

The Future of the State in an Era of Globalization

BOB JESSOP

Lively debates over the future of the nation-state resurfaced in the 1980s as scholars and politicians began to suggest that it was now too small to solve the world's big problems and too big to solve its little ones. Among the most frequently cited problems were: (1) the rise of an uncontrolled and possibly uncontrollable global capitalism, (2) the emergence of a global risk society, (3) the challenge to national politics from the politics of identity and new social movements based on local and/or transnational issues; and, more recently, (4) the threat of new forms of terrorism and decentralized network warfare. But there is little agreement about what these problems mean for the state – especially as such challenges are politically constructed and contested. Prognoses include the rise of a single global Empire; a western conglomerate state centered on the United States; a series of supranational states modeled on the European Union; the rise of a fragmented neo-medieval state system; a shift from largely state-based government to network-based governance; the re-scaling of the powers of the national state upwards, downwards, or outwards; and minor incremental changes in secondary aspects of the nation-state that leave its primary features intact. This paper reviews some major changes in the postwar state in advanced capitalist societies and relates them to other changes, including the increasing integration of the world market. But it first offers six clarifications regarding what is really at stake in the debate over globalization and the future of the state.

Six Clarifications

First, all forms of state are based on the territorialization of political power. A formally sovereign national state exercising control over a large territorial area is only a relatively recent institutional expression of state power. It results from a specific, socially constructed division of the global political order into many territorially exclusive, mutually recognizing,

mutually legitimating, sovereign states. Other modes of organizing political power on a territorial basis existed before the rise of this Westphalian system (e.g., city-states, the medieval state system, and traditional empires); and other modes have co-existed with it and/or may be superseding it (e.g., modern imperial-colonial blocs, supranational alliances such as the European Union, or complex post-national politics associations with variable geometries). Thus, even if we accept that globalization challenges the national state as one mode of territorialization of political power, it does not follow that political power will cease to assume some territorial form or another. Indeed, rather than simply withering away or being entirely superseded by non-territorial forms of organizing political power (e.g., a series of global or international regimes addressed to specific functional problems), the evidence points to continuing attempts to redesign and/or rescale territorial statehood in response to current challenges.

Second, we should distinguish between the national state and the nation-state. The territorial organization of power long preceded nation-formation and, whereas territorial statehood is now almost universal, nation-statehood is not. The latter can also have different, potentially overlapping, sometimes antagonistic bases. These include ethnic identity, based on a socially constructed ethnonational community (e.g., Germany); a cultural nation based on a shared national culture that may well be defined and actively promoted by the state itself (e.g., France); and a civic nation based on patriotic commitment to the constitution and belief in the legitimacy of representative government (e.g., the USA). These three forms can reinforce each other (e.g., Denmark), be combined in a hybrid multinational state (e.g., mainland Britain), or provoke conflicts over the proper basis of the nation-state (e.g., Canada, New Zealand). Pressures exist to grant significant autonomy to regionally-based national minorities (e.g., Spain) or institute »consociational« forms of government to share power between nations in a given state (e.g., Belgium, New Zealand). Initially, then, we should consider how these challenges affect the national state form rather than different forms of »nation-state«.

Third, addressing the future of national and/or nation-states requires us to look beyond the state. The latter does not normally exist in majestic isolation overseeing its own society but is more or less embedded in a wider political system, other institutional orders, and civil society. Thus state transformation involves the redrawing of the multiple »lines of difference« between the state and its environment(s) as states (and the social

forces they represent) redefine their priorities, expand or reduce their activities, rescale them in the light of new challenges, modify the relation between different branches and apparatuses, seek greater autonomy or develop forms of power-sharing, and disembed or re-embed specific state institutions and practices within the social order. This holds for the international as well as national dimensions of state relations.

Even the dominant, neo-liberal form of globalization continues to depend heavily on state institutions and practices at many different territorial scales.

