# Nation-States in History

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THE STATE — let alone the nation-state — was not at the center of attention of Western social scientists for the quarter century that followed the end of the Second World War. The defeated fascist powers seemed so close to nationalism and to statism that these forces received a bad name. The fact that victorious Western powers championed a postwar order organized around liberal ideas thereby set the intellectual agenda. From the 1970s, however, the state was "brought back in." One reason for this was that American scholars felt, for the first time, the impact of their own state — through conscription, the civil rights movement, the expanding welfare state, and government management of the economy. The return of Weberian concerns also owed a good deal to structuralist marxism: it is easy to give names of academics who moved from saying that the state was "relatively autonomous" to arguing that it was in fact wholly autonomous. The impact of scholars of this generation is still being felt, in the ongoing works of Theda Skocpol, Michael Mann, and Peter Evans. But just when it seemed that an intellectual battle had been won, putatively new circumstances arose that encouraged a reversion to societal, economistic modes of analysis — held to be superior to state-centered views. The collapse of state socialism, the Maastricht Treaty, and the freeing of financial markets suggested to many that the powers of the nation-state were under attack within a new world. The most sophisticated statements made much of a dual assault on the nation-state, from above in the form of global economic forces and from below in the form of various national or ethnic revivals.

Skepticism toward this view is now surfacing. Many hold the European Union to depend, as it always has, on the Franco-German condominium, that is, on the calculations of two major states. Equally, the power of the United States, in both economic and geopolitical terms, may well be best understood in wholly traditional terms. The terrorist attacks of 11 September 2001 put an end to to the talk of dismantling the state. Further, behind the post–Cold War spread of markets is a structure of rules and institutions that is sponsored and maintained — for better or worse — by American state power. At a more general level,

there seems no reason to believe that the appeal of the nation-state has in any way diminished for those yet to experience its protection and comforts. If these are descriptive points, prescriptive considerations also come to mind. The ending of state socialism did indeed destroy a lousy — large but inefficient — form of the state, but Eastern and Central Europeans rapidly came to realize that statelessness was quite as awful a condition. What mattered was the construction of the right sort of states, that is, states that provided basic services while giving up command-administrative methods more generally. This consideration seemed to apply all the more strongly to Africa. How complacent of those in the West to imagine that "the state" was no longer needed! Perhaps a diminution of state power was possible for us, but state and nation building surely remained the key concern of the vast majority of humankind.

This volume was occasioned by these skeptical considerations — which the majority of chapters end up by endorsing. It should be stressed immediately, and very firmly, that this is not to say the contributors to this volume somehow think that the world "has not changed." Very much to the contrary, the volume as a whole charts varied responses in different issue areas and in different continents to changes in the social portfolio of late modernity. Insofar as a general view is present, it is best expressed by recalling the aristocrat in *The Leopard*, who proclaimed that it was necessary to do a great deal for everything to remain the same. The powers of the nation-state have varied, but this very variation has allowed them to survive. But that is a provisional view, and much remains to be said.

This introduction immediately highlights the theme of variation by charting and explaining changes in moods and in levels of intensity of feeling of the nation-state in the advanced world since about 1870. Attention to change is central to the analysis. It is quite as present when turning to the demise of state socialism, and to the situation of the nation-state in the South. Once this historical background has been sketched in, attention turns to underscoring the contributions made by the authors of this volume.

### THE POLITICS OF MODERNITY

It may be as well to begin with, and to keep in mind, the most powerful and interesting claim made about the politics of modernity. Ernest Gellner insisted that the modern social contract comprised only two elements: a society would and *should* be seen as legitimate if it was indus-

trialized and ruled by those co-cultural with the population as a whole.[1] It might seem that this amounts to a single force, for Gellner's claim was that nationalism derived from industrialism. In fact, Gellner draws a very useful distinction. In general, class conflict within ethnically homogeneous societies was held not to be likely to disrupt social formations. In contrast, conjoining social inequality with an "entropy-resistant" status category of one sort or another was and would likely remain genuine social dynamite. Gellner in fact had rather different emphases in his work on nationalism, but this claim—that ethnic stratification in combination with social mobilization had the power to change social relations—is one that has great force. Beyond this, it should be noted that Gellner's general view has a good deal to say about our possible politics. It cannot be highlighted enough that democracy and/or liberalism are not present as a third element of the modern social contract—even though Gellner's own substantive sociology after this initial statement focused more on the chances of extending liberty than on any other single issue. In this area Gellner liked to cite two chapters from John Stuart Mill's *Considerations on Representative Government*, first published in 1861, perhaps to underline the fact that his own troubling conclusions had an impeccable liberal pedigree. On the one hand, Mill had famously noted that representative government was not possible until the nationalities question had been solved.[2] Differently put, the conflict so dear to liberalism's heart had to be muted and seminar-addicted; that is, it had to take place within the background of consensual national homogeneity. On the other hand, Mill also insisted that the centralization of power for developmental purposes was wholly justified. It was very unlikely that "traditional" social actors would choose the benefits of sobriety and political economy: social engineering was needed in order to establish a new world. "The early difficulties in the way of spontaneous progress are so great," Mill noted, that "a ruler full of the spirit of improvement is warranted in the use of any expedients."[3] Liberal societies had been lucky, in Gellner's view, because their development took place so early; all that could be hoped for elsewhere was the possibility of liberalizing once industrialization had taken place.

Gellner himself had deeply divided feelings about all this—not surprisingly, for he was at once attuned to the inevitability and the attractions of nationalism while being equally a determined proponent of uni-

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[1] Ernest Gellner, *Thought and Change* (London: Weidenfeld and Nicolson, 1964), chap. 2.

[2] John Stuart Mill, *Considerations on Representative Government*, in *Three Essays* (Oxford: Oxford University Press, 1975), chap. 16.

[3] Ibid., chap. 18.

versal liberal rationalism. Of course, he could not help but see things this way. He had been born in the genuinely multicultural world of German-Czech-Jewish interwar Prague, and he lived to see most of the Jews killed, the Germans expelled, and the secession of the rich majority from the Slovaks. He certainly hated the boredom of cleansed Prague in the 1990s, even though it fitted his model of nationalism as homogeneity, and he sought at a prescriptive level to find new ways in which several nations could live inside a single political shell. If this meant that Gellner was at one with his critics at the normative level, a considerable difference remained at the descriptive, sociological level. In stark, ideal-typical form, the counterargument to Gellner's socioeconomic general sociology insists that the character of social movements results overwhelmingly from the nature of the state with which they interact. There is a great deal of evidence to support this political sociology as it applies to working-class behavior.[4] Liberal states that allowed workers to struggle at the industrial level avoided creating politically conscious movements; in contrast, authoritarian and autocratic regimes so excluded workers as to give them no option but to take on the state. This general notion—that the barricades are so terrifying that reform is habitually more attractive than revolution—has large applications. The case against Gellner is that secession results more from the authoritarianism of empires than from the nature of nationalism. Liberalism before nationalism may allow for containment—that is, respect for historical liberties might allow multinational frames to exist. Voice might create loyalty and so rule out the attraction of exit.[5] Differently put, multinational entities rather than homogeneous nation-states may after all be possible. We have no wish to rule on this theoretical issue now, and we do not anyway believe—as will be seen in the emphasis to be given to international power politics—that it provides a sufficient explanatory frame. Nonetheless, it is worth noting immediately that none of the great multinational old regimes extant at the end of the nineteenth century was able to transform itself successfully. No traditional empire was able to move in a more liberal direction—which would in effect have meant becoming a constitutional monarchy. The subject that concerns us is accordingly that of rupture rather than continuity.

