that there emerge a few remarkable contentions such as "retreat of the states," "powerless states," "global state," and "transnational state." Declinists and superglobalists contend that national policies are more and more inclined toward worldwide marketization based on neo-liberal principles and that production relations are being transnationalized in the world economy. In these contexts, as a logical corollary, they derive the theory of "declining state". The role of transnational organizations such as the EU and the WTO are, indeed, becoming larger and larger and social movements are also showing tendencies of transnationalization. And normatively speaking, some responses are urgently required to cope with global problems such as pollution, global warming, drug smuggling, and international terrorism. But these phenomena do not mean an erosion of the state.

Internationalization of the state system increases its momentum and the system of world politics has shifted to a multi-dimensional and multi-centered structure in a new constitutionalism. In this situation "the state" or "the nation state" looks to be eroding. But it surely holds its place, and it can be argued that the role and function of the state are increasing rather than declining in the period of the "globalization of politics" and the "politics of globalization."

16) Colin Hay (2005) 'Globalization's Impact on States,' in John Ravenhill, ed., *Global Political Economy*, Oxford University Press.

17) Fred Halliday (1994) *Rethinking International Relations*, Macmillan, p. 91.

18) C. P. Kindleberger (1969) *American Business Abroad : six Lectures on Direct Investment*, Yale University Press, p. 207.

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Although international or transnational institutions have increased their influence in consensus- and policy-making processes as in the case of the EU, the state is not actually dissolving. The state is still at the center of social integration and responds to international affairs as a major actor. This, as in the case of the shift to so-called “post-Fordism”, is recognizable in the state’s crucial role in constructing large-scale infrastructures for industrial production and long-distance market exchange as well as to make labor and employment more flexible according to a neo-liberal reconstruction of the world economy. Taking account of these currents, Brenner points out that “National territorial states must be viewed as essential geographical arenas and agents of contemporary forms of global restructuring rather than as the passive or helpless victims of these processes.”¹⁹⁾

The history of international relations and socio-geography shows that the nation state has been the center of integration and fragmentation of the global space. The state also, in history and in reality, has been the pivotal entity point in dealing with the internal social and economic contradictions and displacing them beyond its boundaries, if it can. Furthermore it acts as an indispensable entity point in providing infrastructure as well as constructing global governance by its involvement in many international affairs. In these respects the state is a political nodal point in internal-external functions and its foreign policies have acquired greater importance under globalization.²⁰⁾ Thus considered, the state is in a paradoxical situation : its functions are inclined to be transterritorial, but still remains a fundamental unit of the international political economy. So there emerges the challenge of how the state should be located in the globalizing world.

Marx and Engels often emphasized that capital has a propensity to get through the barriers due to its profit-oriented nature (necessity of globality inherent in the attributes of capital).²¹⁾ Following these remarks, the spacial expansion of capital means the development of capitalist relations across boundaries and the transnational diffusion of them. The reconstruction of social relations, therefore, involves capitalist reconfiguration and the creation of a “new spatio-temporal fix” under the dominance of international finance capital. However, this does not mean the erosion of the state, but that the state promotes and responds to these trends in particular path-dependent manners, whether in an Anglo-American-type market economy or a Nordic-type coordinated one.

In connection with ongoing globalization, there emerge many kinds of arguments

19) Neil Brenner (2004) *New State Spaces : Urban Governance and the Rescaling of Statehood*, Oxford University Press, p. 36.

20) Hannes Lacher (2006) *Beyond Globalization : Capitalism, Territoriality and International Relations of Modernity*, Routledge, p. 153.