Fourth, and relatedly, even in the most liberal economies, states are actively involved in shaping economic life. There is no absolute institutional separation between the political (the domain of the state) and the economic (the domain of the market). The market economy is also embedded in an ensemble of extra-economic institutions and practices that are essential for its operation. The state plays a key role here not only in securing the general institutional framework for profit-oriented, market-mediated economic activities but also in shaping their specific forms, organization, and overall dynamic. This is reflected in growing academic and practical interest in the intimate relation between forms of state and political regime and »varieties of capitalism« and in the various complementarities and contradictions among these different local and national varieties within a changing global economy. Thus even the dominant, neo-liberal form of globalization continues to depend heavily on state institutions and practices at many different territorial scales and in many different functional areas and on the survival of other ways of organizing capital accumulation both within and beyond the dominant neo-liberal economies.

Fifth, globalization is not a single causal mechanism with a universal, unitary logic but is multicentric, multiscalar, multitemporal, multiform, and multicausal. It is better seen as a hypercomplex, continuously evolving product of many processes. As such it does not generate a single, uniform set of pressures on all states but affects them in different ways. Indeed, it is not the State as such (sovereign or otherwise) that is pressured by globalization (or other challenges). For the many social forces and mechanisms that generate globalization can only exert pressure on – or, indeed, strengthen – particular forms of state with particular state ca-

capacities and liabilities. Moreover, in so doing, they modify the balance of forces within states and create space for, and prompt, struggles to reorganize state forms and capacities in order to meet these challenges.

Sixth, and consequently, questions about globalization and the state should not be posed in zero-sum terms. At its worse, this involves an untenable contrast between a singular, emergent, borderless flow-based economy able to operate globally in real time and a plurality of formally equivalent traditional national territorial states qua »power containers« that operate within defined territorial frontiers and according to heavily time-consuming political routines. This contrast errs in two ways. On the one hand, it misrepresents the actual complexities of globalization, ignores the extent to which it depends on changing place-based competitive advantages, neglects the general dependence of economic activities on extra-economic supports that are place- and time-bound, and, of course, overstates the extent of the global economy, even in regard to financial capital, let alone industrial and commercial capital. It also ignores the significant degree to which the unfolding economic logic (and illogic) of globalization constrains individual firms, branches, and clusters as well as the operations of the political system. On the other hand, despite the formal equivalence among sovereign states in the modern state system, as signified, for example, by membership of the United Nations, not all states are equally capable of exercising power internally and/or internationally. They face different problems at home and abroad; have different histories; have different capacities to address these problems and reorganize themselves in response in international as well as domestic matters. Moreover, just as the economy has important territorial dimensions (reflected in concepts such as industrial districts, agglomeration economies, global cities, and regional or national capitalisms), so states also operate as power *connectors* within various global systems as well as power *containers*. And, while not even the USA has an effective global reach and the ability to compress its routines to match those of hypermobile capital, many states have proved capable of reorganizing their routines to modify the impact of economic processes.

Given these arguments, we should focus on the changing organization of politics and economics and their respective institutional embodiments and see frontiers and borders as actively reproduced and contingent rather than as pre-given and fixed. I will illustrate this approach by exploring:

- ▶ changes in the form of postwar state typical of postwar western capitalist economies;

- ▶ broad changes in six key dimensions of the state; and
- ▶ the temporal pressures currently facing the state and its responses thereto.

The Keynesian National Welfare State

This essay cannot consider recent changes in all forms of state in the interstate system. Instead it focuses on changes in the Keynesian national welfare state (or KNWS). This is the form of state that became dominant in North Western Europe, North America, Australia, and New Zealand during the 1950s to 1970s and that was closely linked with the postwar Fordist growth dynamic based on mass production and mass consumption. Obviously, there are important differences among the states in these countries but there are enough similarities to justify describing them in terms of an ideal-typical (or stylized) state form. Each term in this four-dimensional ideal type refers to a major aspect of state involvement in securing continued capitalist expansion and, in this sense, it interprets the state from a broadly economic perspective. This is not the only way to examine changes in the state; adopting alternative entrypoints would highlight other aspects of state transformation or, indeed, reveal some continuities in state forms. But my approach does provide a benchmark for assessing some key recent changes.

