# Has globalization ended the rise and rise of the nation-state?

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#### **ABSTRACT**

Using a model distinguishing local, national, inter-national, transnational and global interaction networks, I analyse four supposed 'threats' to nation-states - global capitalism, environmental danger, identity politics and post-nuclear geopolitics. All four actually impact differently on nationstates in different regions, contain both state-weakening and strengthening tendencies, and increase the significance of inter-national as well as transnational networks. Capitalist transformation is slightly weakening the nation-states of the north (most clearly so within the EU), yet economic development would strengthen southern nation-states. The decline of 'hard geopolitics' in a post-nuclear age weakens northern, but not most southern, states. Yet 'soft geopolitics' is everywhere bringing new state functions and maintaining the strength of inter-national networks. Identity politics, contrary to most views, probably strengthens nationally bound politics. These patterns are too varied to permit us to argue simply either that the nation-state and the nation-state system are strengthening or weakening. But the expansion of global networks seems to weaken local interaction networks more than national ones.

## **KEYWORDS**

The state; capitalism; new social movements; globalization; networks.

#### INTRODUCTION

The human sciences seem full of enthusiasts claiming that a new form of human society is emerging. The most enthusiastic compare today with the eighteenth century, whose Industrial Revolution, whose 'modernism' and whose 'Enlightenment' supposedly revolutionized human society. They say we are in the throes of a comparable transition to a 'post-industrial' or 'postmodern' society. Other terminologies imply rather less revolutionary change. Terms such as 'late capitalism',

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'late modernity' or 'radical modernity' are used to suggest varying degrees of continuous versus disruptive change. 'Globalist' words also invoke varying degrees of enthusiasm: 'global capitalism' may refer only to a major extension of an old economy, while 'global society' usually implies a radically novel phenomenon in the history of human society.

The enthusiasts comprise a very varied group of littérateurs, philosophes, historians, sociologists, political and business economists, geographers and environmentalists. They agree about very little – especially about whether the changes are to be welcomed. But on one point they do agree: contemporary changes are weakening the nationstate. From postmodernists like Baudrillard or Lyotard or Jameson to geographers like Harvey or Taylor to sociologists like Giddens or Lash and Urry, to the business economists well represented by The Economist, come similar statements about the 'undermining', 'undercutting', 'outflanking' or 'marginalization' of the nation-state (for recent exemplars, see Taylor, 1996; Lash and Urry, 1994; Featherstone, 1990; Harvey, 1989; The Economist, 1995). Some qualify this in one respect. Since 'ethnicity' looms large in scenarios of 'postmodern fragmentation', these often see nationalism as resurgent in the world today. But for the old nation-state, we find largely epitaphs.

Many enthusiasts are west Europeans – not surprisingly, since this particular region of the globe offers most political support to their epitaph for the state. Many (both marxian and neoclassical) are materialists who point to the great changes under way in capitalism and believe these will necessarily transform the rest of the social structure. The core of most arguments rests on the technological-informational innovations of our times. Transport and information systems providing rapid (often instantaneous) access to the world provide the infrastructures of a global society. I accept that this potential infrastructure of globalism exists: the logistics of communication and so of power have indeed been revolutionized. Persons, goods and especially messages circulate the globe so that the enthusiastic vision of a single global society is a technologically possible one. But is it actuality? To suggest that it is, various groups of enthusiasts advance four main theses.

- 1 Capitalism, now become global, transnational, post-industrial, 'informational', consumerist, neoliberal and 'restructured', is undermining the nation-state its macroeconomic planning, its collectivist welfare state, its citizens' sense of collective identity, its general caging of social life.
- 2 New 'global limits', especially environmental and population threats, producing perhaps a new 'risk society', have become too broad and too menacing to be handled by the nation-state alone.

3 'Identity politics' and 'new social movements', using new technology, increase the salience of diverse local and transnational identities at the expense of both national identities and those broad class identities which were traditionally handled by the nation-state. For this and for the previous reason we are witnessing the stirrings of a new transnational 'civil society', social movements for peace, human rights and environmental and social reform which are becoming truly global.

4 Post-nuclearism undermines state sovereignty and 'hard geo-politics', since mass mobilization warfare underpinned much of modern state expansion yet is now irrational. Martin Shaw's perception of the emergence of a 'world state' is perhaps the most measured version of this thesis (see pp. 497-513 of this journal). It is very much a minority view in the discipline of International Relations, most of which remains attached to the study of the sovereign

So the empirical part of this article will investigate whether these four nation-state-weakening theses are correct. Since they downplay political power relations, it also considers two political counter-theses.

A State institutions, both domestic and geopolitical, still have causal efficacy because they too (like economic, ideological and military institutions) provide necessary conditions for social existence:1 the regulation of aspects of social life which are distinctively 'territorially centred' (see Mann, 1986: Ch. 1). Thus they cannot be the mere conse-

quence of other sources of social power.

B Since states vary greatly, if (A) is true, these variations will cause variations in other spheres of social life. Even within Europe states differ in size, power, geography and degree of centralization. Across the globe, variations dramatically increase: in degree of democracy, level of development, infrastructural power, geopolitical power, national indebtedness, etc. They also inhabit very different regional settings. Can contemporary capitalism, even if reinforced by environmental limits, 'cultural postmodernity' and demilitarization, render all this variation irrelevant, and have the same effects on all countries? Or will these variations cause variation among these forces, and so limit globalization?

Only the most breathless of enthusiasts would deny all validity to these counter-theses - or to the survival of the nation-state as wielder of some economic, ideological, military and political resources. The task is to establish degrees of relative causality: to what extent is the nation-state being transformed, to what extent is it declining - or even perhaps still growing?