None of this is to suggest that we should uncritically romanticize democracy. Tocqueville long ago pointed out that majorities could in

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[4] Michael Mann, *Sources of Social Power*. Volume Two: *The Rise of Classes and Nation-States, 1760–1910* (Cambridge: Cambridge University Press, 1993), chaps. 15, 17–19.

[5] Albert Hirschman, *Exit, Voice and Loyalty* (Cambridge: Harvard University Press, 1970).

theory be tyrannical. Whether he was correct or not about the United States, there can be no doubt that numerous instances exist—for instance, of Protestant hegemony in Northern Ireland from 1922 to 1969—in which democracy has been exercised freely and fairly, and at the expense of minorities. It is quite as relevant to note that the voice of the people in Ireland made it very difficult to establish constitutional accords capable of containing nationalism. In contrast, the absence of democracy in the Austrian Monarchy actually helped in moving toward a partial solution of the nationalities problem. The creation of Austro-Hungary in 1867 held the empire together by giving rights to the Magyars, a move that was possible only because an authoritarian ruler was prepared to abandon the minorities in the Hungarian half of the empire. It was much harder to devise a system of home rule for Ireland given Britain's parliamentary regime. If a move to home rule was made necessary by the wrecking tactics of Irish members of Parliament, political advantage could nonetheless be found by "playing the Orange Card." The powerful Protestant minority could not be ignored—indeed its salience brought Britain to the verge of civil war by 1914.[6] More generally, democratic participation is not always good in and of itself, despite the recent vogue for civil society and civic virtue. A contrast that makes the point is that between the very different postindependence fates of Malaya and Sri Lanka.[7] Social passivity in the former case was very much a part of the surprising creation and maintenance of a consociational regime that allowed Chinese and Malay to live together. Democratic participation in Sri Lanka was directed against Tamils, which is not altogether surprising given the size of state employment and of their share within it. As Tamils were geographically concentrated, exclusionary politics were possible—which then, of course, led to the countermovement violence that still continues. Equally relevant is the vibrant world of civil association in Weimar Germany. This autonomous and active group life led of course to violence in the streets. Individuals were caged within groups wholly bereft of any overarching sense of shared identity.[8]

This suggests an equally important corollary. Bluntly, democracy matters less than liberalism. Soft political rule tends to diminish social conflict for the reasons already given. Ralf Dahrendorf made essentially this point when arguing that the superimposition of different issues—of,

[6] Dominic Lieven, *Empire* (London: John Murray, 2000), 115.

[7] Donald L. Horowitz, "Incentives and Behavior in the Ethnic Politics of Sri Lanka and Malaysia," *Third World Quarterly* 10 (1986): 18–35.

[8] Sheri Berman, "Civil Society and the Collapse of the Weimar Republic," *World Politics* 49 (1997): 401–29.

say, a religious divide on top of a left-right division—increased the intensity of conflict.[9] Differently put, liberal regimes may achieve very great stability by diffusing various conflicts through society rather than concentrating them at the political center. Pure democratic participation will destabilize unless it is channeled through social institutions that tend to contain, manage, and regulate conflict. In this connection, a comment of Raymond Aron's offering an explanation of the disaster of Europe and modernity irresistibly comes to mind.[10] Aron blamed the debacle of the heartland of modernity on the stupidity of the old regime—whose duty he held to have been that of escorting the people into calm responsibility by the devolution of power. There is a type of truth to this: had such liberal devolution taken place, then democratic passions probably would have been civilized. But the point is in fact normative rather than descriptive and to that extent hides the truth from us. For imperial rule was—felt itself to be—fragile, based as it was on distrust of the people. Sterile, low-intensity rule was long preferred to the dangers of social mobilization. In this spirit, divide-and-rule politics were often practiced since the creation of rivalries allowed the state to gain autonomy by balancing on top of generalized hatreds. The legacy of this strategy was, as Tocqueville stressed, disastrous: a political opening was more likely to see the expression of resentments than cooperation in a common cause.[11]

These warning notes about the nature of democracy can be neatly summarized by noting Jack Snyder's recent work on nationalist violence and democratization.[12] The Balkan wars of the last years have demonstrated that democratization does not necessarily bring peace and prosperity, sweetness and light. However, the collapse of communism did not lead to violence in every instance, suggesting that attention be given to two variables. First, political leaders who imagine that a new world can only bring their downfall may well be tempted to play the nationalist card in order to stay in power: Slobodan Milosevic is such a figure—where, say, Vaclav Klaus clearly was not. Second, democracy may well lead to violence if it lacks the institutional framework that allows it to control its passions, that force it to reflect. Snyder stresses in this context that democratization clearly led to violence when news comes from a single authority. And all this is to say that in our own time a multina-

[9] Ralf Dahrendorf, *Class and Class Conflict in Industrial Society* (Stanford: Stanford University Press, 1959).

[10] Raymond Aron, "On Liberalization," *Government and Opposition* 14 (1979): 37–57.

[11] Alexis de Toqueville, *The Old Regime and the French Revolution* (New York: Anchor Books, 1955), 107.

[12] Jack Snyder, *From Voting to Violence* (New York: Norton, 2000).

tional state, even with the benefits of the purported lessons of the past, utterly failed to successfully transform itself.

## LEARNING THAT LESS IS MORE

In the middle of the nineteenth century, Europe was at the pinnacle of its power, confident that it represented progress. The European balance of power depended on the interactions of Austro-Hungary, Wilhelmine Germany, Imperial Russia, Great Britain, and France. The fate of the Ottomans was very much part of the mental world of these great powers; the position of the United States came slowly to assume great significance, especially for Great Britain. If all this suggested ebbs and flows of power and influence, no indication was available as to what actually occurred. In fact, Europe in the twentieth century became the scene for a new, great Peloponnesian War—a conflict so visceral that it knocked Europe off the perch that it held briefly as the leader of the world. Mark Mazower's striking general account of Europe's twentieth century is entitled *Dark Continent*.[13] This must be the guiding sentiment when seeking to understand states within their historical context. What were the essential contours of this conflict?