21) For example, see K. Marx (1973) *Grundrisse : Foundations of the Critique of Political Economy*, translated with a forward by Martin Nicolaus, Penguin Books, p. 524, p. 539.

including superglobalists and skeptics at the extremes. While superglobalists have a strong propensity for neo-liberal policies in a theoretical lineage going back to Smith's classical economics, skeptics claim that the present is similar to the so-called "bell epoch" before WWI and the current situation is characterized as "regionalization" or "triadisation."²²⁾ In the globalization debate, as discussed frequently at the level of the nation state, society-centered and state-centered approaches are introduced into the paradigm of international politics and have appeared as the theoretical rivalry between neo-realism and (neo)liberalism.²³⁾ This opposition is attributable to the controversy over agents of globalization and the position of the state in it. To summarize the two approaches, while the state-centered approach emphasized the need for regulation by the state and its autonomy, the society-centered approach attaches importance to pressure from society against the states and prescribes subordination of states to their societies. When this paradigm is brought into the globalization debate, the former claims state autonomy in globalization (usually skeptics or realists), and the latter claims that it has declined or decayed (generally liberals or globalists). This has arisen from the controversy over how to situate the place and role of the state in the trans-territorialization of social relations. However, the two approaches share a dualistic view of state and society, and lose sight of the state as a socially and politically complex entity and its role in social cohesion. As will be discussed later, this problem originates from the fact that the conceptual differences between "the state" and "the state apparatus" are not clearly made.

On the other hand, it is argued that the state is being hollowed out, and a global ruling class is being formed under globalization.²⁴⁾ For instance, Cox once argued that the state is becoming a transmission belt to convey exigencies of the international economy by means of a nascent transnational managerial class.²⁵⁾ This suggestion is a sort of

22) L. Sklair (2002) distinguishes the world-wide connection into three phase: inter-national, transnational and global. *Globalization, Capitalism and its Alternatives*, Oxford University Press, p. 35.

23) A characteristic aspect of realistic or neo-realistic theories of international relation is the projection of "abstract individualism" into the international relation. This is based on the presupposition of a particularistic and atomistic sovereign state extrapolating from a image of Hobbesian-individualistic market model (Steven Lukes (1973) *Individualism*, p. 73). This theory also involves a sort of power fetishism because it regards power as an accumulation of material capacities in a positivistic approach to social phenomena and in disregard of their historical and social contexts (Robert W. Cox (1996) *Approaches to World Order*, Cambridge University Press, ch.6).

24) Jim Glassman (1999) 'State Power beyond the 'Territorial Trap' : The Internationalization of the State', *Political Geography* 18 (2), pp. 669-96.

W. I. Robinson (1996) 'Globalization : Nine Theses on Our Epoch,' *Race and Class* 38 (2), pp. 13-31, and see also the works by the so-called 'Amsterdam School'.

25) Robert W. Cox (1992) 'Global Perestroika,' in Ralph Miliband and Leo Panitch, eds., *The Socialist Register 1992*, Merlin.

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instrumental understanding of the state at the global level and likely to cause misunderstanding of the relatively autonomous role and function of the state in international politics. Burbach and Robinson also point out that international regimes steered by a “global ruling class” are emerging under the globalization of production and that the national bourgeoisie is transforming itself into a local (national) contingent of a transnational bourgeoisie.²⁶⁾ Similar claims can be found in the work of Negri and Hardt. In *Empire* they claim that governments and politics are integrated and controlled under a transnational commanding system. From this point of view, they introduce the concept of a “global empire” and assume relations of global rivalry not only between capital and labor, but between the international capitalist class and the “multitude.”²⁷⁾

These paradigms assume that the state has become a channel of transnational policy-making organizations in the era of “empire” . Although it is true that networks of the transnational elite class have been gradually formed and that they have strengthened their influence in the making of consensus²⁸⁾ , there is no “ruling class” without “the people” , and the concept of a “transnational state” itself is a sort of contradiction in terms. This kind of approach projects an analytical concept of the nation state into the analysis of international relations. In other words, it is a parallelism: the projection of a naïve correlation between economic relations and political apparatus into international relations. These arguments are not so persuasive, albeit having some validity regarding the proliferation of private organization among capitalist groups across boundaries. If the traditional concept of sovereignty is, indeed, changing under globalization, and the world is facing a new capitalist stage through transnationalization of capital and production, it is premature to describe the traditional territorial capitalist states as transforming into a post-territorial “world state.” In this respect the following aspects should be considered: 1) the historical relationship between territorial states and capitalism, 2) the relationship between globalization and uneven development, and 3) the relationship between capitalism and the spacial expansion of territoriality.²⁹⁾

