



TAKING BACK CONTROL?

STATES AND
STATE SYSTEMS
AFTER
GLOBALISM

WOLFGANG
STREECK

Taking Back Control?

States and State Systems
after Globalism

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Inventory of Propositions

The state

1. Due to the particularism of human society formation (socialisation) there are only states, not 'the state'. States never walk alone; they are always embedded in state systems.
2. For this reason, there will necessarily be international in addition to domestic state relations and politics. Political economy is inherently both national and international.
3. States differ. They come in all shapes and sizes, due in part to their different positions in the different state systems of which they are members and the way these affect their member states' state capacities.

States and state systems

1. The organisation of states and state systems must allow for the particularism of human societies if national and international governance is to be based on consent rather than on force – in other words, if it is to be non-imperial.
2. States and state systems are layered on top of a landscape of resident social communities with continuous transitions between them. State architectures entail binary boundaries between state jurisdictions

imposed on the fluid border areas between neighbouring societies. Dealing with the conflicts between soft social and hard state borders is a problem for most states and state systems.

3. Larger nation-states are often multinational states as they include more than one national society. One way of dealing with internalised national diversity is by decentralisation of governance, granting social-territorial subunits political autonomy, in the extreme case close to single-state sovereignty.
4. There is no example of sovereign states merging voluntarily into a superstate, whereas there are many examples of nations breaking away from multinational states in pursuit of a nation-state of their own. Demand for state sovereignty is high; see Ukraine and Palestine. There are now 193 UN member states, covering almost the entire globe, up from 99 in 1960 and 127 in 1970, all of them subject to international law.
5. State systems may be imperial, with a hegemonic centre controlling a periphery. Or they may be egalitarian, like the Nordic Council, or something in between. Similarly, multinational states may be unitary, which requires a strong (quasi-imperial) centre, or they may be federations, allowing for semi-autonomous, indeed sometimes near-autonomous subnational governance ('devolution'), typically instituted to pre-empt subnational separatism if violent suppression is not available as an alternative.

Size

1. Small countries in state systems that allow for small-state sovereignty are not inferior, and often are superior, to large states with respect to economic prosperity and productivity, social equality and solidarity, cultural and social creativity, democratic governability and accountability, and support for international peace under international law.
2. Benefits, democratic and administrative, may be gained by subdividing large polities into small ones, or preserved by not merging small polities into large ones. Small-statism may open a space for democratic responsibility taking the place of bureaucratic or imperial hierarchy, and for competition and cooperation between

neighbouring states experimenting with alternative solutions to similar problems. Resistance to large-statism counteracts disempowerment of local communities and prevents delegation of governance to bureaucracies seeking uniform solutions to multi-form local needs and problems.

3. Management of complex systems may be improved by downward delegation of sovereign powers to subunits; whereas moving sovereignty upward may diminish overall governability and invite the dysfunctions of bureaucratic and technocratic hierarchy.
4. Deglobalisation as a form of decentralisation of the global political economy began early, already before the world financial crisis of 2008, in response to the unmanageability and the resulting instability of neoliberal trade connections, supply chains and financial markets, the one-sided distribution of the benefits of globalisation, and its 'creative destruction' of established ways of life in the societies involved in it.

Democracy

1. There is no democracy outside of a state, nor can there be a democratic state in the absence of state sovereignty.
2. The possibility of national state democracy depends not just on national but also on international conditions, both structural and institutional.
3. Today the future of democracy as backed up by state sovereignty depends on the United States giving up its claim to world rule, voluntarily for internal or involuntarily for external reasons – that is, for loss of domestic political support or of international military superiority or of both.

Capitalism

1. Capitalism in its historically changing forms was always closely tied to imperial states and their state systems. Both the organisation and the capacities of the classes of capitalism and the relations of power between them were from the beginning shaped by state public

- policy, including the political institutions and historical compromises needed for capital and labour to join in capitalist 'plus-making' (Karl Marx).
2. The neoliberal architecture of the contemporary state system has failed to deliver what is needed in a democracy to contain capitalism inside a social contract, or compromise, that provides for a legitimate order and sustains a sufficient level of confidence on the part of both capital and labour enabling them to cooperate from compromise to compromise in capitalist value creation.
 3. Containing capitalism within social bounds by contesting it, subjecting capitalist development to social development, requires a state system that provides for both democracy and governability, the latter through the former and the former supported by the latter. Moving towards a state system of this kind requires a reversal of neoliberal centralisation in favour of decentralised rather than hierarchical interest formation and problem-solving.
 4. The architecture of states and state systems affects the performance of states in dealing with collective needs, which in turn affects states' legitimacy.
 5. To be able to govern and thereby to establish legitimacy for itself, the left must be able to serve collective interests by delivering public goods while also suggesting credible pathways out of capitalism as a condition for even better public goods delivery.