The rivalry between these states was such that the most immediate structural element at work was that of the need to industrialize. An obvious consequence that troubled ruling elites was the emergence of working classes. In fact, a whole series of sectoral divisions among workers meant that no unitary class existed inside a particular state, let alone between them—at least when workers were left to themselves.[14] This was most clearly seen in the United States, where splits between respectable business unionism of the crafts contrasted with the radicalism of the International Workers of the World. Extreme repression of radicals combined with liberal treatment of the rest famously created a world in which workers began to consider themselves as middle class. Something of the same pattern had destroyed the Chartists in England, but the presence of some, albeit very limited, state interference ensured that class loyalty was created—that is, socialism was avoided but a labor party was created. In contrast, regime exclusion did create socialist class unity. Antisocialist laws in Wilhelmine Germany created a movement with political and industrial wings, formally wedded to revolutionary ideas but in fact made reformist by the speedy abolition of the laws in question. The radicalism of German workers seemed wholly

[13] Mark Mazower, *Dark Continent* (London: Allen Lane, 1998).
[14] Mann, *Sources of Social Power*, chaps. 17–19.

ridiculous and unnecessary to Max Weber, who argued that they would become a loyal part of the nation if accorded more substantial citizenship rights. The most interesting case was that of Imperial Russia.[15] Autocracy differed from authoritarianism in being at times even more suspicious of capitalism. The desire to be in control led to oscillating policies toward capitalism, which in itself helped radicalize the workers of Moscow and St. Petersburg. The fundamental factor at work, however, was regime policy. Militancy varied precisely in relation to state actions: reformists came to the fore as the result of the political opening of 1905, while revolutionaries triumphed inside the movement once concessions were abandoned. The end result of these policies was the creation of the only genuinely revolutionary working class in human history.

To consider industrialization only in terms of its impact on class would be a mistake. Every state sought an exactly similar set of industries in order to maintain its geopolitical independence, and this in turn led to economic tensions—as, for example, when the various steel industries sought to "dump" their excess product. The importance and character of imitative industrialization is captured in Gautam Sen's *The Military Origins of Industrialization and International Trade Rivalry*—not least as the author is unaware that he is speaking the language of Friedrich List rather than, as he imagines, Karl Marx.[16] Mentioning Germany as perhaps the first industrial late developer brings to attention three of the factors that do most to explain the nature of Europe's twentieth-century disaster.[17] Each factor can be seen as an extension of ideas suggested by Max Weber, namely, his views on nationalism, his role as a Fleet professor, and his views of the empire's conduct of its foreign affairs. And it should be said clearly that these factors were at work in all the countries involved. The "catch-up" economic and political policies of the end of the nineteenth century should not be seen completely as imitation of Great Britain. In the minds of contemporaries was the notion, best expressed by Tocqueville and List, that two great powers—Russia and the United States—would dominate the future. Differently put, British theorists and politicians felt that their lead might well be transient. To that end, policies seeking a Greater Britain by means of tighter links with the white dominions had enormous appeal.

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[15] Timothy McDaniel, *Capitalism, Autocracy and Revolution in Russia* (Berkeley: University of California Press, 1988).

[16] Roman Szporluk, *Communism and Nationalism* (Oxford: Oxford University Press, 1988).

[17] A fourth factor, hard to pin down but of great importance, was the emergence of a purportedly scientific social Darwinist culture promoting both racialism and "the triumph of the fittest."

Developmental states characteristically felt weak when they ruled over a mass of different ethnic and national groupings. For one thing, Britain seemed to gain strength from its homogeneity, although this perception faded once home rule politics made it clear that Britain was in its way as composite a state as were other empires. Still, it is worth remembering that Max Weber's nickname in his closest circle was "Polish Max" on account of his obsessive belief that Polish workers on the East Elbian estates would weaken the German nation. For another, fiscal extraction was difficult when obeisance had to be paid to the historical liberties of particular regions—most notably, those of Hungary, used to such effect by the Magyars as to debilitate the monarchy's military arm. But the determination to copy the ethnic homogeneity of leading European powers had a further element to it, namely, that of seeking to strengthen the legitimacy of the state by playing the national card against socialism. Accordingly, nationalism comes to the fore at the end of the nineteenth century as much from above as from below. A distinction must be drawn, however, between integrating workers and immigrants, on the one hand, and nations, on the other. The former task proved relatively easy, although its full achievement in the United States was in fact much helped by participation in war. The integration of nations could be much harder. At best, peasants might be assimilated before much national awakening had taken place, as nearly happened to the Slovaks under Magyar rule. At worst, empires might contain distinct, culturally differentiated "historic nations"—notably those of Hungary and Poland. Little could be done to assimilate such peoples. The trickiest problem was posed by the newer, more invented nations, able to consolidate themselves thanks to their ability to control their own schooling system. Liberal treatment might produce a situation in which such nations, possessed of their historic rights, would consent to live under a larger political roof; illiberal treatment was likely to encourage secession.

Perhaps curiously, nationalism had not been enormously successful in the years before 1914. Geopolitical interference stood behind the cleansing of perhaps five million Muslims from the new Balkan nation-states.[18] This suggested of course that the stakes of any general conflict, should it occur, might well be very great indeed.[19] But as long as the balance of power remained in operation, nationalism had great difficulty in breaking the mold of state borders. A clear contrast can be drawn between the logic of the situations facing different empires.[20] Austro-Hungary

[18] Mark Mazower, *The Balkans* (London: Weidenfeld and Nicolson, 2000).

[19] David Kaiser, *Politics and War* (Cambridge: Harvard University Press, 1990), part 4.

[20] Lieven, *Empire*.

quite simply had no chance to become a modern nation-state: the domi-
nant ethnicity was simply too small to serve as a *Staatsvolk*. What
evolved in consequence was a situation, in Count Taaffe's words, of
"bearable dissatisfaction."[21] If the Magyars were content, the Slavic na-
tions within the Austrian half were not terribly treated, for all that they
hoped that the monarchy would move toward greater constitutionalism.
Demands were contained, however, by a clear awareness of geopolitical
realities. As early as 1848 the Slavs had realized that to become small
but unprotected nations was to risk annihilation should Germany or
Russia be drawn into a power vacuum. The situation in Russia was
much more complex. If the inclusion of the Poles, convinced that they
were more advanced than their masters, proved, then and later, to be
disastrous, there was realistic hope that assimilation might occur
throughout much of Central Asia. Almost everything depended upon
the Ukraine. Russians alone were a minority in the empire, but if they
combined their numbers with "the little Russians," then a majority of
sufficient size would be created to allow the formation of a nation-state.
As it happens, tsarist policy toward the Ukraine—a complete ban on
the teaching of Ukrainian—was probably mistaken.[22] For one thing,
Ukrainian could not be wiped out given the position that it had estab-
lished in Austrian Galicia. For another, the Ukrainians regarded both
Poles and Germans as far worse enemies than Russians, and they would
almost certainly have been state loyal even had rights of national auton-
omy been granted. Finally it is worth noting that Great Britain was not
free from the pressures that faced Austro-Hungary and the Russian em-
pire. There were in fact two British empires: the potentially Greater
Britain of the white races and the "backward peoples" who were merely
a burden.[23] Interestingly, Ireland was treated as a member of the latter
camp—with predictable results in the Curragh mutiny of 1914 and the
Easter Rising of 1916.

