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A NEW PERSPECTIVE ON THE STATE

1 Reconfiguring the national constellation

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The influence of the state on the trajectory of human lives is more comprehensive and sustained than that of any other organizational construct. We provide a definition of the modern nation-state in four intersecting dimensions – resources, law, legitimacy, and welfare – and review the history and status of each dimension, focusing on the fusion of nation and state in the 19th century, and the development of the 'national constellation' of institutions in the 20th. We then assess the fate of the nation-state after the Second World War and, with western OECD countries as our sample, track the rise and decline of its Golden Age through its prime in the 1960s and early 1970s. Finally, we identify the challenges confronting the nation-state of the 21st century, and use the analyses in the following eight essays to produce some working *hypotheses* about its current and future trajectory – namely, that the changes over the past 40 years are not merely creases in the fabric of the nation-state, but rather an unravelling of the finely woven national constellation of its Golden Age. Nor does there appear to be any standard, interwoven development of its four dimensions on the horizon. However, although an era of structural uncertainty awaits us, it is not uniformly chaotic. Rather, we see structured, but *asymmetric* change in the make-up of the state, with divergent transformations in each of its four dimensions. In general, nation-states are clinging to tax revenues and monopolies on the use of force, such that the resource dimension may change slowly if at all; the rule of law appears to be moving consistently into the international arena; the welfare dimension is headed in every direction, with privatization, internationalization, supra-nationalization, and defence of the national status quo, occurring at various rates for healthcare, pensions, public utilities, consumer protection, etc. in different countries. How, and whether, the democratic legitimacy of political processes will be ensured in such an incongruent, if not incoherent and paradoxical state is still unclear.

> *Se vogliamo che tutto rimanga come è, bisogna che tutto cambi.*
> If we want things to stay the same, they are going to have to change.
> (Giuseppe Tomasi di Lampedusa [1896–1957], *The Leopard* 1960 [1958].[74]

> *τὰ πάντα ῥεῖ*
> *Ta panta rei*. Everything is in flux. Heraclitus (535–475 BC)

Political theorists have traditionally sought to define the state in terms of a single crucial function or trait. In Thomas Hobbes' (1588–1679) *Leviathan*,[51] written at a time when war was the rule and peace the exception, the state's purpose is to overcome the natural tendency toward a 'warre, as if of every man, against every man'[51:88] that rendered 'the life of man solitary, poore, nasty, brutish, and short'.[51:89] The book's frontispiece[15,16,80] has informed our idea of the state for almost four centuries. It depicts a gigantic king with a body made up of faceless citizens, a worldly sword and a bishop's staff in his hands, and a benign smile on his face, as he looks out over a peaceful but barren countryside. A few centuries later, Max Weber[124] (1864–1920), one of the fathers of sociology, put the emphasis on the sword, exchanged the ecclesiastical staff for secular moral legitimacy, and deemed the state's 'monopoly of the legitimate use of force' the crucial function of the state; and the notorious constitutional lawyer Carl Schmitt[110] (1888–1985) defined the power to rule in a state of emergency or other exceptional circumstance as the central characteristic of statehood. But today's modern state, at its apogee in continental Europe, is really a 'polimorphous beast'[126] that represents far more than these one-dimensional definitions can encompass. The state regulates the labour market, steers the economy, fights crime, and provides some form of education; it regulates traffic, provides a framework for democracy, owns businesses, enters wars and makes peace treaties, creates a reliable legal structure, supports social welfare, builds streets, provides water, imposes military service, maintains the pension system, collects taxes and deploys some 40% of the gross national product, represents national interests and generally regulates daily life down to the smallest detail. Such a multi-faceted entity clearly requires a multi-dimensional definition.

We define the modern state in four, intersecting, dimensions. The *resource* dimension comprises the control of the use of force and revenues, and is associated with the consolidation of the modern *territorial* state from scattered feudal patterns. The *law* dimension includes jurisdiction, courts, and all the necessary elements of the *rule of law*, called 'Rechtsstaat' or constitutional state in German-speaking countries where it is most closely identified with the widely held concept of the state. *Legitimacy* or the acceptance of political rule came into full bloom with the rise of the *democratic nation-state* in the 19th century. And

welfare, or the facilitation of economic growth and social equality, is the *leitmotif* of the *intervention state*, which acquired responsibility for the general well-being of the citizenry in the 20th century.

The remarkable feature of the modern, 20th-century nation-state was that these four dimensions were merged and their activities concentrated at the national level. Only the nation-state or its designated subunits controlled the military and police, and had a monopoly on extracting revenues from the citizenry. Only it could guarantee the rule of law. Political legitimisation processes such as elections and public discourse focused first on the national level. The responsibility for ensuring welfare, balancing social inequalities and creating infrastructure for economic development all lay with the nation-state. It had evolved four dimensions and fashioned them into a tightly woven fabric – a multi-functional state that combines the Territorial State, the state that secures the Rule of Law, the Democratic State, and the Intervention State, and which we connote with the acronym TRUDI.

How did TRUDI respond to the challenges of the late 20th century? How is it coping with the 21st? Is TRUDI worn out, is it unravelling? Can, and will, it be mended or rewoven – perhaps transformed into one gigantic world state with a uniform pattern, or restyled into semi-sovereign, sub-national, regional governments? Or will the threads of TRUDI simply separate and follow individual fates in post-modern fashion, with the rule of law moving into the international arena while the nation-state clings to the resources of the territorial state, and the intervention state comes unspun and goes every which way? What is the future of the state?

In the German constitutional debates of centuries past – likewise concerned with the transnational trajectory of state-building – the young philosopher Georg W. F. Hegel (1770–1831), called the scholars of his time to task when he said, 'was nicht begriffen werden kann, ist nicht mehr.'[47] What cannot be comprehended, ceases to exist. In 2003, faced with so many incomprehensible and elemental uncertainties about the future of the nation-state and the values it embodies, a team of political scientists, lawyers, economists and sociologists established the TranState Research Centre[a] with funds from the German National Science Foundation (Deutsche Forschungsgemeinschaft). In this volume they review and synthesize the extant literature on the state, and the most recent results of their own efforts at comprehending 'the state of the state' in the new millennium, taking the western nation-states of the OECD as their sample.

In continental Europe, the state has been a prominent component of social and legal theory for centuries, and across the political spectrum, with democracy

[a] TranState is located in the state of Bremen, Germany, with twelve research projects at the University of Bremen, two at the International University Bremen and one at the University of Applied Sciences Bremen. In total it comprises about 65 researchers working on 15 projects for a period of 12 years (reviewed every four). Extensive information about TranState and all of the projects is available at http://www.state.uni-bremen.de/.

tacked on as an afterthought in the late 19th and early 20th century. In the US, it was the state that was the afterthought, improvised in the wake of revolution and democracy, and viewed thereafter as a necessary evil. Democracy then tended to obscure the growing state apparatus and confuse its role, and it was not until the 1980s, in works such as *Bringing the State Back In*,[30] that political theorists really started taking the state seriously in the US. While, in the US, the state is often perceived as a camouflage for a large collection of agencies beholden to special interests, Europeans tend to see the state as a generally benevolent autonomous institution. Both perceptions, when taken to the extreme, as is often the case, are surely myopic.[66]

In this first chapter, we review the history of the fusion of nation and state as it emerged in the Western world during the 19th century, and describe the development of the modern nation-state's 'national constellation'[b] of institutions in the first half of the 20th. We then provide a broad, but integrated, perspective that has been lacking in the political research of both Europe and the Anglo-American world, by tracking and assessing the fate of the nation-state after the Second World War, paying particularly close attention to the last three decades. We identify some of the current challenges confronting the nation-state and, in this context, introduce the eight essays that follow, making use of their analyses to produce some working hypotheses about its current trajectory and future.