But to establish this we must also make some conceptual distinctions. We can roughly distinguish five socio-spatial networks of social interaction in the world today:

- 1 local networks which for present purposes just means subnational networks of interaction;
- 2 national networks, structured or (more neutrally) bounded by the nation-state;
- 3 inter-national networks, that is relations between nationally constituted networks. Most obviously, these include the 'hard geopolitics' of inter-state relations which centre on war, peace and alliances. But they also include 'soft geopolitics' between states negotiations about more peaceable and particular matters like air transport communications, tax treaties, air pollution, etc. And they include relations between networks that are more nationally than state-constituted: for example, the emergence of 'national champions' playing on a broader playing-field whether these are football teams or giant corporations;
- 4 transnational networks, passing right through national boundaries, being unaffected by them. These might not be very extensive perhaps a religious sect organized across two neighbouring countries or they might be continent-wide or even worldwide. Many transnational arguments about contemporary society rest on a 'macroregional' base. Examples are the frequent distinctions between 'Liberal / Anglo-Saxon', 'Nordic / Social Democratic' or 'Christian Democratic / corporatist' forms of contemporary social organization;
- global networks cover the world as a whole or, perhaps more realistically, they cover most of it. But we should distinguish between networks which radiate universalistically or particularistically across the globe. The feminist movement may spread through almost all countries, but usually only among rather particular, smallish groups. The Catholic Church has some presence in all continents but only has quite a narrow base across Asia, while being near-universal across Latin America. The capitalism evoked by many of the enthusiasts is a universal global network, evenly diffusing through economic and social life just about everywhere. Thus global networks might be formed by either a single universal network or by a more segmented series of networks between which existed rather particularistic relations.

Over the last centuries local interaction networks have clearly diminished in relative weight; while longer-distance networks – national, inter-national and transnational – have become denser, structuring more of people's lives. Genuinely global networks have emerged relatively recently. Note that global networks need not be the same as transnational networks, though many enthusiasts equate them. Nor are they necessarily economic in nature. Global networks may be constituted by

geopolitics (as Shaw argues) or by ideological movements like a religion or socialism or feminism or neoliberalism – the combination amounting perhaps to a new transnational civil society.

Since national and inter-national networks are constituted or fundamentally constrained by the nation-state, the future of the nation-state thus turns critically upon the answer to two questions: Is the social significance of national and inter-national networks declining relative to some combination of local and transnational networks? And to the extent that global networks are emerging, what is the relative contribution to them of national/inter-national versus local/transnational networks?

# THE 'MODEST NATION-STATE' OF THE NORTH

I start with the most familiar and dominant form of state in the world today. In the 'west', or more precisely the 'northwest' of western Europe and its white colonies, arose a state claiming formal political sovereignty over 'its' territories and a legitimacy based on the 'people' or 'nation' inhabiting them. This is what we mean by the nation-state.

The regulatory powers of such states expanded through several centuries. First, from the end of the Middle Ages they increasingly plausibly claimed a monopoly of judicial regulation and military force. Then, in the eighteenth and especially the nineteenth centuries they sponsored integrating communications infrastructures and basic control of the poor. The twentieth century saw welfare states, macroeconomic planning and the mobilization of mass citizen nationalism. All the while more states legitimated themselves in terms of 'the people', either 'representing' the people (liberal democracies) or 'organically embodying' it (authoritarian regimes), with varying degrees of civil, political and social citizenship. To a degree, therefore, northwesterners became 'caged' into national interaction networks, and these became supplemented by the inter-national relations between nation-states which we know by the term 'geopolitics'.

This is the now familiar story of 'the rise and rise' of the nation-state and the nation-state system – to which I have contributed myself (Mann, 1986, 1993a). Yet we should note that the expansion of these national and inter-national networks always proceeded alongside the expansion of certain 'transnational' power relations, especially those of industrial capitalism and its attendant ideologies (liberalism, socialism), plus the broader cultural networks provided in the northwest by European / Christian / 'white' senses of collective identity. National and international interaction networks thus grew much more at the expense of local than of transnational networks. For example, in the very period in the late nineteenth century when European states were deepening their national education and public health infrastructures, raising tariffs and beginning to drift nearer to war against each other (examples of national

and inter-national caging), transnational trade was rocketing to form the same proportion of world production as it now forms, and the northwestern powers were acting together, with a smug sense of cultural superiority, to Christianize, exploit and drug the Chinese. Indeed nation-state growth presupposed a broader global expansion, most obviously to finance it, but also perhaps because a sense of nationhood may have presupposed the sense of European / Christian / white superiority which endowed all the classes and both sexes of the northwest with a sense of their own moral worth and equality. Indeed, the last great expansionist surge of the nation-state, from 1945 to the 1960s, may have also involved both. States were flush with funds from massive economic expansion and they possessed the war- and reconstruction-generated institutions to spend them; and northwestern nations, having taught their colonials the values of 'civilization', now 'granted' them independence in their own European form, as nation-states. Thus the past saw the rise of transnational capitalism and cultural identities alongside the rise of the nation-state and its international system. They have always possessed a complex combination of relative autonomy and symbiotic interdependence.

Most northwestern states also *lost* certain functions during the period of their expansion. As they became more 'secular', they relinquished powers over moral regulation, which they had in principle possessed in association with Churches (though Church rather than state infrastructures had usually enforced such moral regulation in earlier centuries). Remember also that most of economic life had never come into the realm of the state: we call it 'private' property. Thus much of social life remained or became *more* private, outside the sphere of competence of the nation-state, even during its great period of expansion. Property remained private, gays remained in the closet. Capitalism and morality were substantially autonomous of the state. I suggest later that moral autonomy is now declining.

Thus only a 'modest nation-state' became dominant in the northwest. In the course of the twentieth century it defeated three rivals. One was the 'multi-national empire': the dynastic empires of the Habsburgs, Romanovs and Ottomans, with weaker states and little national identity – a less 'nation-statist' alternative. But the other two defeated states were actually far more nation-statist. Fascism sought a much stronger, authoritarian state which would supposedly embody the essence of a more rigidly and more ethnically defined nation. By 1945 fascism was discredited – at least for the two generations which have followed. State socialism also sought a stronger state (supposedly only in the short run). Though not strictly nationalist, its increasing tendency to equate the proletariat with a broader 'people' or 'masses' gave it a similar principle of legitimation. And its economic autarchy and rigid surveillance greatly intensified its 'national' caging. Its discrediting lasted longer and

seemed finished (for the present) by 1991. Both of these defeated regimes also claimed a monopoly of morality, which the 'modest nation-state' never did. It was the responsibility of the state to cultivate 'Soviet Man' or what was 'consciously German'. Had these more ambitious 'nation-states' both triumphed and the world had then globalized, its global society would have been constituted by a segmental series of global networks between which the most particularistic, and probably warlike, relations would have existed. Since they did not, any subsequent globalism might be expected to be rather more universal in character.