The second factor to be considered is best introduced by saying that
nationalism is an essentially labile force, able to connect with and
deeply influenced by the social forces of any particular historical mo-
ment. The reference to Max Weber as Fleet professor brings to attention
the crucial fact that nationalism was, in this period, linked to imperial-
ism. There is a sense in which Weber himself should have known better.
At a conference in Vienna in 1907, his imperialist sentiments were at-
tacked by the Austrian economist Eugen Bohm-Bawerk on the entirely
sensible grounds that Germany was becoming rich without colonies,

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[21] Ibid., 191.
[22] Ibid., 278–81.
[23] John R. Seeley, *The Expansion of England* (London: Macmillan, 1885).

which were—as Adam Smith had stressed long ago—more of a mill-stone than an advantage. But it is often the case that what matters so-cially about economics are less the facts in and of themselves than what people believe to be the facts. In this case, imperial dreams had a con-siderable rationale. When Lord Roseberry admitted that the British Em-pire did not pay, he went on immediately to say that it was nonetheless absolutely necessary. If other states established protectionist policies, Britain would need imperial possessions in the future to secure not just its prosperity but its very food supply. More generally, an era of intense geopolitical competition made the idea of capitalist interdependence, of trading rather than heroism, seem very dangerous.[24] Germans tended to think of the British advocacy of Free Trade as hypocrisy given the pres-ence of the Royal Navy: the abolition of the Corn Laws meant little, in other words, since geopolitical strength ensured that supplies could be brought from the outside. Had Weber seen the war plans being drawn up in the years before 1914 by Lords Esher and Fisher, his imperialist beliefs would have been underscored. For Britain's plan was indeed to blockade Germany so as to starve it into submission.[25]

The link between nationalism and imperialism deserves to be seen in the same light accorded to nationalism more generally—that is, as a factor creating tensions (which was likely to make war, should it occur, escalate to the extremes) without causing the onset of war. It is the third factor, the nature of foreign policy making inside imperial courts, to which attention must be given for an explanation of the breakdown of order that then allowed nationalism and imperialism to cause disaster. A preliminary, scene-setting point is simply that the late-nineteenth-cen-tury European great powers *were* engines of grandeur, whose leaders habitually wore military uniform. The difficulty that such rulers faced, however, was that making foreign policy was becoming ever more diffi-cult. Jack Snyder has usefully suggested that foreign policy making tends to be rational when states are unitary.[26] Examples of such rational states include the rule of traditional monarchs, the collective domina-tion of a revolutionary party so much in control of a late, late-develop-ing society as to have no fear of popular pressure, and the checks and balances on foreign adventures provided by liberal systems. In contrast, late-developing societies—which combine authoritarianism with genu-ine pressures from a newly mobilized population—tend to lack the state

[24] Werner Sombart, *Handler und Helden* (Leipzig: Dunckler and Humbolt, 1915).

[25] Avner Offer, *The First World War: An Agrarian Interpretation* (Cambridge: Cam-bridge University Press, 1989).

[26] Jack Snyder, *Myths of Empire* (Ithaca: Cornell University Press, 1991). See also Mann, *Sources of Social Power*, chap. 21.

capacity necessary to calculate by means of realist principles. The contrast that needs to be made here is accordingly that between Bismarck and Kaiser Wilhelm II. The Iron Chancellor was the epitome of a rational realist calculator, in charge of every arm of the state and determined to weigh up and discriminate between different priorities. It was the essence of his policy that Germany should never allow itself to be placed in a situation where it would have to fight a war on two fronts — for such a conflict would assuredly be lost. In contrast, Kaiser Wilhelm did not regularly attend either the army or the naval councils, and he was addicted to symbols of grandeur rather than to genuine thought. More importantly, policy in the court over which he presided was often based on factions, and upon their access to key personalities. Accordingly, Tirpitz (and thereby some heavy industrialists, and even the Social Democrats) gained a *Weltpolitik*, while the more traditional officer corps gained endorsement of an Eastern policy. Such bandwagoning pleased everyone but had as its consequence Bismarck's nightmare, that is, the creation of enemies to the east and west. The feeling of encirclement that so terrified the political elite — and from which it sought to break out in 1914 by underwriting Austro-Hungary's harsh ultimatum to Serbia — was accordingly self-created. The epitome of authoritarian incapacity in the field of foreign affairs is evident in the fact that Chancellor Bethmann-Hollweg simply did not know that Germany's war plans involved invading Belgium — something that he knew would bring Britain into the war — until sometime in July 1914.

The First World War was not a Clausewitzian affair, in that statesmen lost control of policy making. Industry applied to war in part explains this, but still more important was the fact that a war of peoples needed justifications other than the merely dynastic or territorial. The chaos that resulted exhausted the European fabric. It was this factor that made the peace treaty disastrous. Differently put, the treaty was flawed less because it was harsh than because its rigors could not be sustained. Of course, the removal of both the United States and Russia from the international arena meant that balance-of-power politics was anyway likely to be hard to achieve. Further, the Wilsonian stress — amended of course by geopolitical interests — on national self-determination created exactly the unstable power vacuum in Central Europe that the Slav leaders had feared in 1848. The result of all this was thoroughly obvious. The lack of genuine geopolitical agreement encouraged the politics of economic autarchy. The failure to solve the security dilemma cemented the link between nationalism and imperialism.

To say that the way the war ended was disastrous is not for a moment to deny the birth of the two great revolutionary forces of twentieth-century Europe. One very particular development in the last tsarist

years was the creation of an empire-saving intelligentsia. If the reaction to tsarist policies of forced assimilation was the creation of nationalist parties, the experience of those parties did a great deal to create — particularly among those of Jewish background — distrust of nationalizing practices sure to involve much ethnic cleansing. The first Bolshevik cadre was accordingly more than half non-Russian.[27] This development was of course not one to make the tsar feel happy: to the contrary, the empire that the Bolsheviks wished to save was to be universal and socialist rather than autocratic. So here was the creation, by military means, of a regime that offered an autarchic, socialist developmental model. Though it is unfashionable to say so, bolshevism and nazism did share key attributes — from the role of a single party emphasizing moral renewal to an obsession with economic autarchy. Still, Hitler's racism did make a difference. The Third Reich was certainly imperial in seeking *Lebensraum*, but it was not imperial in the habitual sense of contemplating ruling over multiple ethnicities. To the contrary, expulsion of aliens so as to allow resettlement by Aryans was the order of the day, making this regime historically novel and of course utterly repulsive.