The sovereign state emerged from the process of transformation of personal

26) R. Burbach and W. I. Robinson (1999) ‘The Fin de Siècle Debate : Globalization as Epochal Shift,’ *Science & Society* 63, (1), pp. 10–39

W. I. Robinson (2002) ‘Capitalist Globalization and the Transnationalization of the State’ , M. Rupert and H. Smith, eds., *Historical Materialism and Globalization*, Routledge.

W. I. Robinson (2004) *A History of Global Capitalism :Production, Class and State in a Transitional World*, Johns Hopkins University Press.

27) M. Hardt and A. Negri (2000) *Empire*, Harvard University Press, p. 307.

28) L. Sklair (2001) *The Transnational Capitalist Class*, Blackwell, pp. 2–3.

29) Adam D. Morton (2007) *Unraveling Gramsci : Hegemony and Passive Revolution in the Global Political Economy*, Pluto Press, p. 139.

dominance or *Patrimonialstaat* in feudalism into de-personalized rule by the state, although the relation between demarcation as a territory and development of capitalism is still a polemical topic in historical sociology. And inter-state system has been created in the global process of development caused by the complex conjunctures in history, and in these historical contexts, the capitalist state has transformed its forms and structures in response to external and internal pressures. However, the state remains an essential unit in the international system, although capitalistic globalization demands hierarchal integration and the standardization in production. The state is a regulator of the given socio-economic relations including a role as gate-keeper to purportedly borderless, free-floating capitals. Thus considered, the notion of the “transnational state” is an imaginary one without substance, and the state should appropriately be considered in the process of transformation.

The *raison d'être* of the nation (or national) state should be ascribed to particularities in the competition among the states, and the people are not a borderless or rootless multitude, but residents of a given state. In addition, although capital can certainly be transnational in its nature, it can not neglect the barrier of the state. In this respect Poulantzas remarks:

If the state in the imperialist metropolises, though at present undergoing certain modifications, still maintains as a national state, this is due among other things to the fact that the state is not a mere tool or instrument of the dominant classes, to be manipulated at will, so that every step that capital took towards internationalization would automatically induce a parallel ‘supranationalization’ of the state. The task of the state is to maintain the unity and cohesion of a social formation divided into classes, and it focuses and epitomizes the class contradictions of the whole social formation in such a way as to sanction and legitimize the interests of the dominant classes and fractions as against the other classes of the formation, in a context of world class contradictions³⁰⁾.

On Poulantzas’ view, the nation state is a nodal point in the international political economy and in a partial devolution of state functions to upper and lower agencies. Then, it is necessary to consider the connection between capitalist relations of production and the functions of the nation (or national) state.

III. Temporality and spaciality of the nation state

Capitalist modes of production emerged in a given space and conjunctions in history;

30) N. Poulantzas (1975) *Classes in Contemporary Capitalism*, trans. by Fernbach, New Left Books, p. 78.

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there emerged the separation between owners of means of production and direct producers (formal consumption of the workers under the capital). In these historical contexts, political dimensions have relative autonomy from the social and economic relations and the state appears as a particular apparatus whose function is assumed to maintain the social cohesion by the legitimate use of physical force while the socio-economic relations are regarded as a result of personal contracts. In this context the state is regarded as a “rational and absolute” entity and its ruling apparatus is identified as the state. The state also manipulates “hegemony” in ideology and uses a lot of hegemonic apparatus deeply rooted in a civil society. There emerges a domination-subordination in a society, and the state keeps order through these functions and institutions. Therefore, Gramsci approaches the state with the concept of “integral state” (an entity with a double function of force and consensus), in recognition that the separation between political society and civil society is only analytical in methodology³¹⁾.