Since 1945 the modest victor further diffused across almost all the rest of 'the north', i.e. the whole European continent and increasing regions of East and South Asia. Its formal trappings have also dominated 'the south', while all states meet in a forum called 'The United Nations'. The modest nation-state might seem to dominate the entire globe. In some limited senses it actually does. Only a few states do not base their legitimacy on the nation, or lack a monopoly of domestic coercion or real territorial boundedness. Almost all manage to implement policies oriented towards basic population control, health and education. Plunging mortality and rising literacy have multiple causes but some lie in the realm of effective public policy. For these reasons I will go ahead and describe contemporary states as nation-states. Yet most of them actually possess rather limited control over their territories and boundaries, while their claims to represent the nation are often specious. For much of the world a true nation-state remains more aspiration for the future than present reality. The nation-state's rise has been global, but modest and very uneven. The modest nation-state came to dominate the 'north', has been part of its expansion and represents a desired future for the bulk of the world's people. Is all this now threatened?

# THE CAPITALIST THREAT

The enthusiasts have correctly identified many important transformations of capitalism. It is not necessary here to document capitalism's use of new 'informational' and 'post-industrial' technology to expand through much of the world and penetrate more of social life. But how great is its threat to the nation-state? And just how 'global' and/or 'transnational' is it?

In a formal geographic sense capitalism is now more or less global. Two great geopolitical events permitted massive extension. First, decolonization largely ended the segmentation of the world economy into separate imperial zones. Second, the collapse of Soviet autarchy opened up most of Eurasia to capitalist penetration. Only Iran, China and a handful of smaller communist countries now maintain partial blockages, and these are declining or may be expected to start declining soon. China

retains distinct property forms (mixing private with varieties of public ownership and control), and there still also remain (declining) areas of subsistence economy scattered through the world. Yet capitalist commodity exchange clearly dominates. With no confident adversary in sight, capitalism is becoming – at least minimally – global. That was not so in 1940, or even in 1980. It is obviously a major transformation.

But are its global networks 'pure' in the sense of being singularly universal, or do other more particularistic principles of social organization also help constitute them? An economy may be global, but this may be conferred by help from national and inter-national networks of interaction. After all, more than 80 per cent of world production is still for the domestic national market. Since economic statistics are gathered at the level of the nation-state, it is unknown what is the relative contribution to this of truly national exchanges compared to the contributions made by multiple local interaction networks. The national economy is presumably considerably less integrated than the statistic suggests - especially in backward countries and bigger advanced countries like the USA or Australia. Yet the nation-state clearly does systematically structure many economic networks. The ownership, assets and R&D of 'multinational' corporations (including banks, mutuals and insurance firms) remain disproportionately in their 'home' state, and they still lean on it for human capital (education), communications infrastructures and economic protectionism (Carnoy, 1993; Castells, 1993). Nonetheless, even among the more fixed multinationals, their sales reach, organization of production and investment flows are also substantially transnational. Strategic alliances with corporations of other 'nationality' are now proliferating, weakening the national identity of property - though many of these arrangements occur to evade protectionism and might decline if it did.

Finance is far more transnational, as evidenced by the growing complexity of financial markets and of the models supposed to be capable of explaining them - from random walk to chaos theories. Yet its institutions continue to exhibit bureaucratic regularity, much of it with a pronounced national character. The employees of Nikko Europe start their London workday before the Tokyo stock market closes. They relay the latest information first to their European-based customers, who are actually mostly Japanese corporations. Then, as Wall Street awakes, the information is transmitted westward and London shuts down for the night. Financial markets also reveal a national/transnational duality. On the one hand, trading in government bonds, in currencies, in futures and in wholesale dealing between banks, is largely transnational, often distinctively 'offshore', slushing through the boundaries of states subject to very few controls. On the other hand, company shares tend to be fixed to particular national stock markets and to national corporate laws and accountancy practices (Wade, 1996).

Of course, western Europe has gone more transnational, sponsoring a unique degree of continental economic integration. Here lies a genuine single market, a movement which will probably end in a single currency within twenty years (at least in its core), and predominantly 'Euro-rather than national attempts at protectionism. Here 'national champion' corporations are becoming 'Euro-champions', assisted as much by EU government as by the nation-state.

Obviously, such economic complexities should be explored at a much greater length than I can attempt here. But two points emerge: Europe is extreme (this will be further explored later), and real capitalist interaction networks remain profoundly mixed. Symbiosis between the national and the transnational remains.

A third point also emerges: most 'transnational' economic relations cannot be necessarily equated with a global universalism. The bulk of capitalist activity is more 'trilateral' than global, being concentrated in the three regions of the advanced 'north': Europe, North America and East Asia. These contain over 85 per cent of world trade, over 90 per cent of production in advanced sectors like electronics, plus the headquarters of all but a handful of the top 100 multinationals (including banks). This does not necessarily mean capitalism is not global. It may only indicate that the north is rich, the south is poor - and that both are locked together in a global network of interaction. But it does suggest that capitalism retains a geo-economic order, dominated by the economies of the advanced nation-states. Clusters of nation-states provide the stratification order of globalism. Among other consequences, this protects the citizens of the north: the poorly educated child of an unskilled worker in Britain or the United States will enjoy far better material conditions of existence (including twenty more years of life) than will his/her counterpart in Brazil or India. True, inequalities within all these nation-states are widening, yet it is almost inconceivable that the bulk of the privileges of national citizens in northern countries could be removed. That would cause such social disorder as to be incommensurate with a stable and profitable capitalism. The nation-state provides some of the structure, and some of the stratification structure, of the global networks of capitalism. If the commodity rules, it only does so entwined with the rule of - especially northern citizenship.

The global economy is also subject to loose and predominantly 'soft' inter-national regulation in the shape of organizations like G7, GATT, the World Bank or the IMF. These are also northern-dominated. Some of these are involved in seemingly endless negotiations of trade liberalization – and these are likely to drag on a lot longer since national governments have been recently raising non-tariff barriers. We are nowhere near global free trade, but we may be moving a little closer and

this is at present ideologically dominant. But is this just another liberalization phase in the normal historical oscillation around the middle zone between the free trade and protectionist poles? That depends on the resolution of other tendencies discussed in this article.

So, at the moment and probably also for the near future, a rapidly globalizing economy does not only acquire its character from transnational networks of interaction. What adds up to the global is a very complex mix of the local, the national, the inter-national (represented in my discussion mostly by northern trilateralism) – and the truly transnational. The *transnational* commodity does not rule the globe.