First, in promoting the conditions for profitable economic growth, the KNWS was distinctively *Keynesian* insofar as it aimed to secure full employment in a relatively closed national economy and did so mainly through demand-side management and nationwide infrastructural provision. Second, in contributing to the day-to-day, lifetime, and intergenerational reproduction of the population, KNWS social policy had a distinctive *welfare* orientation insofar as it (a) instituted economic and social rights for all citizens so that they could share in growing prosperity (and contribute to high levels of demand) even if they were not employed in the high-wage, high-growth Fordist economic sectors; and (b) promoted forms of collective consumption favorable to the Fordist growth dynamic. Third, the KNWS was *national* insofar as these economic and social policies were pursued within the historically distinctive matrix of a national economy, a national state, and a society seen as comprising national citizens. Within this nationally-organized matrix it was the national territorial state that was mainly held responsible for developing and guiding

Keynesian welfare policies. Local and regional states acted mainly as relays for policies framed at the national level; and the leading international regimes established after World War II were mainly intended to restore stability to national economies and national states. And, fourth, the KNWS was *statist* insofar as state institutions (on different levels) were the chief supplement and corrective to market forces in a »mixed economy« concerned with economic growth and social integration.

Whereas denationalization concerns the territorial dispersion of the national state's activities, destatization redraws the »public-private« divide and modifies the relationship between organizations and tasks across this divide on whatever territorial scale(s).

There was never a pure KNWS. It assumed different national forms within the broader international framework of Atlantic Fordism. This is reflected in distinctions between, for example, Germany's »flexi-Fordism«, France's statist Fordism, and Sweden's social democratic Fordism. Nor has there been a generic crisis that affects all national cases in the same way. Nonetheless, they have all faced similar pressures. The first signs of crisis in Fordist growth emerged in the mid-1970s and worsened in the 1980s. In addition, the structured coherence of a nationally-scaled economy-state-society was weakened by changes associated with globalization, internationalization, the rise of multi-tiered global city networks, the formation of triad economies (such as European Economic Space), and the re-emergence of regional and local economies. The unity of nation-states (as opposed to national states) has also been weakened by the (admittedly uneven) growth of multiethnic and multicultural societies and of divided political loyalties (with the resurgence of regionalism and nationalism as well as the rise of European identities, diasporic networks, cosmopolitan patriotism, etc.). Because many of these changes are not directly related to globalization, we should not focus one-sidedly on the latter as the decisive causal mechanism in recent political transformation.

Six Trends in the Restructuring of the Keynesian National Welfare State

Taking the postwar KNWS as our benchmark, the current reorganization of the state and its capacities can be summarized in terms of six analytically distinct but empirically interrelated trends. Each trend is also linked to a countertrend that both qualifies and transforms its significance for the state's form and functions. These countertrends can be viewed initially as specific reactions to the new trends rather than as survivals of earlier patterns. This is why they are presented as countertrends rather than as additional trends.

Denationalization of Statehood

This involves the transfer of powers previously located at the national territorial level upwards to supra-regional or international bodies, downwards to regional or local states, or outwards to relatively autonomous cross-national alliances among local, metropolitan or regional states with potentially complementary interests. In addition, new state powers have been allocated to scales other than the national. This re-allocation of specific state powers weakens national states qua mutually exclusive, formally sovereign, spatially segmented instantiations of the modern interstate system. Given the primacy of the national scale in the KNWS, this trend is sometimes termed the »hollowing out« of the national state. But this is misleading because it focuses on the transfer of specific tasks, ignores the assumption of new tasks by the national state, and, above all, overlooks the real extent to which this re-arrangement of state functions may be undertaken by state managers to enhance their operational autonomies and strategic capacities.