The national configuration of the state in its Golden Age

The influence of the state on the trajectory of human lives is more comprehensive and sustained than that of any other organizational construct. And yet any perfunctory consideration of the modern state will reveal that it has always had, even during its Golden Age, an ambivalent nature. It is the citizen's most trusted friend, and most dreaded enemy. States are the most frequent violators of human rights, and yet only the state can guarantee these rights. The state's defence apparatus provides protection from outside interference, even while it poses a threat to other states or, in times of domestic unrest, to its own citizenry. That the state is simultaneously the main promoter of economic growth, and its greatest obstacle, can be witnessed in the reform debates over pensions, health policy, public utilities and education that are currently raging in every OECD country. Seen from this perspective, the historian Wolfgang Reinhard's[98:49] dictum would appear to be the rule: 'He who knows how the state operates no longer believes in the state'.[96,97]

[b] In 1998, Jürgen Habermas[42] (English 2001) regarded the emerging configuration of institutions in western nations as a 'post-national constellation', and yet the pre-existing 'national constellation' that was his implicit norm had not yet been fully examined.

Despite these conundrums of state power, basic social values such as peace, legal security, individual liberty, political self-determination and social welfare have, to varying extents, become hallmarks of the modern state. The historian Eric J. Hobsbawm[53] idealized the democratic welfare-state's most prosperous period in the 1950s and 1960s as the 'Golden Age' of modern times, and the philosopher Jürgen Habermas expanded on, and further popularized, the concept.[c] In an even larger sense, and in retrospect, we might call the national configuration of the state that existed in the 1950s, 1960s and into the 1970s the Golden Age of TRUDI, as these basic social values were fully incorporated in its four dimensions and their institutions.[103]

The resource dimension – the modern territorial state

The modern state presupposes control over key material resources within its territory; in its modern form, this includes monopolies on the issue of currency,[20] the power of taxation and the use of force. In the medieval order, several feudal rulers might well have used force and collected taxes in the same territory. But conflicts between rulers led to the development of monopolies on the use of force within distinct territories, beginning in France and England in the 16th century, becoming the norm throughout Western Europe by the end of the 18th, and culminating in Germany and Central Europe during the 19th. The monopolization of force within a territory went hand in hand with territorial control of the collection of taxes. The financial resources thus gained helped the state to strengthen and stabilize control over the means of force, making it readily available for use, both against domestic opposition within the state's own territory, and against other nation-states that were likewise engaged in the consolidation of resources.[27,39,120] Together these resources paved the way for the eventual development of the other dimensions in the fledgling territorial states – for the rule of law and accompanying social order, which, in turn, accommodated individual freedoms, and for the growth of welfare as an 'entitlement state'.

Initially the control of resources was simply engaged in by territorial rulers, and it was only during the 19th century that a normative basis was introduced. The process of institutionalizing the use of force and power to tax occurred throughout Europe, but at different paces and in different forms. Bureaucratic constraints and institutions waxed and waned, and the monopoly of power and taxation were tied to the rule of law, untied, and then retied, with the monopoly of force losing its tentative moorings to the rule of law time and again – in Nazi Germany, Mussolini's Italy, Franco's Spain, Horty's Hungary etc. In today's OECD nations,

[c] In 2001 Jürgen Habermas gave a lecture in Hamburg titled 'Why Europe Needs a Constitution'. For the text and the public response see amongst others http://www.newleftreview.net/NLR24501.shtml; http://www.germanlawjournal.com/article.php?id = 82 (accessed September 15, 2003).

there are still enormous differences in the resource dimension of statehood between nation-states. The once closely coupled relationship between the use of force and fiscal extraction has, in general, slackened. One obvious distinction is that between centralised and federal states.[35,76] In central states both are monopolized by the central tier of government, and federal states have developed several varieties of federalism whereby the state and the central tiers share these resources.

The legal dimension – the rule of law and sovereignty

During the 16th century, a process began which would effectively restrict the powers of rulers, internally and externally, by legal means, and transform the crude 17th-century territorial monopoly of force into what Max Weber called a monopoly of the *legitimate* use of force,[124] the cornerstone of Western legal tradition.[11]

The principles of secular international law began to fall into place as a result of the religious wars of the 16th and 17th centuries. Beginning with the Religious Peace of Augsburg of 1555, and formalized in the Westphalian Peace Treaty of 1648, the exclusive right of each state to rule within its own borders was recognized by all other states. These were the events that inspired Hobbes' political philosophy, and *Leviathan*, which laid out the first systematic theory of the sovereign state, was published in 1651. Over the course of the next few centuries, this mutual recognition of the sovereign status of states by other states matured into what we might now describe as external sovereignty. External sovereignty gave the state the right to exclusive rule within its territory; to legitimately bar other states from interfering in its territory; and to international recognition as a governing unit with rights equal to those of other states.[84] It allowed the rulers of territorial states to exclude both the Emperor and the Pope from the effective execution of powers in their territories, and effectively marginalized competition from northern Italian city states and northern European city leagues like the Hansa.[114]

As the precepts of external sovereignty became established in the international arena, internal state rule was progressively legalized. Step by step, the rule of law superseded tyranny, and the powers of the state were differentiated and separated. In the spirit of Montesquieu,[74] the territorial states established the separation of powers, and lawmaking, the application of law, and the judicial enforcement of the law were placed under different authorities. With its monopoly of the use of force, the state was then able to consolidate and acquire exclusive rights to these legal powers. This, in turn, positively affected the economy.[87] The state's increasingly legalized monopoly of rule on a given territory guaranteed a degree of legal certainty and predictability[d] that was unheard of in the 14th and 15th

[d] Michael Stolleis[115:27f.] points out that the word '*ragion*' in the term *ragion di stato*, or 'reason of state', is historically associated with the necessity of state-building as visualized by Hobbes and personified in the frontispiece of *Leviathan*, comes from the same linguistic root as 'ragione' which means calculability.

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centuries, and which eventually made it possible to secure the legal equality of all citizens.

These internal and external components of the rule of law meet when there is a generally accepted, nationally defined judicial institution that can resolve legal disputes between state institutions, as well as conflicts between national and international law. National constitutional courts and their parliamentary equivalents have thus become the most tangible and universal symbols of the rule of law in modern times.

From the 16th century onwards, the law dimension of the state, like its resource dimension, developed different forms in the nation-states of the OECD world. The best known distinction is that between states like Germany and France, with their tradition of *droit civil*, and states like Great Britain or the United States that follow the common-law tradition.[22] *Droit civil* restricts the judiciary to the application of the law and the precise implementation of the will of the lawmaker. In the common-law tradition, the judiciary itself has a law-making function. In continental Europe, the state generally plays a large role in regulating societal relations: here, 'politics and law meet' and are, in the words of the German constitutional judge and scholar Udo DiFabio, 'chained to each other in the institutions of the state'.[24] In the Anglo-Saxon world, on the other hand, societal self-regulation – at its extreme in the wild-west 'adversarial legalism' of the US[62] – is more dominant.