Over time some of these national and inter-national structurings may decline. Northern domination of the world economy may diminish because of the pressures of comparative advantage. Apart from very high-tech activities, much productive enterprise may migrate to the lower costs of the south, producing more globalization (though not necessarily much reducing inequality). But so far migration has operated not by some 'transnational' logic (of random walk?) but by some combination of four other principles: the possession of useful natural resources, geographical propinquity (neighbouring countries), geopolitical alliances (friendly countries), and state and civil society stability (predictable countries). Whereas the first factor is found fairly randomly through the world - and so oil alone can develop rather backward, distant countries – the last three factors are generally interconnected. The historical development of the major northern economies emerged amid broader regional settings, from which neighbouring states and societies also benefited. Thus expansion has mostly been to the Koreas and the Mexicos, friendly neighbours with relatively developed nations and states, rather than, say, to most African countries. Nor does most growth take a regional, 'enclave' pattern within states (except where raw materials matter, or where extension is over a border and the neighbouring government sponsors 'enterprise zones'). Development then tends to diffuse across the core territories of these states, aiding the development of their overall civil societies and their drift towards becoming nation-states. Thus extension of the north - and so globalization - has depended upon, and in turn reinforced, the nation-states benefiting from it. This form of globalization reinforces national networks of interaction.

Since finance capital seems more transnational than industrial capital, its constraints upon the nation-state are usually those most emphasized by the enthusiasts. Its mobility and velocity produce financial movements which dwarf the fiscal resources of states and which constrain two of the three props of post-war state fiscal policy – interest rates and currency valuation (taxation being less affected). Yet it is difficult to assess the overall significance of this, for two reasons. First, the numbers do not offer

real precision about power relations. Since currencies, shares, futures, etc. can be traded many times over in a single day, the paper value of 'financial flows' vastly exceeds that of world trade, and continues to grow. But power cannot be simply read off such sums. What are being traded are property rights to raw materials, manufactured goods and (increasingly) services, almost all of which have much greater fixity of location and therefore presumably a degree of national identity.

Second, it is not clear how effective macroeconomic planning ever was in the northwest. It seemed effective while massive growth was occurring and governments had access to surpluses. Many were able to be mildly interventionist (though selective incentives were generally more effective than physical controls). But since then we have seen the collapse not only of Keynesian economics but also of economic theory in general. Economists now more or less admit they have no explanation of any of the great booms or slumps of the twentieth century (or at least one that does not depend on singular events like great world wars). Macroeconomic planning was a general ideology surrounding some highly abstract concepts, from which were precariously derived some technical tools (including, most fundamentally, national accounting) and policies (which in fact also depended on contingencies). Macroeconomic planning still contains such a mixture, though its emphasis has changed. The ideological pretensions and the ability to expand spending have certainly declined. Thus we may expect looser and fiscally more cautious national/inter-national (i.e. trilateral) macroeconomic policies: a proliferation of G7 and GATT guidelines and piecemeal liberalizing agreements; MITI-style<sup>2</sup> collaboration and incentive programmes more than nationalization or direct state investment; central banks more than politicians; less the pretence of controlling markets than of signalling intentions to them; and, above all, no increases in taxation masquerading as grandiose economic theory.

Nor are the reasons for these less than dramatic power reductions easy to interpret. As the economy has internationalized, real living standards have stagnated and inequalities widened (apart from East Asia). If national governments are increasingly constrained in their economic planning and welfarist pretensions, this might be due to either transnational tendencies or recession – transformations such as 'restructuring' may be a response to both. For example, Latin American 'import-substitution' policies throve on the regional economic expansion made possible by the Second World War; this expansion collapsed under the mountain of indebtedness accumulated by easy credit during the 1970s followed by the stagnation and inflation of the 1980s. 'Restructuring' is now extreme across much of the region, virtually eliminating national macroeconomic planning and trimming welfare states. But this may result less from transnationalism than from the power conferred on

finance capital and its major institutions by the burden of debt: the creditors can enforce repayment terms. The creditors comprise the usual mixed bag: banks with national identities but transnational activities, inter-national and predominantly northern agencies like the World Bank and the IMF, and the US government with the dual motive of protecting Ameri-can investors and making the region more geopolitically and geoeconomically friendly/subordinate to itself. In contrast, however, current Korean 'restructuring' can be a mere reorientation of rather stronger macroeconomic policy because, though it had considerable debt, its economic growth meant the debt could be paid off and further foreign investment attracted.

Similarly, the fiscal crisis afflicting most states of the north and south alike may be more the product of recession than of transnational capitalism. My previous work (Mann, 1986, 1993) gives me the confidence to say that, at least since the thirteenth century, citizens have only consistently agreed to pay a higher proportion of their incomes in taxes during wartime. Their reluctance to stump up during the peaceful 1970s and later, in a period of recession (when their real incomes were stagnant or falling), is hardly surprising. It is the historical norm, not the unique product of 'postmodernity' or 'globalism'. Political movements resting traditionally on the nation-state, like Social Democracy, Christian Democracy and the US Democratic Party, have indeed entered something of a crisis. They have stalled and entered modest decline (more in terms of their ability to devise radical policies than to attract votes). Again, it is not entirely clear why. Did it result from the new powers of transnational capital (plus perhaps Euro-institutions in Europe) or from citizens refusing to support 'tax and spend' policies amid stagnant or declining real incomes? Probably both, but I have not yet seen the research which could clearly differentiate these rival hypotheses. Of course, if growth does not resume, or if its unevenness continues to widen inequality and deepen unemployment, some of its political effects in weakening the Centre-Left might be similar to those identified by the enthusiasts. Social citizenship seems to have peaked in the north and it may now be in moderate secular decline. Yet this could be reversed by a variety of future trends: economic recovery, changing demographics (i.e. an ageing or a better-educated population should reduce unemployment and so inequality) or political backlashes.