De- and Re-Statization

This involves redrawing the boundaries between state and non-state apparatuses and activities within the political system. Whereas denationalization concerns the territorial dispersion of the national state's activities, destatization redraws the »public-private« divide and modifies the relationship between organizations and tasks across this divide on whatever territorial scale(s) the state in question acts. In other words, some of the *particular* activities (technical, economic, fisco-financial, juridico-

political, ideological, etc.) performed by states (on any scale) have been transferred entirely to, or shared with, parastatal, non-governmental, commercial, or not-for-profit actors, institutional arrangements or regimes. This is often described as a shift from *government* to *governance* but this slogan is misleading insofar as it depicts the shift as unidirectional. For there is also reverse traffic as states on different scales undertake new tasks that were previously undertaken, if at all, by the market or civil society. Overall, this trend involves the increased importance of quite varied forms (and levels) of public-private partnerships in managing economic and social relations. The state is often only first among equals in these relations. This blurs the division between public and private, expands and reinforces the principle of subsidiarity, strengthens the informal sector as well as private enterprise (especially in delivering welfare and collective consumption), and reinforces mechanisms such as »regulated self-regulation« and »private interest government«. It is also linked to the state's growing involvement in decentered societal guidance strategies based on growing recognition of functional interdependencies, the division of knowledge, and the need for mutual learning, reflexivity and negotiated coordination. This need not entail a loss in the overall power of government, however, because resort to governance could enhance the state's capacity to project its influence and secure its objectives by mobilizing knowledge and power resources from influential non-governmental partners or stakeholders.

The Retreat of the State

This involves the rise of modes of exercising political power that are formally independent of state borders, even if re-scaled. This process weakens territorial »power containers« on any and all scales relative to non-territorial forms of political power. As such it is often subsumed under the shift from *government* to *governance* but it is distinctive because it dissociates the exercise of political power from imagined political communities whose interests are tied to territorialized state power. Destatization involves public-private partnerships in which the state devolves responsibilities to the private sphere but attempts to remain *primus inter pares*. In contrast, this trend involves the self-organization of functional forms of power that by-pass or circumvent state power – perhaps at the behest of state managers. The increasing importance of international regimes for the relative stabilization of a globalizing economy

and the rise of networks in an extra-territorial cyberspace that is allegedly beyond state control are two contrasting examples of this third trend.

Re-articulating the Economic and Extra-Economic

The division of labor between the political and economic systems is being redefined to take account of changed understandings of the economy and the conditions that make for sound economic performance. The economy is no longer interpreted in narrow terms but now includes many additional factors, deemed »non-economic« under the KNWS regime, that affect economic competitiveness. This is reflected in ideas such as »structural competitiveness« (the OECD), »systemic competitiveness«,¹ or the »competitive advantage of nations«.² It requires attention to a growing range of social practices, institutions, functional systems, and domains of civil society that affect competitiveness. This has two interesting and paradoxical effects on states and politics. First, whilst it expands the potential scope of state intervention for economic purposes, the resulting complexity renders the typical postwar forms of top-down intervention less effective – requiring that the state retreat from some areas of intervention and redesign its institutional forms and functions in order to intervene more effectively in other areas. And, second, whilst it increases the range of stakeholders whose cooperation is required for successful state intervention, it also increases pressures within the state to create new subjects to act as its partners. Thus states are now trying to transform the identities, interests, capacities, rights, and responsibilities of economic and social forces so that they become more flexible, capable, and reliable agents of the state's new economic strategies – whether in partnership with the state and/or each other or as autonomous entrepreneurial subjects in the new knowledge-based economy.