There is a great deal to be said for remembering that these two revolutionary forces seemed to be the wave of the future in the interwar years, the two regimes capable of providing collective moral enthusiasm and prosperity in the face of the Depression. Only when we realize this can we make sense of the life work of John Maynard Keynes, desperately trying to salvage liberalism when the enlightened had written it off. Keynes's characteristic brilliance did enable him to predict the worm in the bud of the great revolutionary forces.[28] This had nothing to do with their ability to run their societies and economies: given the concentration of power, there was, Keynes unhappily acknowledged, every reason to believe that they could survive and prosper. But the concentration of power in the hands of sacralized leaders might well, Keynes believed, lead to geopolitical adventures. All that liberals could do was to wait for self-destruction to take place in this manner. Mercifully such proved to be the case, suggesting that in the long run the most rational way in which to conduct foreign policy is one that allows for checks and balances to prevent against disaster.[29]

The First World War ended badly despite the making of formal treaties. In contrast, the Second World War ended well without formal agree-

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[27] Liliana Riga, "Identity and Empire: The Making of the Bolshevik Elite, 1880–1917" (McGill University, Ph.D. dissertation, 2000).

[28] Robert Skidelsky, *John Maynard Keynes*. Volume Three: *Fighting for Britain, 1937–46* (London: Macmillan, 2000).

[29] John A. Hall, *International Orders* (Oxford: Blackwell, 1996).

ments. What mattered most of all was consideration given to power politics, that is, the creation of a secure frame within which economic and social forces could then prosper. The central element of the structure was of course hinted at in Stalin's remark to Churchill to the effect that each side would—as was, Stalin stressed, historically normal—impose its own social system on the territories it held at the end of the war. Despite much sound and fury, that is precisely what happened: spheres of influence were established between two great superpowers, which very rapidly came to understand each other extremely well, not least because the presence of nuclear weapons forced them to be rational. Nationalism was ignored, stability achieved. This reliable, easily calculable system came to an end with the breakup of the Soviet Union, to which attention turns below. But let us consider here the transformations of the states at the heart of capitalism, most notably those in Europe.

There were two elements at work in the reconstitution of Europe.[30] Europeans themselves made a major contribution. Genuine learning had taken place in the sense that fascism was thoroughly discredited, beaten in its own chosen arena of military valor. More particularly, French bureaucrats, aware of the devastation caused by three wars with Germany within a single lifetime, effectively changed France's geopolitical calculation. If Germany could not be beaten militarily, it could perhaps be contained through love. The origin of what is now the European Union came from a decision by the two leading powers to give up their geopolitical autonomy, by establishing genuine interdependence in coal and steel—that is, in giving up the capacity to make their own weapons. This move was made possible by the second factor, the presence of American forces. Europeans of course did a great deal to pull Americans in, with Lord Ismay famously arguing that foreign policy should seek to keep the Americans in, the Russians out, and the Germans down. American presidents were in fact surprised that they were invited to establish an empire,[31] and for a long period they thought they might be able to escape from this commitment. But that never happened because Europeans realized that their security dilemma was solved by the presence of a modern Mamluk force. At times, there could be great resentments in this relationship—as when the United States, refusing to fund the Vietnam War and Great Society programs from taxes, ex-

[30] Charles Maier, "The Two Postwar Eras and the Conditions for Stability in Twentieth Century Western Europe," *American Historical Review* 86 (1981): 327–52; John Ruggie, "International Regimes, Transactions and Change," *International Organization* 36 (1982): 379–415.

[31] Geir Lundestad, "Empire by Invitation?" *Journal of Peace Research* 23 (1986): 263–77.

ported its inflation to its allies. But Europeans preferred to be mildly exploited and supine for the most basic of reasons: they did not trust each other.

It is important to characterize the European situation properly, as has Milward.[32] European states had sought, between 1870 and 1945, to be complete power containers, unitary and in possession of markets and secure sources of supply. The fact that this led to complete disaster produced humility—which is not to say for a moment that state power somehow lost its salience. Rather states discovered that doing less proved to give them more, that interdependence within a larger security frame allowed for prosperity and the spread of citizenship rights. Differently put, breaking the link between nationalism and imperialism enhanced rather than undermined state capacity. One needs to be a little careful at this point. For one thing, Europeans sometimes congratulate themselves rather too easily in regard to neonationalist movements. It is true that Spain represents a rare case of a state able to prosper while maintaining its multinational status. Further, the diminution of geopolitical conflict has allowed many states to be less unitary, more federal, and thoroughly interested in consociational deals. This is welcome, but in the scheme of things it stands as rather little compared to the brute facts of ethnic cleansing.[33] Liberalism in Europe, from the Atlantic to Ukraine, and including most of southeastern Europe, is made easier because great national homogeneity has been established, in largest part thanks to the actions of Hitler and Stalin. For another, suspicion needs to be shown—for all that one happens to like the policies in question—toward the view that European traditions of corporatism, through incorporating the working class within a "Keynesian world" designed to secure full employment, have been responsible for growth and stability.[34] To begin with, the mix of such policies was often incomplete. Germany had corporatism for labor but shunned Keynesian macroeconomic policies, while the reverse was true for Britain. More importantly, the ending of social contract policies in Britain did not lead, as was predicted, to any loss of social stability. To the contrary, the state found economic policy easier when it no longer had to provide beer and sandwiches for union leaders. While the continuing effect of rising prosperity for the majority cannot be ignored, it may well be the case that social stabil-

[32] Alan Milward, *The European Rescue of the Nation-State* (Berkeley: University of California Press, 1992). Cf. P. Gowan and P. Anderson, eds., *The Question of Europe* (London: Verso, 1997).

[33] Norman Naimark, *Fires of Hatred* (Cambridge: Harvard University Press, 2001); Michael Mann, "The Dark Side of Democracy," *New Left Review* 235 (1999): 18–45.

[34] Michael Smith, *Power, Norms and Inflation* (New York: Aldine de Gruyter, 1992).

ity—but not any increase in social justice—results from a measure of depoliticization.

A final word is in order about Europe in the years since the collapse of the Soviet Bloc. This fundamental change in geopolitical realities certainly played a part in key developments within the European Union, most notably that of binding Germany within Europe by avoiding any German economic hegemony through the Bundesbank. Still, continuities are more important than new developments. For one thing, this liberal democratic league has the capacity, not least given that one cannot be a member without respecting minority rights, to consolidate liberal democracies in Central Europe just as it did in Southern Europe a generation ago. For another, statist calculations remain at play: the Franco-German condominium survives, while French determination to balance Germany has led France virtually to rejoin the NATO command structure. Perhaps most important of all, there is no sign of fundamental change to the rules of the geopolitical game. The mere threat of withdrawal on the part of the United States has seen Europeans own up to the fact that they wish the American presence to continue, despite its varied imperfections. This is scarcely surprising given the lack of any common European foreign policy. Any European defense initiative will be subordinate rather than an alternative to NATO—whose commander-in-chief will remain American.[35]

## THE DECLINE AND FALL OF THE SOCIALIST EMPIRE

Ideas and actions about the transformation of states have changed as the result of the collapse of the Soviet Union. Accordingly, attention must be given to what is genuinely a world historical event. As it happens, the analytic tools developed to this point do a great deal to help us understand what happened to a regime that was at once developmental, militarist, socialist, and imperial.