Yet national economies also vary considerably – in their prosperity, their cohesion and their power. Consider first the three main regions of the north. North America is dominated by its superpower, the USA. This has an unusual state, dominated by its unique war machine and (rather meagre) social security system. Most other governmental activities which in most other northern countries are mainly the province of the central state (criminal justice, education and most welfare

programmes) are the concern of fifty separate 'states' or local governments in the USA. Three major industries are closely entwined with the federal government, agriculture, the military-industrial complex and health care, and may be said to be somewhat (if particularistically) planned. They are likely to remain so - though the current plan is to downsize the military by just under a quarter over two decades. Many other industries have closer relations with 'state' and local governments, for example property development and construction. Federal legislation has been traditionally tight in the area of labour relations and monopolies, especially restraining the growth of US unions and banks. But there has been little macroeconomic planning by any level of government. The principal 'planning' agency (over interest rates) is the Federal Reserve Bank, which is largely autonomous of government. There is no serious American industrial policy; this is left to the post-war powerhouses of the US economy, the large corporations. Much of this is due to the radical separation of powers enshrined by the US constitution. A coordinated political economy cannot easily be run by a President and his cabinet, two Houses of Congress, a Supreme Court and fifty 'states' (which are also fragmented by the same separation of powers) - especially when they belong to different political parties. Thus it is difficult to see much of a weakening of US government powers, since these were never exercised very actively. Of course, recession alone means they cannot be exercised now. Amid stagnant family living standards, no government agency can raise the taxes to throw money after any policy. On the other hand, in certain other respects, it might be said that the American nation-state is actually tightening. Organizations as diverse as banks, TV stations and newspapers are becoming more nationally integrated and the recent absorption of staggering numbers of immigrants (immigration is back to the pre-1914 level) by the school system and the labour market indicates formidable national solidarity.

Of course, the USA has been influenced by capitalist transformations. Competitive pressures from the two other northern geo-economies have been most visible in the creation of NAFTA, a free trade area embracing the USA, Canada and Mexico, with some prospects for its eventual extension to other stable economies in Central and South America. Though the Canadian and US economies were similarly advanced and already partially integrated, the combination of 'southern' Mexico and the 'northern' USA has led some to view NAFTA as a microcosm of the new global economy. Yet Mexico exemplifies those 'principles of orderly extension' I noted earlier. It is a neighbour, a friend and a very stable state: ruled for seventy years by a single party, mildly coercive but so far capable of responding institutionally to pressure. It provides quite good infrastructures and a fairly literate and healthy labour force, and a nation beset by no general civil conflict.<sup>3</sup>

US hegemony in the continent also makes NAFTA unique – and very different to the European Union. Canada is an advanced but small client economy with a weak state – perhaps shortly to disintegrate. Mexico is much poorer, and has recently become more debt-ridden and a little less politically stable. But the USA is itself wavering, beset by doubts about free trade and Latino immigration, and its political fragmentation makes coordinated decision making difficult. Thus NAFTA embodies three distinct power processes: it is a kind of 'mini global economy'; yet it is also geopolitically dominated by one nation-state; and this nation-state has a peculiarly fragmented polity and political economy. The combination of the three is unique in the world, but – as we are seeing – the entwining of transnational capitalist transformation with political and geopolitical institutions is quite normal.

East Asia is at present also dominated by a single nation-state, though Japan is not a military superpower. Japanese political economy differs from both North American and European, with far more coordination between the state and capitalist corporations (and, in a more dependent role, the labour unions): 'Governing the market', Wade (1990) calls it; 'Governed interdependence', say Weiss and Hobson (1995). Such national coordination has been adapted in varying forms across the smaller economies of East Asia. These include active industrial policies centring on selective tax rates or conditional subsidies for key or export sectors, public absorbing of risk for innovation and government coordination of inter-firm collaboration for technology upgrading (Weiss, 1995). These countries also have political stability and an advanced civil, i.e. 'national', society which is stable, literate and broadly honest. They have also experienced phenomenal growth. Though growth is stuttering in Japan, this is not true of the rest of East Asia.

Thus these East Asian governments have a buoyant tax base and the growth to support debt, and their countries are attractive to foreign investors. They can raise taxes to expand welfare and they can bargain with foreign business from a position of strength. They have fairly equal income distribution and they provide extensive public services like education and housing. They protect their domestic industries, if in different ways. Korea and Malaysia have their own automobile industries behind protectionist markets. Thailand takes a different East Asian tack. Japanese automobile plants are already there, the American majors are now negotiating to move in plants. The Thai government seems to deal from strength. It offers no tax breaks and requires substantial local component ratios. The Philippines offers a much bigger domestic market, big tax concessions and no strings. Yet the auto manufacturers prefer Thailand. Why? They say it is because the Thai government is both more honest and more stable. American and Japanese accountants can calculate future profit and loss much more precisely there (USA Today, 5 March 1966).

Presumably not all the desirable difference comes from the characteristics of government. Thai society probably also embodies more literacy, more discipline, more honesty. But these are all characteristics of a national network of interaction, of the nation-state. East Asia offers different combinations of capitalist transformation and nation-states.

Europe is the only one of the three regions to have experienced significant political transformation.<sup>4</sup> This has reduced what we might call the 'particularistic' autonomy of its member states. They can no longer do their own peculiar things across many policy areas – from the labels on products to the torturing of suspected terrorists. In the long run this may impact on major constitutional variations. The increasing lobbying pressure on both Euro- and national government (which must now represent more interests more effectively than it did in the past), combined with the EU's regional policy (offering many financial resources), seems likely to produce more uniform distribution of power between central and local government. Constitutional rights of citizens and minorities are also converging. The states are both converging and losing powers to Brussels.

The original impetus for all this was mainly geopolitical and military: to prevent a third devastating war in the continent, more specifically to bind Germany into a peaceful concert of nation-states. The United States had its own, primarily geopolitical, reasons for encouraging it. Thus the 'Six' and the 'Nine' were being bound together before much of the capitalist transformation had occurred. But since the chosen mechanisms of binding were primarily economic, they were then intensified by this transformation. The economy of Europe has thus been substantially transnationalized.

Yet the European Union also remains an association between nationstates, an inter-national network of interaction. Specific geopolitical agreements between Germany and France, with the support of their client Benelux states, have always been its motor of growth. Germany and France, like the other states, have lost many particularistic autonomies. But, when allied, they remain the masters on most big issues. Ask Germans what economic sovereignty, ask the French what political sovereignty they have lost, and they are hard pressed to answer. The minor and economically weaker states may seem to have lost more, but their sovereignty on the big issues was more limited in the past. Britain has stood to lose most, because of its historic geopolitical independence from the rest of Europe. And they vote and acquire ministries based on a combination of their population size and economic muscle. 'They' are states and national economies, represented by statesmen (and women) and national technocrats and business leaders. This is not traditional 'hard' geopolitics, since the agenda is primarily economic and the participants believe war between them is unthinkable. It is 'soft' geopolitics structured by much denser inter-national (plus the remaining national) networks of interaction.