The legitimation dimension – the democratic nation-state

The emergence of the democratic nation-state in the 19th and 20th centuries inaugurated TRUDI's far-reaching legitimation dimension. Common institutions are legitimate in the *empirical sense* if the governed demonstrate a certain degree of voluntary compliance with collectively binding, socially accepted rules. Legitimacy in the *normative sense* requires the democratic constitutionalization of the form of government – that the empowerment to make laws is constitutionally limited and based on due process, and that those affected by these laws have participated in a meaningful way in generating them. With the development of TRUDI, the democratic constitutionalization of the state became the most important, although not the only, source of political legitimacy in the *empirical sense* as well. As Hasso Hofmann[54] recently described, this process took place exclusively within the nation-state.

A precondition for the development of a legitimate government is the existence of a political community formed by citizens who are loyal to the state and the laws it promulgates. The territorial states of the 17th and 18th centuries did not necessarily coincide with political loyalties, and in order to acquire such legitimacy, states shifted their territorial boundaries, either by uniting smaller

states, as in Germany and Italy, or, as was more often the case, splitting up larger ones as in the Hapsburg Empire.[1] A national political community could often be shaped from the extant local and regional loyalties in territorial states by appealing to unifying ethnic and cultural identities. In the 19th century, the introduction of compulsory school attendance and military service[52] encouraged the development of national loyalties. At the same time, the spread of mass media both connected and reshaped thinking in local and regional communities to such an extent that they began to distinguish themselves as an 'imagined' national community with common political interests.[4]

The growing concurrence of political loyalties and state territorial borders in Western and Central Europe during the 19th and 20th centuries[36] marked the turning point from the old world of territorial states to the modern world of nation-states.[23] It strengthened the geographical character of a political order and government.[78] The nationalism that accompanied this process was an institutional principle that went more or less hand in hand with democracy. Both were based on the normative principle of self-determination: nationalism maintains that a national political community should not be shaped by foreign forces, whereas democracy requires individual self-determination, and both depend on political autonomy.[48]

The rise of the bourgeoisie in the 18th century, and their increasing insistence on participation in government in return for supporting the aristocracy and clergy, laid the foundations for new democratic principles. The ideas that the state belongs to society and that the monopoly of the use of force is contingent on the democratic constitutionalization of the polity were developed during the American and French revolutions. The late 19th and early 20th century saw the general democratization of the nation-states of Western Europe and North America and the emergence of institutionally protected societal participation in government.[94]

Whereas all states in today's OECD world experienced democratization, there were important differences in the range of institutional forms available for it.[76,108] Thus, one can distinguish between parliamentary democracies and presidential systems, centralized and federal democracies, and systems based on representation versus more direct democratic ones. Furthermore, one can differentiate between majoritarian democracies, in which political decisions are made in parliaments based on majority rule, and consociational[e] democracies[75], in which decisions are settled by 'amicable agreement' between the various political parties and the major 'social partners', such as unions

[e] The term 'consociational democracy' was introduced by the Yale political scientist Arend Lijphart at the end of the 1960s and defined as 'government by elite cartel designed to turn a democracy with a fragmented political culture into a stable democracy'.[75:216] It dates back to Johannes Althusius' (1557–1638) use of '*consociatio*' in his *Politica Methodice Digesta* (1603).

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and employers. The democracies of the OECD also differ in the way the state interacts with interest groups: in a corporatist relationship, interest groups – usually unions and employers – can effectively bring state activity to a halt if they do not approve of it, whereas in a pluralist relationship the state keeps interest groups at arm's length and can proceed even if not all social actors are in agreement.[70]

The welfare dimension – the intervention state

Since the late 19th century, the state has been expected to fulfil a variety of tasks, recently analysed in great detail by Peter H. Lindert,[77] far beyond the limited role of 'nightwatchman'[99] in the laissez-faire economy advocated by Adam Smith (1723–1790). In order to be militarily prepared to defend itself against other states, the 'early modern'[79] or 'absolutist' state needed a national economy that would allow for efficient production and trade, and provided workers with the relevant basic skills. It laid the foundations for a national market economy by removing market barriers and standardizing weights and measures within its borders, and by investing in infrastructure and education, and operating its own industries.[19,121] The state took on regulatory tasks such as factory inspections, industrial health and safety, and town and country planning, and encouraged extensive exchange of knowledge between 'backward' and 'advanced' states, with countries such as the UK, the US and Germany all fitting one or the other designation at some time or in some particular task.[50,102]

The late 19th-century state was also expected to ensure the fair and equitable distribution of wealth within society. The Industrial Revolution inflated the ranks of the working classes, and they were no longer willing to accept the glaringly unequal distribution of wealth within the new industrial society. Modern welfare policies were implemented whereby the primary distribution of income by the market could be corrected by state-sponsored secondary distribution. In many cases the primary distribution of wealth in society was and is itself channelled by state regulations such as systems of collective wage bargaining, minimum wages, and tax structures. This is often overlooked, but it actually makes certain varieties of capitalism good anchors for the welfare state. After 1945, the Keynesian version of the welfare state gave the state the additional responsibility of ensuring continuous economic growth, economic stability and full employment.[32]

In the fully developed interventionist state, the state takes responsibility for each and every one of its citizens.[67,68,81] It is, according to Wolfgang Streeck, characterized by three types of state interventions.[116] *Market-making* interventions regulate market and production processes. *Market-braking* interventions supply human resources, infrastructure and basic services, known as public

utilities in the US and UK, *service public* in France, and *Daseinsvorsorge* in Germany.[f] *Market-correcting* interventions redistribute income via the welfare state, macro-economic policies and various micro-economic forms of risk absorption.

Like the other three dimensions of the state, the interventionist states of the OECD world developed different forms. Most typologies classify these according to their market-correcting welfare state components,[68] which developed according to the different religious, cultural and legal traditions, and the particular distribution of power in the society of each country.[29] They differentiate the conservative welfare regimes typical of continental Europe, the social democratic regimes of Scandinavia, and the liberal ones of the USA and, with certain reservations, Canada and the UK.[26,28] A characteristic southern European welfare regime, and a 'radical' model typical of Australia and New Zealand, have also been proposed. These welfare regimes can be distinguished by the relative importance they assign to the central welfare producers, i.e. state, market, and family; their different requirements for access to welfare services and payments, i.e. citizenship, need, employment, etc; their levels of support and modes of financing; and, connected to the latter, the degree to which they are able to maintain the social status of clients, and how much they pressure clients to join the labour force. Welfare regimes throughout the OECD world have different key factors, particular sectors that were and are central to the national sense of social well-being, e.g. Germany's pension system, the UK's national health system, and France's education system.