Re-Ordering Political Hierarchies

Political hierarchies are also being re-ordered. The nested hierarchy of state power within territorially exclusive sovereign states and formal equality among such states was never fully realized in the modern inter-state system; but it did provide the institutional framework within which

1. Messner, D. (1996) *Die Netzwerkgesellschaft*, Köln: Weltforum Verlag.

2. Porter, M. (1990) *The Competitive Advantage of Nations*, Basingstoke: Macmillan.

forces struggled to control state power and/or modify the balance of international forces. Many of the above changes weaken the coherence of this nested hierarchy and produce increasing unstructured complexity as different scales of economic and political organization proliferate and different strategies are pursued to link them. This is reflected in the internationalization of policy regimes. This means that the international context of domestic state action (whether national, regional or local) has expanded to include a widening range of extraterritorial or transnational factors and processes; that the international context has become more significant strategically for domestic policy; and that key players in policy regimes have expanded to include foreign agents and institutions as sources of policy ideas, policy design and implementation. This trend affects local and regional states below the national level as well as supranational state formations and international regimes. It is also evident in the development of the interregional and cross-border linkages connecting local and regional authorities and governance regimes in different national formations.

Re-Imagining Political Communities

The political communities (or publics) around which forces in the political system orient their actions are being re-imagined in various ways. Among them are new »imagined nations« seeking autonomy within and/or control of a defined territory below, above, or transversal to existing national states; a global civil society based on cosmopolitan patriotism, the primacy of human rights over national citizenship, or some other global identity; new »communities of fate« defined by shared risks regardless of specific territorial location and, perhaps, global in character (e.g., global warming); and new communities of interest defined by shared identities, interests, and values regardless of specific territorial location (e.g., cybercommunities). Such new territorial or extra-territorial conceptions of political community are linked to struggles to redefine the nature and purposes of the state, find alternatives to territorialized forms of political power, and redefine the imagined general interest which political power, whether territorial or not, should serve.

Some Countertrends

Countering the denationalization of statehood and the re-ordering of political hierarchies are the continuing attempts of national states to control the relation between different spatial scales and the transfer of powers between them. It might seem that little has changed here but the denationalization of statehood has introduced two major discontinuities. First, it enhances the need for supranational coordination and opens the space for subnational resurgence. And, second, it radically extends the scope for national states to mediate between an increasing number of significant scales of action. Thus, while the national state may have lost some formal sovereignty through the rescaling of state powers, it seeks to play a central role in interscalar articulation. This is especially clear in the complex politics of the European Union as the most advanced form of a new supranational political system in which national states regularly engage in meta-constitutional deliberation about the appropriate competencies and the appropriate balance of powers between different apparatuses and levels of government and governance in relation to their substantive economic, political, and socio-cultural objectives. In addition, national states have an important role in producing and regulating extra-territorial spaces, such as offshore financial centers, export-processing zones, the »flagging out« of merchant shipping, and tax havens. They are also involved in developing the new *lex mercatoria* governing international economic relations in the effort to benefit their own economic spaces. The same holds for the governance of cyberspace and its new *lex cybertoria*.

Nor does the dual shift from government to governance included in the second and third trends noted above make the state redundant. It retains an important role precisely because of these trends. It is not only an important actor in many individual governance mechanisms but also attempts to manage these mechanisms in the light of the overall balance of forces and demands of social cohesion. These attempts can be described in terms of a shift from government to meta-governance. Even as states cede their claim to formal juridical sovereignty in the face of growing complexity and interdependence among different functional systems and seek to enhance their political capacities by participating in public-private partnerships and/or delegating public responsibilities to private institutions and actors, they are also becoming more involved in organizing and steering the self-organization of partnerships, networks and governance regimes. This shift from governance to metagovernance should not be

confused with the survival of state sovereignty as the highest instance of government nor with the emergence of a »megapartnership« that subsumes all other partnerships. Instead, it involves a shift from the top-down political organization typical of sovereign states to an emphasis on steering multiple agencies, institutions and systems that are operationally autonomous from one another and yet coupled through reciprocal interdependence. Thus states are increasingly involved in facilitating collective learning about functional linkages and material interdependencies among different sites and spheres of action. And politicians are developing the shared visions that can link complementary forms of governance and maximize their effectiveness. States undertake such tasks not only to promote particular state functions but also to ensure political stability and social cohesion.