Thus Europe has been politically and economically transformed, with a substantial decline in the particularistic autonomy and sovereignty of its nation-states. Though the mechanisms for negotiating these transfers of powers have been largely geopolitical (supplemented by the enthusiasm of Euro-wide federalists), they are institutionalized through rules, institutions and practices that have become fairly transnational, transforming social expectations right across Europe. Yet all this coexists with a far denser, if 'softer', set of inter-national networks. Since the density of both is historically unprecedented – no Delian or Hanseatic League or confederacy ever penetrated so transnationally or inter-nationally into social life – we have no political term to describe it. The political legacy of the Greek language is finally superseded. Maybe the best term is just 'Euro'. If so, it may not be the future of the world.

It would be unwise to generalize about 'the south', given its variety. Some of it may well follow East Asia into the north. A genuine transnational penetration would integrate bits of territory here, there and everywhere, by 'random walk', almost regardless of state boundaries. But this seems rather unlikely, since stable government, social order, and education and health systems still seem the minimum of what substantial foreign investment and economic development require, and geopolitical alliances retain some, though less, relevance (unless some new world tension replaces the old Cold War). These all require social organization coordinated at the national or state level. What other agency can provide them? If Chile is making it into the north, then it will be because its already fairly stable state and civil society were reinforced by a firm anti-Leftism, a state-imposed order and a state-imposed economic neoliberalism which were attractive to foreign investors, especially the USA. If the richer Arab countries make it, it will be because of their oil - but this has also been accompanied by formidable states. China and India - one-third of the world's population - offer different combinations of massive economic resources, strong civil (i.e. 'national') societies and ambitious state regulation. Will the sense of national citizenship in such countries be diminished or strengthened by economic success? Surely it will be strengthened.

At the other extreme deeply troubled states in Africa seem to be fragmenting for premodern rather than postmodern reasons. Their claim to modernity, including the constitution of a nation-state, proved paperthin. International capitalism would like to prop them up, not to fragment them. But it has insufficient local power or attention-span to do so. There are more attractive areas, with stronger states and civil societies.

Thus the vital issue for the nation-state across most of the world is the level of development – of the economy narrowly considered, but also of two of the preconditions of this: the 'civility' of the country and

the infrastructural capacity of the state. The entwined expansion of all three produced the nation-state in the northwest and its extension to a broader north. If world development stalls, then so will the extension of the nation-state; indeed, some 'paper' nation-states may collapse. But if development is possible, it will occur in those countries which most resemble nation-states and it will in turn enhance them.

But suppose that the drift of the economy is towards more and more transnational globalism, that free trade is largely achieved as the EU, NAFTA, the Asian and Pacific Conference countries and other trade groups merge under the loose umbrella of GATT, that multinationals become more cosmopolitan, that development of the south becomes more diffuse, less nation-state-centric. Would this amount to a single transnational/global economy in which the commodity and the single market ruled universally?

The answer is both yes and no. All goods and services would then have a price on a single market and capitalist enterprises would organize their financing, production and exchange. 'Consumerism' already dominates, some of the enthusiasts say; business accountancy practices spread through previously insulated institutions like civil services or universities; and athletes sell their skills to the highest bidder on free and relatively new markets. Such commodity penetration would broaden.

But even so, the rules of those markets might still have their particularities, some being the effects of national and inter-national networks of interaction. Though a far broader range of goods are now bought and sold, many of the most important ones are not actually sold as commodities on free markets. None of the three biggest industries in the US economy, defence, health care and (probably) illicit drugs, are simply dominated by commodity production, though all involve considerable transnational networks. In defence the government is a monopolistic customer for hi-tech weapons systems and it decides what other states (friendly ones) will be allowed as customers; supply is not very competitive (sometimes only one manufacturer will 'tender' and sometimes profit is calculated on a cost-plus basis). The weapons embody more 'use' than 'exchange' value - the USA must have them, almost regardless of cost, and the corporation can produce them without much thought of market risk. The health care industry offers its wares more competitively, though the industry has a peculiar multi-tiered structure, involving considerable bureaucracies (of insurance companies, Health Maintenance Organizations, etc.), organizationally differentiated according to the customer's ability to pay. And again, for customers who can afford to pay, the product is more of a use than an exchange value. Health preservation (defined by current medical practices and power) is desired at almost any price. Of course, both these industries involve massive multinational cor-

porations and the global finance networks involved in their investment. But these are funnelled into organizations with distinctive national and (in the case of defence) inter-national organization. In the third industry, illicit drugs, the delivery to the consumer seems largely commodity exchange. But the industry is also structured by the intersection of law and state policing of its boundaries with distinctively criminal organization of secrecy and violence. Addiction also produces consumers for whom the product is a use value, to be obtained at almost any price (including crime). Thus the commodity need not rule, even through an eminently capitalist-seeming economy. The economy involves diverse social practices and values, which provide their own 'blockages' to the rule of commodity exchange.

Though the capitalist economy is now significantly global, its globalism is 'impure', a combination of both the transnational and the inter-national. The potential universalism of the former is undercut by the particularisms of nation-states – and indeed also by the particularisms of human social practices at large.

# ENVIRONMENTAL LIMITS, NEW SOCIAL MOVEMENTS AND A NEW TRANSNATIONAL CIVIL SOCIETY

Through population growth, soil and plant erosion, water shortages, atmospheric pollution and climate change, we encounter a second form of globalism - reinforced by the dangers of biological, chemical and nuclear warfare alluded to later. We are indeed living in Beck's 'risk society' (though this is not the only society we are living in) and have only done so in the second half of the twentieth century. On some of these issues the traditional 'solution' of letting the south or the poor starve can endure. But on others, humanity together faces severe risks. These are not identical to the risks of capitalism, though the two are deeply entwined (since capitalism is now the dominant form of economic production). The 'mastery' and 'exploitation' of nature, and the enormous increase in human potentiality to do so throughout the globe, are also attributable to industrialism and to the other modes of production developed in the modern period. State socialism (and fascism too) was even more destructive of the environment, while the petty commodity production of small peasants has also been forced into many destructive practices. Nation-states, scientific establishments and (until the last few years) virtually all modern institutions contributed their piece of destruction. And rampant population growth also has sources other than capitalism, for example military, religious and patriarchal practices. To deal with these risks responses must go beyond the nationstate and capitalism alike.