The constellation as a whole – TRUDI

As 'the post-World War II settlement'[57] matured in the 1960s and 1970s, the four dimensions of the modern state converged and became prominent at the national level. The result was what we have labelled TRUDI. Most states outside the OECD world, as well as some recent OECD members like Mexico and Turkey, have either failed to acquire or are still in the process of developing all of these four dimensions. Here we have straightforward empirical evidence that the successful state does in fact require the development of the resource, legal, democratic and welfare dimensions, and that TRUDI is more than a theoretical construct. In most of the states outside the OECD world only one dimension is fully developed,[9] and in a few, commonly referred to as 'failed states',[105,106] none is sufficiently developed.[g]

[f] For an English presentation of the German 'Staat der Daseinsvorsorge' of Ernst Forsthoff see Arthur Jacobson and Bernard Schlink.[59] For a German–French comparison of the divergent legal infrastructure for the privatization of public utilities see Johann-Christian Pielow.[93]

[g] In Berlin, Thomas Risse is leading an initiative to establish a large Research Centre on the issue of failed states, which would complement the work of the Bremen TranState Research Center functionally and geographically.

Colombia, for example, lacks a protected state monopoly on the use of force and fiscal extraction, and it also lacks an institutionalized form of democracy and a fully developed intervention state. It is what the political scientist Robert H. Jackson[58] calls a 'quasi state', wherein the only quality that makes it a state at all is its legal status as a sovereign state. Taiwan lacks recognition as a sovereign state, but has a fully developed resource dimension, is on the way to becoming a full-fledged legitimation state with a developing national political community, and has a burgeoning welfare dimension.[100:241–335] Saudi Arabia, on the other hand, is recognized as a sovereign state under international law and has a fully developed resource dimension, but clearly lacks the separation of powers required for the rule of law and the democratic underpinnings of a legitimation state. In other states such as Argentina and the Philippines[83] political elites are democratically legitimized but not constitutionally embedded. Whether or not some or all of these states will continue to develop their four dimensions – and if so, to what degree that development either depends on, or produces, a convergence of those dimensions into a national constellation – or whether such states will simply leap forward into some unforeseen post-national constellation, remains to be seen.

Despite the failure of many nations to achieve it, the fully developed TRUDI of the OECD world, with its variable institutional arrangements, is viewed as an exemplary model of the modern state by the median voter in all parts of the world.[61] Substantial deviations from this model in any of TRUDI's four dimensions are typically seen by those affected as deficiencies or aberrations.

For our purposes of examining the status and future of the nation-state, the crucial characteristic of TRUDI was the convergence of all four dimensions of the state in a *national* constellation[b] where they strengthened, supported and stabilized each other. Monopolies on the use of force and tax extraction, the myriad functions of the intervention state, the trappings of democratic legitimation, and national constitutions[41] and their judicial systems are all firmly rooted in *national* institutions. And the very essence of the nation-state, its legal sovereignty, has a double presence at the national level in that territorially bound governing entities must both recognize and be recognized by other territorially bound governing entities as sovereign states.

Challenges to the Golden Age state

The national constellation of the Golden Age was a unique and enduring political structure whose existence was dependent on two conditions of central importance for the modern state: the congruence of social and political space, and the simplicity and manageability of societal interactions, which lent itself to

paternalistic state control. The most serious challenges and threats to the structure of the nation-state stem from the disappearance of these two conditions.

According to the principle of *congruence*, territory, people and effective government go hand in hand,[60] and state sovereignty spans the territory in which the individuals of a community of people interact with each other. The territorial units so constituted must be separated from each other by 'clear and precise demarcations', to use the words of Carl Schmitt.[109] In more sociological terms, one might say that the space in which intensive societal transactions and interactions occur must be the same as the space which that same society regulates politically. As long as social activities such as the post and telecommunications, pollution, the production and consumption of culture occurred within national borders – in what J. A. Hall dubs 'complete power containers'[45] – it was possible to regulate them through national measures.

It is precisely this congruence of social space with political space that is threatened by what is commonly called globalization.[49] There is extensive literature describing how the emergence of global markets[13] has enabled businesses to elude political control, disempowering national politics and putting the nation-state in what Thomas Friedman has referred to as a 'golden straitjacket'.[34] According to these studies, transborder economic and social transactions are growing rapidly while political intervention remains confined within national boundaries.[64] This implies that flourishing global markets are either making a handful of cunning multinational Chief Executive Officers (CEOs) very rich, or leading us into a global consumer paradise. Regardless of one's interpretation, many studies concur that technological and political developments over the past two or three decades have caused an unprecedented decline in the significance of space as an obstacle to social interaction. As transactions become less place-bound, the spatial congruence of political and social activity is threatened.[129,130] In many central areas of human activity, the borders of social transactions now lie beyond the borders of any nation-state, and yet the majority of political institutions and regulations aspire to function only within nation-states. Ulrich Beck notes that 'society and state are still conceived, organised and lived … as if they had stayed in congruence'.[10] This weakens the capacity of national policies to achieve the desired political outcomes and has far-reaching effects on the notion of what constitutes legitimate government.

Other important challenges for the nation state lie in the growing complexity of many areas of human interaction – be they economic, scientific, cultural or religious – which makes them increasingly incomprehensible to outsiders. The state cannot possibly keep up with change in all of these societal subsystems, or acquire the expertise and information necessary to control them effectively. In order to be successful in such an environment the state must transform its traditional hierarchical, patriarchal image and share responsibilities with private

or civil society actors. The state may still cast a large regulatory shadow over many such activities, even increasing its reach in some areas, but it now requires the help of private actors to do so.[h] The separation of telecommunications from the postal services in many European states, and its subsequent privatization in the global market is just one example of this development.[82,90,107]

Even in the core areas of state regulatory activity – the straightforward exercise of state power through prohibitions, permits, and other binding orders – hierarchical forms of government are becoming increasingly rare and the state often cooperates as *primus inter pares* with non-state actors.[112] So extensive are such arrangements becoming[25] – including everything from private pension schemes and toll roads, to the American outsourcing of prisons or military functions, and there are even suggestions that the state could get rid of public debt by selling *all* its property to private actors and leasing it back – that some scholars refer to a 'public management revolution'.[86,118] Whatever one's views on these issues, such a regulatory trend can hardly be overlooked.

What other changes have been triggered by the disappearance of the conditions that nurtured and supported TRUDI through its Golden Age? Do these changes constitute a complete transformation – do we need a new conceptualization of what comprises a state? What is the future of the state in an era of globalization and increasing subsystem autonomy? Before taking up these questions, four conceptual notes are in order.

First, to avoid excessive abstraction, the fully developed TRUDI of the OECD world of the 1960s and 1970s will serve as the *status quo ante* for our analysis and comparisons, as our historical starting point. It is this particular constellation of the state that most analysts see as the apogee of 400 years of development, and which we take as the norm against which to measure change.[i]

Second, it is not analytically productive to dichotomize the prospects of the state as is typically done in debates about its future. Attempts to discern whether the state as a whole will be strengthened or weakened by its new circumstances do not account for the multifaceted character of TRUDI. A multidimensional understanding of the state[17] suggests that one dimension, or even a single component of a dimension, may be 'strengthened' while another dimension or component is 'weakened'.