Capitalist relations of production are intrinsically open-ended and dynamic in temporality and spaciality. And extra-economic compulsion is absolutely necessary for these relations so that labor power as well as land, money and knowledge may work as a fictitious commodity. The state is, therefore, obliged to set the general conditions for the capitalist production. These functions include the creation and cohesion of the social relations by means of legislation and legitimization, and the use of physical force, if necessary. In necessity of these functions, the state has to deploy a lot of socio-economic policies concerning fiscal regulation, research and development as well as welfare policies in the unstable compromise of social forces.

Why does the state entail territoriality and nationhood? The reason is that the state emerged in a preexisting geographical scale and place, and among others on the base of the people : historically it was organized to establish order among the people who shared some common cultural and psychological identity. The modern capitalist state was formed in these historical circumstances. And because capitalist production contains particular inherent contradictions, its relations can not be autonomously reproduced in the economy, but are in need of some extra-economic compulsion. The state, in these economic contexts, emerges as a mechanism by which social order can be reproduced in the given space.

From this points of view, we can identify the reasons why the state is inseparably related to territoriality and nationhood. First, the relations of production as well as consumption and circulation do not realize themselves without some combination an

31) Antonio Gramsci (1971) *Selection from the Prison Notebook*, edited and translated by Quintin Hoare and Geoffrey N. Smith, Lawrence and Wishart, p. 239.

locality and labor power. Second, production and consumption are unavoidably based on the people who have ongoing relations with each other. In this respect, the state necessarily conjoins with the nation and the former represents the people abstracted from their social relations. Third, the nation state as a temporal and spatial entity entails some political power by which the socio-economic relations cohere. In these contexts the state is an ensemble of social relations with a governing apparatus because it is embodied in and expressed through its apparatus, and the policies are executed in its name. Finally, nation states are not in isolation from each other, but are connected to the world politico-economical system. Therefore, each state, as a representative, has been obliged to confront the contradictions among them. It is in a complex joining of these elements that the modern territorial nation state emerged as a historical result. Because the majority of the people in the world has been still dwelling in such an entity entailing both temporality and spaciality, the state is a fundamental unit of the world system and nationalism has a strong foothold in the state. While there has emerged an interscalar rearticulation and social movements have a tendency beyond boundaries, the state remains a cohesive entity of social relations.

IV. Conclusion

So far we have discussed the nation (or national) state under globalization. The arguments lead us to a provisional conclusion. In the relative autonomy of politics from economics, government builds up infrastructures, promotes key industries and strengthens military structure in the name of the state. Especially, government tries to keep social relations of production in “order” through socio-economic policies and ideological functions. These necessities result often in a reconfiguration of capitalistic relations of reproduction. This means that politics must be more widely and strongly involved in the reorganization of socio-economic relations in times of crisis, and that institutional separation between politics and economics can be blurred as was seen in the connections between government and business during the WWII. Especially, the transition to a “Keynesian system” in the U.S was mediated through the war and the depression because these incidents urged American liberalism to change itself into interventionist one in face of these crises. From an historical point of view it is evident that capitalist nation states have dealt with the important problems by its strategic projects. These projects involve transfer and/or postponement of the contradictions inherent in capitalism, with the result that changes in social constellations have been often accompanied.