Present responses on environmental issues seem mainly two-fold. First, organizations are already in action embodying variant forms of the famous environmental maxim 'Think globally, act locally'. These are mainly mixed local-transnational pressure groups and NGOs, some of them formal pressure groups (like Greenpeace), others carried by professional and scientific networks (of soil scientists, ornithologists, demographers, etc.). They are more 'modern' than 'postmodern', since they reject scientific-material exploitation of nature on primarily scientific and social-scientific grounds. Though their elites originated in the north, they have increasingly spread globally, among both highly educated southern elites and among diverse, and rather particular, groups threatened by real material problems. Such networks use the most modern and global means of communication. In exploiting these, they sometimes outflank national government and international capital alike - as consumers mobilized through western Europe to boycott Shell, humiliate the British government, and force the towing back of the Brent Spar oil platform in 1995. We may expect more of this.

Is this a 'global civil society'? Its structure is not entirely new: in the early twentieth century socialists (and, to a lesser extent, anarchists, pacifists and fascists) also generated extensive transnational networks covering much of the globe, using similarly advanced technology (printing presses, immediate translation, dictaphones, etc. – see Trotsky's remarkable study in Mexico City). The socialists launched a wave of revolutions, some successful, most unsuccessful. Many of the more idealistic proponents of the notion of a new civil society expect its scale eventually to dwarf such historical analogies.

Second, however, there is also increasing deployment of intergovernmental agencies: macroregional and continental agencies, UN conferences, etc. Their key participants, those who could implement coordinated policy decisions, are representatives of nation-states. 'Soft geopolitics' is becoming denser in this arena too. The other main delegates are the 'experts' mentioned two paragraphs above, who lead a double life. Though nurtured in transnational professional associations, they must adopt the perspective of the nation-state, persuading governments that global concerns are actually in the national interest. Some hit on excellent wheezes. Some American ornithologist managed to persuade the State Department to insert into its aid programme to Belize a requirement to protect a rare bird of which the Belize planners had not previously heard. More significantly, feminists involved in development agencies are pressuring reactionary dictators in the south to put more resources into the education of women since this will reduce the birth rate (one of the primary goals of almost all southern governments).

Thus environmental issues mainly encourage dual networks of interaction, one a potentially local/transnational civil society, the other

inter-national, in the form of 'soft' geopolitics. The former may transcend the nation-state, the latter coordinate states more tightly together, though perhaps in partly consensual terms which are not incompatible with a gradual spread of a civil society. Again it is a mixed story.

And this is also the case with others among the 'new social movements'. It is usually argued that those concerned with the 'new politics' of identity — of gender, sexuality, lifestyle, age cohort, religion and ethnicity — weaken national (and nationally regulated class) identities, replacing or supplementing them with local-cum-transnational sources of identity. Ethnic politics are too variable to be dealt with in a few paragraphs (and I am writing about them at length elsewhere). So one sentence will do here: ethnic politics may fragment existing states, but — given the defeat of alternative multinational and socialist states — they fragment them into more, supposedly more authentic, nation-states. But for other social movements based on identity politics, I wish to argue that on balance they strengthen existing nation-states.

I argued earlier that the 'moderate nation-state' began by staying out of areas of social life considered 'private'. The household was especially sacred, and states stayed outside the family life of all but the very poor. Secular states generally lacked their own moral concerns, taking over moral conceptions from religion. Their legislation might firmly prohibit certain forms of personal behaviour yet government relied more on citizens' internalizing morality than on enforcement. Where citizens did not wish to comply, they privately evaded – and states usually lacked effective infrastructures of enforcement. Apparent exceptions – child and female labour prohibitions were the main nineteenth-century instance of new legislation being enforced – resulted because they were believed to violate the patriarchal household and Christian sexual conduct.

The twentiethth century changed this, through new political movements and the penetration of the welfare state into the private realm. States are now asked to legislate and enforce moral conduct in what had been hitherto private arenas. I can no longer pollute the public environment by smoking. My dog's defecations are also more restricted. I can no longer beat my wife or children. If I leave them, I must make due provision for their wellbeing. Much of the new legislation is paradoxically framed in the spirit not of restrictiveness, but of extending personal freedoms. Gays may practise their lifestyle openly; women may abort unwanted foetuses. But this results not in a neoliberal absence of state regulation; it would only if there could be some consensual final resting-post for definitions of what is public and what is private. Instead it produces a continuous, highly contentious political debate and legislative stream. May gays get married, rear children, join the military, run scout troops? For how long, for what reasons, in what ways and in what type of clinic can women abort foetuses? Does the presumptive father

have any say? We need laws on all these issues and for the complicated welfare entitlements they imply. Thus passionate pressure groups organize and 'culture wars' appear. The USA is extreme, both its main political parties partially hijacked by these 'new social movements'. But most countries across the world are now politicized by such moral issues.

These culture wars do involve some transnational and some global interaction networks. Feminists, gays, religious fundamentalists, etc. use emerging global networks of communication and NGOs, and they focus energies on the UN as well as their own state. However, most contending actors demand *more* regulation by their own nation-state through its legal or welfare agencies: to restrict or liberalize abortion, pre-marital conception and single parenting; to clarify harassment, child abuse and rape and the evidence needed to prosecute them; to guarantee or restrict the rights of those with unorthodox sexual preferences or lifestyles. Since authoritative social regulation remains overwhelmingly the province of the nation-state, the emergence of new identities may ultimately reinvigorate its politics and broaden its scope. New social movements claim to be turned off by class politics. Perhaps class politics will decline – but not national politics in general.

#### POST-MILITARISM AND A NEW WORLD ORDER

As Martin Shaw argues, it is in the realm of hard geopolitics that the northern nation-states have experienced the most radical transformation – because this is where they learned the bitterest lessons. In the two great northern wars (more commonly called the world wars) they suffered perhaps 70–80 million dead – as a direct consequence of the nation-state system.<sup>5</sup> Through those wars they also pioneered weapons so devastating that they could no longer be actually used for any rational 'hard geopolitical' purpose. Northern states are now less willing to engage themselves in wholesale war than almost any states in history. The original backbone of the nation-state is turning to jelly.