Third, we must clarify what 'strengthened' and 'weakened' actually mean. Here, it is helpful to distinguish between *organizational* and *territorial* changes.[63] An organizational change in any dimension of TRUDI is one in which the relationship between state and society changes. The question, then, is whether

[h] This is also true in the international sphere and sometimes leads to an exercise of private power on an international basis.[46,101]

[i] The issue of how the many different states of the world came into being, many of them as split-offs, is another one altogether, and is addressed by Alberto Alesina and Enrico Spolaore.[1]

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we're seeing an expansion of state power – i.e. the acquisition of new responsibilities and autonomy for national institutions – or privatization, with the state relinquishing responsibilities to non-governmental entities such as private markets,[19,31,122] the voluntary sector,[5] and families, heading, in the extreme case, towards a society dominated by unregulated market relations. A change in the territorial sense is a change in the relationship of the national to other political levels, whether international or regional.[6] The national level is weakened by 'denationalization'[129] when the national institutions of any of TRUDI's dimensions relinquish their political responsibilities, tasks, resources, or the administration of political processes and command of political loyalties to international or regional institutions – internationalization or subnationalization, respectively.

Changes in TRUDI, then, can occur along two axes, organizational and territorial, and the combined effect is not necessarily a simple strengthening or weakening of the state. Table 1 shows the possible combinations of transformative change relative to TRUDI as it existed during its Golden Age, including everything from transnationalization – a combination of privatization and internationalization – to a strengthening of the Golden-Age TRUDI, with its national configuration of institutions and responsibilities. This scheme accounts for all the theoretically possible changes of the *status quo ante*, even those that seem, in these times, the least likely, such as increased socialization of private sector activities, which was known as 'nationalization' in the early 20th century. Such a scheme can be used to examine the empirical results from studies of change in western political landscapes without prejudicing them toward any particular direction of change. Rather, the direction of change is determined directly by the empirical findings. We can look at change – if any – in each of TRUDI's four dimensions, and then synthesize the results to see more clearly how the nation-state as a whole is being reconfigured – thus countering the literature's militant tendency towards too much aggregation and oversimplification. In addition, all change is measured against the historically unique national constellation of TRUDI's Golden Age, thus countering the social scientist's propensity towards over-abstraction with the historian's specificity.

The fourth conceptual problem lies in determining just how much and what kind of change constitutes a *transformation* of the state. After all, a good amount of change is inherent in the status quo, or as the French are fond of saying, *Plus ça change, plus c'est la même chose*. More change, more of the same.

It is important to note here that critical, *transformative* changes are marked by the changing nature of the state and *not* by that of the specific policy of origin. A revolutionary change in social policy, such as the introduction of a dynamic pension scheme or a shift to a 'supply-driven' policy, can also be a revolutionary change for the state, in this case because the political system is accepting or

Table 1. Change in TRUDI – from the national to the post-national constellation

		TERRITORIAL CHANGE		
		Subnationalization	*Status quo ante*	*Internationalization*
ORGANIZATIONAL CHANGE	*Privatization*	Localization	Liberalization (Deregulation)	Transnationalization
	Status quo ante	Regionalization	↑ STATUS QUO ANTE TRUDI's national constellation ↓	Internationalization
	State expansion	Fragmentation	Socialization (Nationalization)	Supranationalization

Note: See also the article of Robert O. Keohane and Joseph S. Nye,[70:13] where a similar three-by-three matrix is employed. Their matrix refers to 'typical actors' like 'multinational corporations' rather than 'processes' like 'transnationalization'.

reneging on its guarantee of the social welfare of all its citizens. But a revolutionary social policy change such as throttling early exit into pension insurance, or indexing or de-indexing monetary transfers, might also involve *no* significant change in the general state make-up. And it is even possible that a relatively minor social policy change results in crucial changes for the state; this may be the case with the recent German labour market reform (Hartz IV) that merged federal Unemployment Insurance and communal Social Assistance, short-circuiting the finances between these tiers of government and introducing permanent turbulence into the General Federal Revenue Sharing system, which is the bedrock of German federalism. As Jakob S. Hacker[44] and Wolfgang Streeck and Kathleen Thelen[117] have pointed out, small changes can form part of processes such as displacement, layering, drift, conversion, and exhaustion that take place in tiny increments but lead to massive system-wide change. So we see that while policy research is not necessarily dealing with state transformation, state transformation must nevertheless pass through the needle's eye of policy research, where we can distinguish transformative from 'more-of-the-same' or business-as-usual policy change.

A certain degree of liberalization in the welfare dimension of a single country, such as the privatization of postal and telecommunication services in Great Britain, may constitute a significant change for that country, but does not necessarily represent a transformation of *the* intervention state as a functional concept and structure in the western world. A transformation of one of TRUDI's dimensions requires change that is *epidemic*, a diagnosis we make with some confidence if the majority of the countries in our OECD sample have experienced significant change in that dimension. But just how much change must be observed? We've seen that in each dimension of TRUDI there is a certain *corridor of variation* within which a number of institutional forms have developed and policy patterns routinely change and vary. A transformation would mean that the size or shape of the *corridor* itself – the nature or range of routine variation – has changed. A corridor may have narrowed or widened, or the ceiling may be lower, or it may have moved to another location or become unstable to the point of caving in altogether. For example, if different regime types mix and converge into one homogeneous type, there is less variation and the corridor narrows; a decrease in the social relevance of regimes means the ceiling becomes lower; a structural rearrangement of regimes means the corridor has moved, and general turbulence and uncertainty in policy-making means it has become unstable.

Finally, there is one last requirement for determining precisely what constitutes a transformation of *the state*. The transformation of one dimension does not necessarily result in a transformation of the nation-state as a whole. Here we must look for the *configurative effect* of the transformation, if and how it might

strengthen or destabilize the national constellation and the way in which the four dimensions have traditionally strengthened and supported each other.

The unravelling Golden-Age state – hypotheses and findings

Our working hypotheses assume, firstly, that *important* shifts are taking place in the different dimensions of the modern state, i.e. we are in an age of transformation that began in the 1970s.[14] Secondly, we propose that the shifts are in different directions, that the very fabric of the state is unravelling, with its central components drifting apart and refashioning themselves in a variety of new and radically different patterns. It is not a single transformation of the state that we are witnessing, but a plurality of divergent changes in each of its dimensions, transformation*s* in the plural, which may interact in the unravelling just as they did in the weaving. However, not every shift in state structures, every wrinkle in the fabric, amounts to an unravelling. The transformations of the state do not follow the fourth-century metaphysical doctrine of the gloomy Greek philosopher Heraclitus: not everything is in flux. We can distinguish different kinds and degrees of change, and dynamic forms of stability. Unravelling occurs only if important shifts in *different* directions take place in different dimensions of the state, only if the change is asymmetrical or divergent. Changes that take place in parallel in the different dimensions would not unravel the state's fabric, but rather restyle it in some integrated fashion at a new level, be it a 'world state' or a 'regional state' – the sort of archetypically symmetrical state that Hobbes imagined in *Leviathan*. If our hypothesis is correct, change in the four dimensions of the state should be divergent.

The resource dimension – the modern territorial state

At first glance, TRUDI's most ancient dimension, its material base, would appear to be holding true, staying in place with little observable change[128] while the fabric unravels around it. Neither the monopoly on fiscal extraction nor the monopoly on the use of force appears to be weakened at its core in any of the OECD countries. International organizations, such as the EU and the United Nations, despite their increasing responsibilities, have little direct access to nation-states' resources. The EU, which is extremely active in the intervention dimension and determines the substance of about half of all bills considered by national legislatures, receives about 1% of the European gross domestic product in the form of members' fees, while the tax revenues of its member states are, on average, around 40% of their respective Gross Domestic Products.[95,123] Likewise, although both the grounds for military intervention and the number of interventions authorized by the United Nations have increased markedly over the past 15 years, the military resources

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at the UN's disposal are extremely limited and implementation lies in the hands of a few powerful nation-states.