The period since 1989 has made crystal clear that the command-administrative developmental model was deeply flawed. Whatever the benefits of initial heavy industrialization and social modernization, there is now no doubt but that the absence of market mechanisms doomed Soviet-style economies to waste and inefficiency. There is as yet only anecdotal evidence to confirm that the way in which this led to an attempt to once again pull Russia up by its bootstraps had everything to do with the military. What mattered here was probably not the fact that

[35] G. John Ikenberry, *After Victory: Institutions, Strategic Restraint and the Rebuilding of Order after Major War* (Princeton: Princeton University Press, 2000).

Soviet defense spending was eating ever larger proportions of GDP. Rather, military leaders realized that their weapons capabilities were declining as the Soviet Union fell behind technologically. A high-technology, computer-literate society was necessary if communism was to survive. Once the power elite had made this calculation, the rule of Andropov and Gorbachev became possible.

There are two fundamental reasons that explain the failure to transform communist states. Socialism as a power system had sought to establish its own channels of control, thereby in effect continuing tsarism's distrust of independent civil society. When power was absolute, untrammeled by conscience, command-administrative methods had great force. Once softer political rule became necessary, it became obvious that force was linked to rigidity. One needs only to think of the attempt of workers in the failing shipyards of Gdansk to establish a trade union of their own, free from party interference. To seek such a union was to act politically, to put the rationale of the party-state in question. With hindsight, how astonishing it is that a whole regime was severely damaged by a strike! If the lack of flexibility caused problems, the inability to decompress—that is, the inability of socialism to emulate some authoritarian capitalism regimes in liberalizing from above—resulted from another facet of an atomized society, bereft of social institutions. Liberalization processes depend upon the striking of bargains, often in some roundtable negotiations. Gorbachev's difficulty was that there were no leaders of independent organizations, able to control their members, with whom he could negotiate.[36] In these circumstances, controlled decompression was impossible. Democratization took the place of liberalization.

This is not for a moment to deny the impact of Gorbachev's own policies, as is immediately evident once we think of the second factor that explains the failure of communism to transform itself. The reconstitution of the empire by 1921 and its expansion in 1939 and in the years from 1944 presented problems with which the tsars would have been all too familiar. Several systems of rule were again contained within a single political umbrella, with the greatest difficulties again coming from the inclusion of advanced Western nations whose consciousness was so advanced as to make assimilation impossible. The situation was in fact worse than it had been for the tsars: the Baltic states and Poland had tasted independence, the Czechs knew that socialism was taking away their industrial lead, while a united Ukraine, freed from fear of Poland and Germany, concentrated all its ire on

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[36] Russell Bova, "Political Dynamics of the Post-Communist Transition," *World Politics* 44 (1991): 113–38.

Russia. But if the empire became an expensive burden, it is important to remember that the nationalities did less to cause breakdown of the Soviet bloc than to make sure that reconstitution would be impossible. Differently put, they occupied the space that *glasnost* created. But if some secessions were inevitable, the fact that there were so many had everything to do with Gorbachev. Ignorant of the nationalities question and loathe to stand for election himself while allowing elections among the nationalities, Gorbachev did at least attempt to create a large multinational frame. But he then unconsciously put into practice the lesson to be derived from Tocqueville that would ensure ultimate collapse. A political opening increases noise. Nerve is required to put up with new pressures, so that discontents take a normal form—from revolution to reform. The worst move in such circumstances is to step backward, to make the newly vocal fear and thereby to confirm them in their suspicion of the continuity of an old regime. The interventions in Georgia and Lithuania were accordingly utterly disastrous. Yeltsin was given the cards by means of which he was able to destroy the Soviet Union. The collapse of the socialist project has had an enormous but incalculable impact in the rest of the world. The Left, deprived of its model of development, thereby lost a great deal of its power. The situation in Russia is of course far from stable. For one thing, the standard problem of metropoles deprived of their imperial possessions—the search for a new national identity—haunts Russia in a particularly powerful form. It took Spain at least a century to reinvent itself after the loss of its empire, and there is a sense in which Britain has not yet managed this difficult task. Russia has scarcely begun to establish a nonimperial national identity for ethnic Russians. Until it does so, it cannot be at ease with itself. For another, foreign policy making is likely to be confused given the combination of popular mobilization and semi-authoritarianism. There are as yet few established liberal institutions, most notably in the media, which can provide information and critical reflection. The lack of such institutions has been apparent in Russian behavior in Chechnya. Still, any fears that might be entertained about Russian adventurism need to be set in the context of the collapse of Russian GDP (now roughly the size of that of Denmark) and of projections of a wholly unprecedented decline in population. Rarely has a great power fallen so far, so fast.

### SPLENDORS AND MISERIES OF THE SOUTH

It only takes a moment to think of issues in the South that affect the transformation of states. It may be that socialist China can manage to transform itself, both because it placed *perestroika* before *glasnost* and

because it has very largely become a nation-state. A great deal will surely depend, however, upon relations with Taiwan — currently one of the most troubling issues facing the world community. More generally, however, the North has washed its hands of the South, much of which could drop off the face of the globe without the purportedly global economy even noticing.[37] One wonders whether politics can in the longer run be so subject to a new form of international apartheid as is economics. The spread of weapons of mass destruction, especially to states with the fiscal advantages given by the possession of fossil fuel, must surely present future problems — despite America's much vaunted military revolution.[38] Moreover, in the post–September 11, 2001, era, fears have increased of the immense harm that terrorists, armed with weapons of mass destruction, can cause to advanced industrial societies.

It is beyond our powers to do more than note the salience of these issues. But the perspective that has been argued does suggest the usefulness of considering the situation of multinational regimes in the South. Given that development seeks in its very essence to copy the advanced, it behooves us to ask whether the South's twenty-first century will be as dark as that through which Europe has just passed. If there are obvious reasons to fear, there are — remarkably — reasons for optimism.

Some regimes in the developing world have managed multinationalism far better than did Europe. A general background condition was an initial realization in some quarters that imagination was needed so as to avoid disaster. It was precisely because African borders were absurd that it was essential, Julius Nyerere argued, to maintain them. Perhaps the most substantive achievement that resulted is that of the language repertoires of some African states and, above all, of India. David Laitin's analysis of the Indian situation suggests that a fully capable Indian citizen needs a language repertoire of three plus or minus one languages.[39] Two languages are needed to begin with because India has two official languages, English as well as Hindi, for Nehru's desire to produce a unitary and monoglot society was stymied by the desire of civil servants to maintain their cultural capital, the ability to function in English. A third language is that of one's provincial state. But one only needs two languages when one's provincial state is Hindi-speaking. In contrast, one needs four languages when one is in a minority in a non-

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[37] John A. Hall, "Globalization and Nationalism," *Thesis Eleven* 63 (2000): 63–79.

[38] See T. V. Paul, "Great Equalizers or Agents of Chaos: Weapons of Mass Destruction and the Emerging International Order," in T. V. Paul and John A. Hall eds., *International Order and the Future of World Politics* (Cambridge: Cambridge University Press, 1999), chap. 18.