But again our three regions vary. None are more reluctant militarists than the Europeans, the guilty perpetrators of both wars, reliant for their defence for the last fifty years on the USA and presently faced by no serious threat to their security. Though the EU contains two nuclear powers, has its Franco-German brigade and its curious Western European [Defence] Union, all this is less significant than the unprecedented virtual absence of serious 'hard geopolitics' within Europe. Germans remain the most constrained of all by anti-militarism. The determination to break with the terrible character of European history is probably the most causally determining modern transformation of all, and the one which is most encroaching upon traditional national sover-



eignties. But to make European history the general pattern of the world would be ethnocentric in the extreme. And if it was, then the analogy would require more than just a restructuring of capitalism reinforced by a 'cultural turn'. The analogy would require future wars killing many millions of people in other regions of the world, before they too cried 'enough'.

Yet most Japanese may also have cried 'enough'. They are at present reluctant militarists. Some Japanese politicians are bolder than their German counterparts in expressing nationalism, but they still get slapped down. Yet East Asia is potentially an insecure region. The United States differs again. It suffered little during the two great northern wars – indeed its economy greatly benefited. It is a military superpower, still projects a standing armed force of 1,200,000 into the next century, and still modernizes its hardware. It remains the global policeman, a role which European and Japanese governments are keen to see continue and may even help finance. But even in the USA defence cuts have been sizeable and it is doubtful that the American electorate has the stomach for warfare in which many American lives would be lost. In any case these northern regions dominate the world without war.

The world nonetheless remains conflict-ridden, with a substantial place for 'hard' geopolitics. Consider this list: rising ethnic separatism, conflict between potentially nuclear states like India and Pakistan or the two Chinas, China's geopolitical role incommensurate with its real strength, the instability of Russia and some smaller well-armed powers, the prevalence of military regimes in the world, the likely proliferation of nuclear weapons and the largely uncontrolled current spread of chemical and biological weapons through the world. Who knows what eco-tensions, resulting from water shortages, foreign-dominated exploitation of a country's habitat, etc. might lurk around the corner? It is unlikely militarism or war will just go away. All these threats constitute serious obstacles to the diffusion of transnational and universal global networks.

The threats could conceivably be contained by a global geopolitical order, though this would be partially segmented. It must centre for the foreseeable future on the USA, flanked perhaps by greater coordination with the bigger northern states and with the United Nations. Shaw sees their combination as providing an emerging global order, though acknowledging that it is not a true 'state' and that it remains dual, torn between what he calls its 'western' and 'world' components. Actually, it seems a triad, since its core is not western but American – adding a further level of unreliability. The American electorate may not wish to provide the 'mercenaries' to police the world. It may agree to police its neighbours, a few strategic places and vital resources like oil, but not

most of the world – or the more powerful rivals. It seems a long way to either a transnational or a geopolitical order for the world as a whole.

And even the more warlike scenarios mentioned above would not actually be on a par with the nation-state's horrendous past. 'Hard' geopolitics – that is, terrible wars – caused its initial growth and remained one-half of it until recently. Hard geopolitics are now in relative decline in the north, though not everywhere. Though the dangers presented by weapons of war have increased, these actually reduce the mobilizing power of states. If states have lost some of their traditional core, are they therefore in general decline? The argument seems most plausible in Europe, least across large swathes of the south. Moreover, we have seen that 'soft' geopolitics may be rising to complement the hard variety, buttressed by the new national mobilizations described above.

### CONCLUSION

This article has analysed four supposed 'threats' to contemporary nation-states: capitalist transformation, environmental limits, identity politics and post-militarism. We must beware the more enthusiastic of the globalists and transnationalists. With little sense of history, they exaggerate the former strength of nation-states; with little sense of global variety, they exaggerate their current decline; with little sense of their plurality, they downplay inter-national relations. In all four spheres of 'threat' we must distinguish: (a) differential impacts on different types of state in different regions; (b) trends weakening and some trends strengthening nation-states; (c) trends displacing national regulation to inter-national as well as to transnational networks; (d) trends simultaneously strengthening nation-states and transnationalism.

I have hazarded some generalizations. Capitalist transformation seems to be somewhat weakening the most advanced nation-states of the north yet successful economic development would strengthen nation-states elsewhere. The decline of militarism and 'hard geopolitics' in the north weakens its traditional nation-state core there. Yet the first three supposed 'threats' should actually intensify and make more dense the inter-national networks of 'soft geopolitics'. And identity politics may (contrary to most views) actually strengthen nation-states. These patterns are too varied and contradictory, and the future too murky, to permit us to argue simply that the nation-state and the nation-state system are either strengthening or weakening. It seems rather that (despite some postmodernists), as the world becomes more integrated, it is local interaction networks that continue to decline – though the fragmentation of some presently existing states into smaller ethnically defined states

would be something of a counter-trend, i.e. the reduction of the nationstate to a more local level.

Global interaction networks are indeed strengthening. But they entwine three main elements. First, part of their force derives from the more global scale of transnational relations originating principally from the technology and social relations of capitalism. But these do not have the power to impose a singular universalism on global networks. Thus, second, global networks are also modestly segmented by the particularities of nation-states, especially the more powerful ones of the north. Third, that segmentation is mediated by inter-national relations. These include some 'hard' politics, and if these turned again to major wars or international tensions, then segmentation would actually increase. Yet at present the expansion of 'soft' geopolitics is more striking, and this is rather more congenial to transnationalism. Is this a single 'global society'? Not in the strongest sense often implied by the more enthusiastic theorists. These global networks contain no singular, relatively systemic principle of interaction or integration. My own view of 'society' is less demanding, since I conceive of human societies as always formed of multiple, overlapping and intersecting networks of interaction. Globalism is unlikely to change this. Human interaction networks are now penetrating the globe, but in multiple, variable and uneven fashion.

#### NOTES

- Clearly, stateless societies existed (indeed they dominated much of human existence on earth) and they still exist in the world today. But states seem necessary to advanced social life though anarchists disagree.
- 2 MITI the highly interventionist Japanese Ministry of Trade and Industry.
- 3 Chiapas is the only province where ethnic conflict can plausibly arise, since mestizos dominate everywhere else. This is because Chiapas was acquired from Guatemala in the 1920s.
- 4 I have discussed this in more detail, and with some comparisons with other regions, in an earlier article (Mann, 1993b). As the present article indicates, however, my views have since modified in certain respects.
- Obviously, these wars had complex causes. However, as I have tried to show in the case of the First World War (see Mann, 1993a: Ch. 21), they centre on the institutions of the nation-state more than they do on any other power organization (such as capitalism).

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