Although international and supranational institutions have not gained direct control of nation-state resources and this dimension remains relatively intact in the core OECD countries, it is increasingly threatened by the appropriation of the resources of failed states outside the OECD world. These areas provide violent societal actors with more and more opportunities to become established and gain local control of the means of force and often of the means of fiscal extraction. Organized crime, Mafia-like structures, and transnational terrorism[105] pose new threats to security and fuel demands for change in the OECD world. In the next essay, Jachtenfuchs shows how these sorts of threats have provoked new collaborative relationships between the police forces of EU countries, as well as broader, cooperative military intervention policies from the United Nations. The nation-state still has the final word in terms of whether and how the police and military are put to use, but their daily operations are being coordinated, and standards for their use are being set, at the international and supranational levels. So while national sovereignty over the means of force is not in question, the autonomy of nation-states with respect to its employment is constrained and directed by international consensus and coordination.[j]

Genschel's contribution in this volume shows that the fiscal components of the resource dimension are experiencing a similar loss of autonomy. Although globalization, the free movement of capital, and increased international competition for capital, have triggered the reshaping of national fiscal policies,[72] internationalization *per se* has been less significant here and change has been more in the organizational than the territorial sense. The number of bilateral treaties has increased hand in hand with the internationalization of markets, but proposals to create a multilateral regime for taxation have gone unheeded. Endeavours to harmonize fiscal policy at the international level have met with limited success over the past 40 years, and even at the European level such programmes remain in their infancy.[38] Recently, the OECD started a rather successful 'Project on Harmful Tax Practices' to force tax havens outside the OECD to trim down their attractiveness for tax evaders from OECD member states. But programmes to redistribute fiscal revenue between countries by international agreement are

[j] The decision of the US to go to war with Iraq without the approval of the UN Security Council, and against the opposition of the majority of its members, throws into question the idea that national autonomy is actually constrained by international consensus. Given that this unilateral intervention has been extremely costly for the US and its allies, and the United States' recent attempt at rapprochement with the UN, it remains to be seen whether the American action and the crisis it generated has indeed weakened the multilateral approach to security, or whether, in the long run, it will strengthen sectors of the US political elite and public that warned the US not to 'go it alone' in world politics. The Harvard international relations specialist Joseph S. Nye[88] and the doyen of the historians of international diplomacy Paul W. Schroeder[111] were particularly outspoken on this issue.

limited to some 1% of the European Gross Domestic Product, and though there is increased harmonization between national tax systems in Europe, attempts to introduce an EU tax system have so far failed.

At present, globalization's biggest challenge for national fiscal policies takes the form of tax competition between leading economies in the West, the transformation economies of Eastern Europe, and the leading and fast-developing economies of Asia. Catching-up nations have such a strong incentive to lure new investments with lower taxes that it is nearly impossible to reach consensus and contain such competition by international agreement. Instead, the globalization pressure has created a near-epidemic of national fiscal policy adjustments, which have in fact converged, narrowing the corridor of variation for this component of the resource dimension. Genschel's studies show that, so far, tax competition has not resulted in a race to the bottom in aggregate tax revenues. But it has imposed serious constraints on the national capacity to increase tax revenue in response to rising spending requirements, and created pressure to cheapen and 'de-tax' labour, despite chronically high levels of unemployment.[37] Fiscal responsibility for the welfare state, which was formerly shared by workers and employers, is becoming the responsibility of workers only, something Fritz W. Scharpf once referred to as 'one-class socialism' – an example of lowering the ceiling of the fiscal corridor, even while it converges and narrows. This shrinking corridor also tends to limit the state's range of options for generating tax revenue and maintaining budgets: it bars increases in capital taxes, income taxes and company-based social insurance contributions, and shifts the emphasis to options like value-added taxes and privatization of insurance that are particularly unpopular and politically visible.

A certain degree of privatization in response to budget constraints can also be observed in the resource dimension, including the privatization of prison services and of sections of the military in the US, and of military training sites in the UK. Private security services are a growth industry throughout the OECD world, but they do not yet threaten the state monopoly on the legitimate use of force.

Globalization is clearly tugging at the threads of TRUDI's resource dimension, and we have noted a number of significant changes in response. But we have also seen that there is a good deal of resistance to internationalization of resources in most nation-states, the trend toward privatization is limited to a few countries and not epidemic, there is enough fiscal elasticity and national bickering about fiscal policies to keep the epidemic of corridor-shrinking adjustments under control, and none of these changes appears to be having significant configurative effects on the national constellation as a whole. We cannot rule out that these developments represent the leading edge of transformative change, but, to date, it appears that TRUDI's territorial state remains relatively intact, with nation-states maintaining

their sovereignty – if not complete autonomy – over the use of force and fiscal extraction.

The legal dimension – the rule of law and sovereignty

While national constitutional courts and parliamentary systems remain effective guarantors of the domestic rule of law, European and international institutions have increased in importance in the last 30 years. The European Court of Justice (ECJ), the European Court of Human Rights, the World Trade Organization (WTO), the United Nations and the World Bank all, to varying extents, monitor nation-states for adherence to both international (legal) standards and their own national constitutions. The rule of law now appears to be doubly secured, from within and without[k] – a situation that has been described as 'governance through a global web of government networks'.[113] As Joerges and Godt point out in their contribution to this volume, the ECJ gained its special, law-based supranational role at the end of the Golden Age, after two decades of inching towards 'integration through law'. Paradoxically, the ECJ itself is now challenged by the WTO, and although international trade conflicts are primarily resolved at the WTO-level, the ECJ has, to date, resisted submitting formally to the new authority. Joerges and Godt point out both striking parallels and differences between the ECJ and the WTO. Unlike the ECJ, the WTO was in full force within months of its creation in 1994. But, at the international level, legalization, let alone and constitutionalization, are significantly less advanced than at the European level, with the international rule of law being much more politically embedded than the European one.

External mechanisms for ensuring the rule of law are a double-edged sword for the legal dimension, as they can result in a considerable restriction of the external sovereignty of nation-states. Respect for fundamental human rights is increasingly considered a pre-requisite for acknowledgement as a sovereign state by other states. When supranational monitoring determines that a state has violated these international norms within its borders, that state now loses the unconditional sovereignty it had acquired when it was first recognised as such. It is disqualified from the exclusive right to rule on its territory and to legitimately exclude other states from ruling there, and it loses its status as a recognized governing organization with rights equal to those of other states. Such disenfranchisement

[k] In the national lawyers' perspective one might see a more *ambivalent* 'double anchor': The rule of law could be seen as challenged by processes taking place inside and outside the nation-state: The twofold supervision from within and without challenges the position of the nation-state as the highest authority for law-making and for interpreting legal norms. By the same token, denationalization and globalization create new authorities, fresh governance structures, which are themselves difficult to hold accountable.

was almost unheard of in the past, a rare and temporary condition imposed only in the wake of war.