Production and consumption are practiced in a given space and time, and in

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connection with trans-territorial relations. However, the “transnational” state does not exist, and the law of value is basically functioning in a given territory through the mediation of “markets” such that each state emerges as a representative of “general” or “public” interest in the competitive world market.³²⁾

Although the basic unit of socio-economic interaction is the nation state, “state space” has grown through expansion and annexation. In addition, certain states expand production relations through their hegemony.³³⁾ Hegemony is defined as the capacity to make an inter-subjective consensus in a certain historic bloc, and the so-called “informal empire” means that certain states are able to expand their socio-economic relations into other states without physical force. The supremacy of the United States in the post WWII period exploited this hegemonic opportunity, at least in the capitalist block. Expansion of capitalist relations of production can be unified through hegemony. Thus considered, the creation of internal “order” through hegemony can be also applied to the international state system, although exercise of hegemony will induce “counter-hegemony”.

Neo-liberal, or market-fundamental projects have in fact engendered globalization, and they blur the territoriality of the state. In addition, the movement of financial capital increases its floating nature and virtuality in globalization. But particularity and territoriality do not disappear in these trends of integration. In this respect, Marx wrote :

Thus, while capital must on one side strive to tear down every spatial barrier to intercourse, i.e. to exchange, and conquer the whole earth for its market, it strives on the other side to annihilate this space with time, i.e. to reduce to a minimum the time spent in motion from one place to another. The more developed the capital, therefore, the more extensive the market over which it circulates, which forms to spatial orbit of its circulation, the more does it strive simultaneously for an even greater extension of the market and for greater annihilation of space by time³⁴⁾.

Distance is a relative concept so long as it can be shortened in time by technology. And the extent of social integration or system integration is changeable in scale because the progress of technology brings a change of size and scope in social relations. In this vein, some hegemonic projects and strategies can lead to spatial expansion and hierarchical order in the world system.

In the 1980s, the Washington Consensus emerged explicitly as a project of the new world order which led to the foundation of the WTO according to the Uruguay Round.

32) Hannes Lacher (2005) ‘International transformation and the persistence of territoriality : toward a new political geography of capitalism,’ *Review of International Political Economy* 12 (1) Feb. pp. 26-52.

33) Expansion of hegemony invites a “passive revolution” including Caesarism and “Transformismo” in the underdeveloped areas. G. Arrighi (1983) *The Growth of Imperialism*, revised edition, Verso, p. 41.

34) K. Marx (1973) *op. cit.*, p. 539.

The foundation of the WTO is one of the products of projects to reconstruct the world economy. And in these contexts, there emerged also concepts such as “the global state”, “de-nationalization” of capitalism. However, it is hasty rough to conclude that the state is becoming “transnationalized,” as is evidenced just by taking a cursory look at now the state functions as a cohesive entity of the social relations in the territory. With this in mind, it can be said that an adjustment regime is being made both at the regional and global levels, and that a “globalization of politics” based on the nation state is in the process of formation. Therefore, global governance, not global government, is being sought in a gelatinous condition. Though multi-layered and multi-centered governance, that is, what can be called a “multi-spatial” regime is being formed, but this governance is not the world government provided with “authoritative allocation of values.”

Although the reality is that globalization is in the process of evolution, the nation state still does exist along with attempts to construct some global governance. These kinds of recognition lead us to think that the concept of a “global state” is far from reality, and incidents like 9.11 have shown that it is not feasible to integrate the world into an American hegemony. In this sense, although capitalism can postpone the effect of its contradictions to the future and can transfer them into other areas, economic disparity widens progressively and many people die prematurely from poverty-related causes in the poor countries. Moreover, neo-liberal globalization has created an enormous amount of problems such as the destruction of the environment. These invite counter-hegemonic campaigns such as “rejectionism,” “reformism,” and “transformationism”. These movements involve a call for peace and equality.

It is a global challenge to cope with issues such as global warming, the astonishing gap between rich and poor countries, and the threat of nuclear catastrophe by solidarity beyond boundaries that coalesce with a national movement, because it is necessary to demand that each government grapple with such global challenges. With all of this in mind, it can be concluded that the nation state is not falling apart due to ongoing globalization, and that it could and must be a base of global democratic governance if democracy is to prevail around the world.