[39] David D. Laitin, *Language Repertoires and State Construction in Africa* (Cambridge: Cambridge University Press, 1992).

Hindi-speaking provincial state. India is the most important exception to Gellner's generalization that homogeneity is a functional prerequisite of modernity. This is a remarkable achievement, the creation of an Austro-Hungary that seems to work. And this linguistic arrangement could be complemented by a varied collection of agreements, habitually consociational and regional, which have allowed ethnic groups to survive within a single shell. The complex case of Malaya is a prime case in point.[40]

Language is of course only one of the markers that can be used as the basis on which to homogenize peoples into a single nation, and one can always fear — though not, to this point, excessively — that religion could again serve as the basis for terrible ethnic cleansing in India. It is worth remembering in this context that the full impact of ethnic superstratification is felt during the process of modernization, which is by no means complete in most of the world's polities. If hope has some descriptive base, the fact that there have been many failures of multinational federations — from Yugoslavia and the Soviet Union, to the Caribbean, sub-Saharan Africa, and British Central Africa — should make us realize how very hard it is to make such arrangements work. Still more obvious are the genocidal horrors of Kampuchea and Rwanda, in which other peoples behave as did Europeans in the very recent past. It is hard to imagine that such actions, now visible on our television screens, will not have any effect on the condition of those who inhabit the more comfortable zones of the world.

The economic gains that have been realized in the developing world owe a great deal to the ability of elites to harness the power of the state to mobilize resources, ward off rent seeking, and promote inward investment and outward trade. This is the story of the developmental state, a model of state-led economic modernization pioneered by Japan and emulating in varying ways across East Asia and beyond.[41] The distinction has been made by Ronald Dore between the "drifter states" of Latin America and the "purposeful states" of East Asia whose political economies can be traced to the legacies of Japanese imperialism, the Pacific War, and the way the Cold War divided and mobilized the nations of Korea and China, thereby creating societal-wide motives to engage in economic modernization.[42] The so-called backward countries

[40] Horowitz, "Incentives and Behavior." See also Baldev R. Nayar and T. V. Paul, *India in the World Order: Searching for Major Power Status* (Cambridge: Cambridge University Press, 2002), chap. 4.

[41] M. Woo-Cumings, *The Developmental State* (Ithaca: Cornell University Press, 1999).

[42] Ronald P. Dore, "Reflections on Culture and Social Change," in Gary Gereffi and Donald Wyman eds., *Manufacturing Miracles: Paths of Industrialization in Latin America and East Asia* (Princeton: Princeton University Press, 1990).

that have lifted themselves up in the last quarter-century have been able to take advantage of state capacity that has given governments the necessary autonomy to pursue policies and channel investments into internationally competitive industries.[43] For countries in the developing world today, the goal is not participation in a globalized world where the state disappears in significance; it is to evolve a stable and capable state that can harness the energies and technologies of development.

## THE CHAPTERS

The contribution of the chapters can now be set within the general context sketched. Of course reasons of space make it impossible to focus on every variation in nation-state strength. Accordingly, attention focuses on four areas, and in particular on key debates within each of them.

There is no better place to begin than that of the national question, for this foundational issue, for all that events have forced it to the fore, remains undertheorized in mainstream social science. There is a sense in which Bernard Yack and Brendan O'Leary converge on a set of issues. Nationalism at once gives great strength, while equally having the capacity to undermine state power. Yack's central contention is that nationalism is deeply written into our politics. If he resembles Gellner in saying that the nation-state is the essential political form of modernity, he ascribes its salience to the notion of popular sovereignty rather than to the needs of industry. O'Leary is well known for an interest in the management of ethnic conflict in Northern Ireland, but his consideration here of federalism is very much in the light of Gellner's insistence on the necessity of homogeneity within nation-states. In particular, O'Leary recognizes that pressures to social homogeneity make alternative arrangements very difficult to create and to sustain. The conclusion of his chapter is that a ruling people must be present if federal arrangements are to work, unless such arrangements are combined with consociational measures. Given that Europe, like Austro-Hungary, simply does not have enough Germans, the European Union would be well advised to retain all the consociational deals that reassure small states, as well as to find ways to give representation to such stateless nations as Catalonia and Scotland. Getting institutional design right in Europe is going to be very difficult indeed.

Anatoly Khazanov begins by noting that the Soviet Union was not in existence long enough to create a new Soviet people. Further, Soviet

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[43] Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton: Princeton University Press, 1995).

nationalities policies may have done something to encourage national-
ism, at least in Central Asia, by creating administrative units that could
then be filled by putative nations. The Bolsheviks were of course con-
tinuing a tradition of empire, albeit supposedly under new and leftist
management. Khazanov points out that it is not possible to distinguish
ethnic Russian identity from imperial Russian identity. The loss of em-
pire is always difficult for metropoles: it took Spain centuries before a
new identity was found, and Britain has not yet met the comment of
Dean Acheson to the effect that it had lost an empire and failed to find
a new role. In the Russian case the problems are very severe. Without
sense of nonimperial national identity, peace and prosperity in the re-
gion will be impossible.

One striking benefit of Peter Baldwin's analysis of changing patterns
of state welfare provision lies in its starting point. The popular concep-
tion of the American state as weak and that of Sweden as strong in fact
inverts reality, at least in relation to key aspects of public health provi-
sion. More generally, Baldwin suggests that genuine multiculturalism—
that is, the presence of genuinely different cultures prone to different
dietary and health regimes—would indeed undermine powers hitherto
held to have characterized the nation-state. In fact, he suggests that for-
mal and informal control in the United States is such that all that is on
offer is "multiculturalism lite"—that is, the presence of entirely superfi-
cial differences within a strong common cultural frame. This is an ex-
tremely striking demonstration of the continuing force of social homog-
enization by nation—and within the most powerful society that the
world has yet seen.

Part 2 turns to the traditional area of state authority, that of national
security. T. V. Paul argues that realist elements of world politics are still
in the background, and he points to the remarkable role of the United
States—and its security protection function—in creating order today.
Even if war among the great powers is no longer a risk—which is itself
a controversial assumption—Paul shows that geopolitical competition
and security worries will not disappear. New forms of competition are
replacing old forms—today it is geo-economic and geo-technological
competition. There are also the new risks of biological and chemical
terrorism. The challenge of transnational terrorism was vividly pre-
sented in September 2001, and since then the United States has been
attempting to contain this asymmetric scourge with both traditional and
nontraditional means. Paul shows that behind the scenes, the United
States provides extended military protection and global hegemonic lead-
ership. American power lurks in the background, but world politics is
still organized by and around concentrations of power. In this sense,
globalization is really a creature of a far-flung political order that,

through alliance partnerships and multilateral economic cooperation, provides a bulwark for markets and investment to thrive. The defeat of asymmetric challenges, especially posed by transnational terrorism, may be essential to sustain the American power, in both the military and economic arenas.