Over the past few decades there has also been an increasing tendency to augment disenfranchisement with sanctions that range from sending observers or placing special conditions on the receipt of financial aid, to economic boycotts and military intervention. Mechanisms at the international level thus serve as coercive instruments for upholding the rule of law as determined by the international community, with consensus overriding unanimity and the right of a state to veto, undermining traditional principles of international politics. In their new role as external guarantors of the domestic rule of law, international institutions are also transforming national sovereignty from a permanent status to a conditional one.[33,43,55]

The international dimension of the rule of law is strengthened by the increasingly widespread use of quasi-juridical procedures for the implementation of international agreements. In the past 15 years, over 20 new units for international arbitration have been established,[3, 104] the most well-known being the International Criminal Court and the Dispute Settlement Body of the WTO. Nation-states have thus lost their control over the interpretation of international agreements, which, once made, develop a dynamic that can be completely beyond the reach of any state's jurisdiction. In this volume, Zangl demonstrates that such changes are not mere formalities, but rather new forms of dispute settlement that effectively internationalize or supranationalize the interpretative authority of international law. The ECJ in particular is so well established that national constitutional courts have seen the balance of proof shift against them,[2] and they have been integrated in a multi-level constitutional court system.

What is more, some issue areas are increasingly determined by transnational rules that in turn also exhibit typical characteristics of internationalization. The international merchant law (*lex mercatoria*), but also the *ICANN* – the private Californian organization with authority over the world wide web (*lex informatica*) – and the large international sport federations (*lex sportiva*) have also, partly with the support of state courts, developed transnational legal forms that function outside the realm of the nation-state, as the handling of doping in national and international sports events makes apparent.[101,132]

Is the nation-state still the highest authority for law-making and for interpreting legal norms?[69] The role of the nation-state in securing the rule of law has most certainly diminished. International legal norms now complement domestic mechanisms for securing fundamental rights while quasi-judicial procedures are used to interpret international norms. In this new version of the rule of law the state's sovereignty is conditional on its observance of fundamental rights, and it submits to an international interpretation of the law, and to transnational legal

regimes that function in parallel to the national legal system. These regimes have emerged in addition to the well-known European, supranational legal structure.

The legitimation dimension – the democratic nation-state

In this volume's contributions on the topic, it is apparent that the nation-state is still the locus of processes of democratic legitimation. Peters *et al.* show that public discourse on political issues still takes place primarily within national communities, and is only observed at the European level in a few exceptional cases. Hurrelmann *et al.* show that the meta-discourses, which indirectly assess the democratic legitimacy of political decisions, refer most often to the nation-state. The 'cosmopolitan democracy' championed by Daniele Archibugi, David Held[7] and others, is clearly a long way off.

This does not, however, mean that the democratic legitimacy of nation-states is unaffected by globalization or associated changes in TRUDI's other dimensions. The studies by both the Peters and Hurrelman groups present empirical evidence confirming Robert A. Dahl's[21] 1994 observation that, while the means of democratic legitimation are firmly entrenched in national political communities, there is growing public criticism of the performance of democratic institutions in parliamentary democracies. Although criticism and vindication of political processes are focused on the nation-state, the perception that traditional democratic institutions and their actors are no longer responding adequately to the problems at hand must be viewed in light of the enormous intervention potential of international organizations, which themselves lack the means for obtaining legitimacy to act.[91]

The lack of democratic processes beyond the nation-state, and the growing importance of international organizations, raises questions about international processes in the normative sense, i.e. their justness, propriety, and legitimacy. Although the major public debates still take place within the national context and national elections are the most important mechanisms for provoking discussions and forcing resolutions, it may well be that developments in the international sphere require *direct* legitimation. International politics, which was traditionally limited to a relationship between nations and their statesmen, is beginning to be scrutinized with the normative criteria for a sound political order that nation-states employ.[131] Even though the European Union plays a largely regulatory state role,[18] it is now subject to Europe-wide elections, a European Parliament, and an emerging European Constitution that gently interferes with the traditional chains between nation-state and constitution. International institutions such as the World Trade Organization and the International Monetary Fund are now being called to task on issues of justice, and there are increasing demands that non-governmental organizations (NGOs) be allowed to participate in their decision-making

processes.[85] An international conference that does not include protests by NGOs questioning the legitimacy of the decisions made by government representatives is now rare, so in an informal sense they are already participating. Likewise, international agreements are being increasingly submitted to direct legitimation in national elections and referenda, where the electorate must continuously pass verdict on the necessity to protect national autonomy, taking a stand on the protection of national sovereignty and democracy.

While there are as yet no strong indications of democratic processes taking place beyond the nation-state, many scholars see an increase in challenges to nation-state legitimacy by ethnic and other minorities within its borders,[1] and certainly there is a growing perception among the mainstream voters of western societies that national institutions are inadequate, and that normative evaluation of international institutions and their policies by the national and transnational citizenry is necessary. With these processes running in the same direction, an eventual transformation or destabilization of the legitimation dimension seems likely. While we do not intend to revive, at the international level, Jürgen Habermas' 1973 diagnosis of a legitimation crisis of late capitalism, problems of legitimation in this age of transformation can be ignored no more.

The welfare dimension – the intervention state

In purely quantitative terms, the intervention state has clearly shifted from the national to the international arena. In the course of globalization, the effectiveness of national borders as filters or membranes has declined, and it is becoming increasingly difficult to shield national societies and policies from external societal and political developments, especially within the European Union. As a result, cross-border political processes and international regulation have increased significantly. This is particularly apparent in the European Union, where a large share of national parliamentary business concerns the implementation of Community law and international agreements. Never have international aspects of national policies been so important. In Germany, for example, the 74 sections of the Foreign Office used to handle such issues, but the government now requires 336 sections across all its ministries, and, of those, 281 also deal with issues outside of Europe.[26] And never before have international political regimes and organizations played such a significant role in domestic social policies. The removal of e-market barriers, the standardization of products and measurements, environmental regulations, product safety, not to mention many of the other

[1] This contestation addresses national identity and the ethnic or multicultural challenges to it. A wide-ranging debate rages here, involving authors like Samuel P. Huntington[56], Will Kymlicka[73] and Brian Berry,[12] pointing to Golden Age (and earlier) imperial roots and more recent international migration patterns as the backdrop for these 'endogenous' problems.

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classical intervention state issues from the 18th and 19th centuries, are now regulated by international institutions – a process also signalled by the fact that domestic reform debates on a broad front have meanwhile converted the OECD as an institution into a transnational intervention state referee.[8]

This quantitative shift to the international arena, however, is only one side of the coin. On the other side we see privatization dominating the sphere of public utilities while social policies effectively remain mainly with the nation-state. During the Golden Age, *public utilities* such as railways, postal services, air transport, electricity, gas and water works were public enterprises. They were financed by charges rather than taxes, and with the higher-income services often subsidizing the poorer ones, ensured equal service across the country, in the city and in the countryside. Starting with telecommunications in the 1980s, branch after branch of these public structures crumbled and was privatized.[90] Here, territorial competition and both direct and indirect supranational prodding played more of a role than organizational concerns: EU regulation,[40] privatization and deregulation in the Anglo-American world, and domestic attempts to cut state spending and equalise prospects for dissimilar enterprises, all contributed to radically increased competitive pressure in the new global and continental markets. Private, multinational companies, regulated by the state, formed in branches of public utilities that were originally national or regional.