Neoliberalism

1. The neoliberal era was one of global centralisation, integration and unification, aimed at disempowering all states except one, the United States.
2. Neoliberalism needs a strong state while globalised neoliberalism needs a strong imperial state substituting for a world state.
3. Neoliberalism tried to replace national political democracy with global economic oligarchy-cum-technocracy sustained by a world government-in-waiting, the United States, acting as guardian of a 'liberal international order' (LIO).
4. Also referred to as a 'rule-bound international order', the LIO obliged all nation-states except the United States to abide by rules

issued by the United States, extending the domestic order of the United States to the world at large, as the late-twentieth-century version of 'globalisation'.

5. Neoliberalism failed because of the failure of universalist bureaucracy, technocracy, marketocracy, and juristocracy to do justice to the collective particularism of social life, making it unable to provide for a legitimate social order. Global governance's lack of both social responsiveness and governing capacity contributed to the dual crisis of capitalism and democracy that accompanied the decline of globalist neoliberalism.
6. Decades of forced integration by centralisation (of globalisation-turned-hyperglobalisation) have contributed to a dual crisis of both capitalism and democracy. For progressive politics this recommends exploration of the democratic political and economic potential of a more decentralised political economy in states and state systems, global as well as continental. This would imply giving up futile attempts to overcome the dysfunctions of over-centralisation and hyperglobalisation by more centralisation and globalisation. Instead it would suggest a change in direction toward decentralisation and deglobalisation, in line with the political nature of human societies and the diversity of local interests, needs and problems, the opposite direction of the neoliberal revolution.

Europe

1. The EU of the Treaty of Maastricht was conceived as a continent-sized miniature model for the global-sized neoliberal economy-cum-society of the American New World Order after 1990; ultimately it was intended to dissolve into it. The EU's critical democratic and administrative governance deficits mirrored and continue to mirror those of global governance.
2. With the post-1990 New World Order broken up by the rise of China and the resurgence of Russia, there is a need for the Western European state system to find a place for itself in an emerging New World Order Mark Two, which may be uni-, bi-, tri-, or multipolar.

3. European democratic and strategic autonomy is incompatible with NATO transatlanticism designed to serve US-American interests in global hegemony.
4. Western Europe lacks an internal unifier capable of transforming its state system, organised in the EU, into a centralised superstate equidistant from the United States and China. While France does and Germany does not want to be Europe's unifier, neither of them can, whether acting separately or together.
5. Western Europe can be turned into a centralised superstate only by the United States as external unifier. This would divide the Eurasian continent between NATO and Russia along a border from the North Cape to the Caucasus.
6. The failure of the European centralised unification project – of 'European integration' as pursued by the European Union – opens up an opportunity in principle for an egalitarian European state system of democratic and sovereign Keynes-Polanyi states.
7. For the European Union as an international organisation, a productive future could be secured by transforming it into a platform for planning and implementing voluntarily adopted cooperative projects of member states, away from an outdated hierarchical regime of top-down control over democratic nation-states by a supra-national bureaucracy, towards a flexible horizontal network for problem-centred mutual cooperation.
8. The war in Ukraine threatens to foreclose the path, opened by the exhaustion of the neoliberal European integration project, towards a more decentralised and less transatlanticised European state system. There is today a clear and present danger of a resumption of centralisation under military auspices, with NATO enlisting the EU for American revisionism after the end of the end of history, in confrontation not just with Russia but also with China.
9. European participation in the American war for global supremacy against Russia and, in the near future, China, with the EU as global auxiliary and Germany as America's European lieutenant, is likely to eliminate for a long time the Keynes-Polanyi option of an autonomous egalitarian European order respecting and cultivating the historical diversity of European societies and political economies.
10. If the European state system, currently organised in the European Union, is to allow European countries democratic autonomy, it

must be reorganised as a cooperative of independent nation-states with equal sovereignty, aligned worldwide with other non-aligned countries and embedded in a regional and global international security regime. Compared to the superstate model of today's European Union with its illusory integrationist *finalité*, this would amount to seeking 'more Europe through less Europe'. Alas, the prospects of such a program being adopted, let alone successfully pursued, are miniscule short of a secular defeat of Biden-Democratic expansionism in the domestic politics of the United States.

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