Jeffrey Herbst considers an entirely different matter under the broad rubric of security. He explores the plight of states in Africa and shows that the problem on this bleak continent is that states are not sufficiently evolved or capable. The problem is not enough state — or the absence of the right type of state — rather than a loss of the state. The dysfunctionality of states in Africa is at least partly explained by the absence of the sort of conflict that drove the state-building process in Europe. In Africa, the conflicts are primarily within states — manifest as bloody civil wars — and therefore differ sharply from the sort of inter-state dynamics that pushed forward political development within the West. At the same time, the wider international community continues to recognize the political boundaries of African states even when their governments have completely lost control of territory and borders. Again, this has stopped what in the West was an evolutionary process that shaped and reshaped the lines of the nation-state and served to produce politically viable nation-states. Africa is caught on a closed political pathway. It is not able to re-create the state-building history of Europe, but it has not been able to discover an alternative pathway toward the modern state. The chances of it being able to do so depend very much upon finding answers to the questions raised earlier by Brendan O'Leary.

Part 3 is concerned with the classic question of state autonomy. Francesco Duina considers the position of the powers of nation-states within the European Union and Mercosur. He shows that even when these common markets create pressures toward authority structures above national legislatures, the social reality that results is much more mixed and complicated than any bland suggestion that the nation-state is at risk allows. It is true that the legal systems of common markets deprive national legislatures of control in some areas related to trade and even in areas less related to the flow of physical goods, such as the environment. But Duina demonstrates that national legislatures continue to exercise control over broad aspects of services, labor, and capital even when this impinges on the functioning of the common market. The image that emerges is of an evolving and enduring division of labor between regional and national political entities. Political authority and decision making are not simply pushed upward to the supranational level; rather, they are evolving in multiple vertical and horizontal directions. The continuing debate within the European Union — including the deci-

sions made recently in Nice—continue to give the major states of Europe great power. Duina's is a subtle argument because it shows that the pressures that are shaping the form and locale of political authority are not all flowing in one direction. National legislatures must adapt, but they will continue to be central players in regional political economic orders.

Christopher Hood looks at one critical aspect of state power that is arguably under pressure by globalization, namely, the ability to extract revenue from society. When capital is increasingly mobile, states are presumably less able to tax—either because the assets themselves are more difficult to identify and tax or because the threat of "exit" reduces the ability of states to impose the tax burden. Hood shows remarkably little evidence of these problems. The tax state is alive and well at the turn of the century. The extractive capacity of the wealthy Western democratic states actually grew during the twentieth century, and overall taxation grew as a proportion of GNP in the developed countries. Hood shows that while the information age poses possible threats to the tax state's extractive capacity, it also provides new opportunities. These potential tax strategies include creating tollbooths on the information superhighway and taxes on websites. If the state finds it difficult to monitor the virtual services that are performed on the internet, it can still tax the electricity that runs the infrastructure. In can also resort to old-fashioned tax strategies such as printing money and allowing inflation to indirectly reduce the fiscal burden of the state.

John Campbell deconstructs the fashionable notion of globalization in such a way as to demonstrate the continuing salience of divergence within capitalism. To begin with, he argues that economic globalization itself is oversold as a force. Campbell shows that the extent of economic globalization has been exaggerated, as have been its effects. There is no doubt that economic integration has intensified in recent decades, but it does not constitute the sharp shift in global economic relations that is widely believed. Moreover, what globalization theorists also miss is the ways in which states—institutions and economic actors—mediate and respond to global forces. The institutional structures of states, which vary widely across the developed and developing world, constitute a weight that itself helps shape the interaction of global economic forces and domestic response. Campbell shows that what has been missing in the debate on globalization is a proper specification of the tools and mechanisms by which governments and other actors grapple with global economic integration.

Rudy Sil critiques the universalist claims of globalization theory in a more particular way, by linking the evolution of the world economy with convergent patterns of industrial relations worldwide. The com-

mon view is that technological innovation and global competition are creating uniformly decentralized patterns of collective bargaining that erode the capacities of trade unions, labor ministries, and national employee associations. Sil looks at the experiences of so-called transitional late-industrializers and finds that the state continues to play a role as a focal point for the regulation of industrial relations. Institutional legacies and variable state capacities still are evident across the late-developing world. While many of these countries are in fact pursuing policies that are accommodating to business interests, this does not suggest a decline in the importance of the state as the critical guarantor of the pacts that inevitably must be negotiated among labor, business, and international actors. As states will continue to remain at the center of industrial relations in these transitional countries, so too will variation in systems of industrial relations remain the norm.

The final part of the book offers a neatly opposed pair of papers concerned with state capacity within parts of the world deeply affected by communism. The common view of the communist state is that it is large and not very efficient, manifest for example in the amount going to investment—for very poor returns. Hence, it was not surprising that the slogan of civil society came to have such resonance within this social world. But these chapters show how much the state is needed.

Grzegorz Ekiert demonstrates that the astonishing and totally unforeseen success of postcommunist Poland is best explained by reforms to its state structure. His focus is on the pattern and sequencing of state reforms in Poland. During the 1990s Poland was a leader within postcommunist Eastern Europe both in the reform of the state and in the pursuit of market reforms. Ekiert is interested in the relationship between the two reform movements, and he argues that it was precisely the ability to get the state reorganized along democratic and legal-rational lines that allowed the economic modernization process to succeed. In contrast, Minxin Pei shows how the reform of the Chinese state may be leading the country toward decentralized predation. The focus is on how the regime and economic transitions are eroding state capacity. Some decline in Chinese state capacity is to be expected—and welcomed—with the transition away from the Maoist-Leninist model. But it is state predation—the expropriation of wealth by the state from society to sustain itself in power—that has emerged in China rather than a more efficient and rule-based order. Ironically perhaps, it is the emergence of decentralized state predation that has been most evident in China and that is responsible for the decline in state capacity. The decentralization of power in China has not been accompanied by measures to monitor the compliance of state agents, and rising predation has been the result. Pei shows that state capacity depends on the rule of

law. Decentralization of power might bring with it more democratic politics, but if it happens without enforceable laws and rules, the result is dysfunctional for the state and society. A legal-rational system of government may in the first instance limit the power of the state, but ultimately it provides the essential element for a capable state.

The volume concludes with a succinct analysis by John Ikenberry of the condition of the nation-state in the contemporary era. He echoes the general tone of various chapters to the effect that the capacities of states continue to evolve, declining in some areas but increasing more generally. He notes the consensus among the authors in this volume that states remain the dominant sociopolitical organization of modernity, not least as there are no competing social organizations in sight that possess equivalent powers and capacities. However, he argues that the definition of a strong state has changed: the bureaucratic and/or authoritarian variant has lost salience, to be replaced by one that is flexible and capable of effectively working with different societal groups. Ikenberry calls for assessing state capacity by desegregating the various dimensions of state power and authority. Much like modern corporations have adapted from the days of the East India Company, contemporary states are changing, but while doing so they remain powerful sociopolitical entities, calling our attention to sustained theoretical and empirical analysis, a task we undertake in the following pages.