Two essays in this volume deal with the *welfare state* in the core OECD states. It is the intervention state's most prominent component, occupying over half of its 40% take of the Gross National Product, a considerable sum by any reckoning, with an equally large potential for transformative change. These studies find evidence that welfare states have undergone significant organizational change, but not in the direction – toward privatization – that one might have expected. Rothgang *et al.* find instead that different types of healthcare systems are being combined into one mixed type, such that the options for either a purely public system like the UK's National Health Service or a purely private, US market-style system have disappeared. Obinger *et al.* see a similar mixing, or blurring of regime types in the welfare state as a whole. Both studies find evidence of extensive international cross-fertilization between policy areas, either the importation of single policy instruments, such as the use of managed care or healthcare co-payments as incentive mechanisms to control service usage, or of general policy-reform approaches such as Activation Politics for labour market reform.

In terms of the level of state intervention, public health expenditures are decreasing – although public plus private health expenditures are increasing – while overall welfare state expenditures are on the rise and national trends in expenditure levels are converging in all social policy sectors. Our preliminary analysis of a sampling of policies thus shows a slight convergence of regime types on an uplifted plateau of state intervention, this latter mostly due to the catching-up

processes of late-developing welfare states in countries such as Spain and Greece. In contrast to the public-utilities component, the welfare state is clearly being reformed more in the organizational than the territorial sense, the main issue being how to organize the provision of welfare on the national level. The intervention state components whose development throughout the 19th and much of the 20th century was parallel, in both a philosophical and a bureaucratic sense, are now on completely divergent pathways: privatization plus supranationalization in the case of public utilities, *status quo* defence with a decreasing corridor in the case of welfare state policies, and internationalization of the rest.

Thus, there are clearly signs of epidemic change for the intervention state, but they point in different directions for its different components. In some cases the regime corridor is narrowing ('blurring of regimes', mixed types); in others the corridor is being destabilized by massive privatization, often promoted by the EU.[71] How these changes affect the configuration of TRUDI is unclear, not least because the public-utilities component moves in a different direction than does the welfare state itself, not to mention education and labour market policies. It is a major challenge to even gain a synthetic or cohesive perspective of this huge, schizophrenic chunk of state activity.

The constellation as a whole – the future of TRUDI

This overview of the trajectories of change in each of TRUDI's four dimensions has provided evidence in support of the hypothesis that the once finely woven national constellation of the nation-state is, in fact, in the process of unravelling, that each thread, each dimension of the state is headed in a different direction. Even within the welfare dimension there are signs of unravelling, with substantial sectors breaking out of the geographical constraints of the national constellation, while the welfare state component remains within the jurisdiction of the nation-state. Its role as provider is shrinking, while its regulatory role in the domain of private markets increases. The rule of law appears to be moving consistently into the international arena. Although domestic institutions for guaranteeing the rule of law are still essential, they are now embedded and supported by institutions outside of the nation-state, to the extent that international lawyers like Anne-Marie Slaughter speak of 'a networked social order'.[113] The resource dimension, on the other hand, has seen relatively little transformative change; although state sovereignty has changed from a permanent to a qualified condition, TRUDI still holds firmly to its tax revenues and its monopoly on the use of force. Given such paradoxes and incongruities in the make-up of the state, it is difficult to foresee what sort of structures might ensure that political decisions are democratically legitimated.[m]

[m] For other general surveys of the 'state of the state' see several recent volumes edited by Joseph S. Nye and John D. Donahue[89]; Linda Weiss[127]; T. V. Paul *et al.*[92]; and by Miles Kahler and David A. Lake.[65]

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What is striking, in the final analysis, is that no *standard* development for the state as such can be identified. There is no standard 'post-national constellation' in sight, no symmetrical pattern to the institutions emerging from the four unevenly unravelling dimensions, and little uniformity to the developments within them. The threads of the Golden-Age TRUDI are unravelling by different processes, at different speeds and in different directions throughout the OECD world, and they will not necessarily be rewoven into an attractive or even serviceable fabric. We cannot even predict whether TRUDI will *have* a follow-up model.

Rather, we are moving toward a situation of structural uncertainty. The citizenry that cloaked the grand corpus of the state in the frontispiece of Hobbes' *Leviathan* is turning away, floating off into the unknown international realm, or climbing down from its old refuge in search of a new haven. The most forward-looking literature of the day lacks insight into the future, discussing denationalization or post-national constellations, the road that lies behind us and what we should hang onto – but not the road we're on, nor the one that lies ahead and what we may encounter. The very term 'post-national' defines a new constellation only in the negative, as what has ceased to exist. At most, there is the broad concept of a devolution of the nation-state as a whole, proceeding on to a mediated 'state without sovereignty', similar to the federal subunits in the US (states) or Germany (*Länder*) in the 19th century.[115:26] The European Union is the only exception here, in that it offers its members the possibility, at least, of integration, sets it as a goal without forcing it or cementing it into its structure. But the EU model of a supranational state is not suitable for the whole of the OECD world, and has itself been under strain since the 1990s. In the post-TRUDI age, it seems, we are doomed to Max Weber's[125] version of politics as 'slow, strong drilling through hard boards, with a combination of passion and judgement'. We can only watch the gradual spinning, thread by thread, of individual patterns and solutions, which will eventually, with the hindsight of the 21st century, weave the fabric of a recognizable post-national politics.

Will the post-national state protect us from organized crime and transnational threats? How will this be organized? Who should have a monopoly on the legitimate use of force? Can the monopoly be broken up or shared among several tiers, and still work to ensure a stable legal framework and predictable relations? How can deviations be effectively sanctioned? How can politics be legitimated when democratically controlled decisions made at nation-state level are transferred to the international and societal level? Who should be responsible for guaranteeing social equality in a post-national constellation? How can redistribution be organized and the necessary resources secured? What, in the end, will become of our fundamental social values, such as peace and security, legal certainty and individual liberty, political self-determination and social welfare?

If we wish to conserve the values protected by the national constellation of the Golden Age, we may well need to conceive a post-national Silver Age,[119] a truly multi-lateral world order in which social responsibility is embedded at the international level. Of the two seemingly oxymoronic epigraphs that head this chapter it may be Giuseppe Tomasi di Lampedusa's semi-autobiographical novel that offers the wisest advice. *The Leopard* is the story of a Sicilian prince who attempts to protect his family's aristocratic values during the period of social and political upheaval that accompanied the unification of Italy at the end of the 19th century. Early in the novel, the prince's young nephew, caught up in the struggle for an electoral republic and trying to alert his complacent uncle to the changes taking place around them, says: 'Unless we ourselves take a hand now, they'll foist a Republic on us. If we want things to stay as they are, they'll have to change. D'you understand?'

Ironically, the island in the Mediterranean that the Lampedusa family, in reality, once owned, is now inundated with economic refugees trying to enter post-national Europe. As we shall see in this volume, this flood of humanity from failed and failing states is transforming Europe's immigration and police policies, and is just one of many changes that are challenging multi-tiered Europe. In these uncertain times, at the dawn of the 21st century, it is not an aristocratic way of life that we would protect, but the core values of our Golden-Age nation-state. And yet, one thing is abundantly clear: if we want to safeguard those values, the national constellation of institutions that guards them will have to be configured anew.

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