Even as states cede their claim to formal juridical sovereignty in the face of growing complexity and interdependence among different functional systems, they are also becoming more involved in organizing and steering the self-organization of partnerships, networks and governance regimes.

The expanded definition of the economic at the expense of the extra-economic clearly involves a key role for states (on whatever scale) in re-defining their relations, steering the (re-)commodification of social relations, and dealing with the repercussions of the increasing dominance of economic logic in the wider society. Moreover, whereas promoting the micro-social conditions for economic competitiveness in these changing circumstances may well be better handled at other levels than the national, problems of territorial integration, social cohesion, and social exclusion are currently still best handled through large national states. Large and rich states still have significant fisco-financial powers and redistributive capacities for these purposes – whether they choose to exercise these powers is another matter. Smaller national states require far greater cohesion to deal with the pressures resulting from globalization and, without this, they have strong interests to form strategic alliances with other states and/or enter supranational blocs.

The emergence of new imagined political communities is too complex to discuss here because it is shaped by a wide range of processes from technological change and economic globalization to crises of class and na-

tional identity and the rise of new social movements. Nonetheless it has led states to introduce policies to counteract the newly perceived problem of social exclusion and to seek new bases of legitimation to counteract threats posed by growing political disenchantment with the prevailing forms of state. These policies are pursued across different scales and involve multiple agencies but the national state generally retains the leading metagovernance role in these areas.

Time and Politics

A key dimension of state capacities is their temporal sovereignty, i.e., their ability to make decisions according to their own political routines rather than the temporal rhythms of other systems. Much of the pressure that state managers feel in the current global era has more to do with the compression of time than the spatial extension of economic (or other) activities. This affects politics as the »art of the possible«. States increasingly face temporal pressures in policy-making and implementation due to the acceleration of time and the shortening of time horizons in other social spheres. In particular, as economic routines of superfast and/or hypermobile capital accelerate, the time available to states to determine and co-ordinate political responses to economic events shrinks. This puts pressure on states to adapt by withdrawing from areas where they are too slow to make a difference (this pressure is independent of calls from certain forces to withdraw from such areas), speeding up their routines through fast policy and fast tracking, or seeking to slow down economic movements. A laissez-faire retreat could reinforce the impact of deregulated financial markets, however, especially when market forces provoke economic crises and states cannot respond quickly. The acceleration of politics is reflected in the shortening of policy development cycles, fast-tracking decisions, rapid program rollout, continuing policy experimentation, an institutional and policy Darwinism in which only the quick and effective survive, and a relentless revision of guidelines and benchmarks. This acceleration privileges those who can operate within compressed time scales, narrows the range of participants in policy-making, and limits the scope and time for deliberation, consultation, and negotiation. This can significantly affect the choice of policies, the initial targets of policy, the sites where policy is implemented, and the criteria for success. Fast policy privileges the executive over the legislature and the judiciary, finance over

industrial capital, consumption over long-term investment. It is likely to increase the chances of making decisions on the basis of unreliable information, insufficient consultation, lack of participation, etc. It also tends to destroy institutional memory and to discourage long-term planning. Hence the present is extended at the expense of both past and future; and politics is lived in the mediatised world of spin and presentation, the quick fix, rapid churning of policies, and plebiscitarian forms of democracy.

Rather than compressing absolute political time, states could create relative political time by slowing the circuits of capital. The most celebrated, if not yet implemented, example of this strategy is the Tobin tax, which would decelerate the flow of superfast and hypermobile financial capital and limit its distorting impact on the real economy. Other examples include a tax on fossil fuels to slow the exhaustion of non-renewable resources and global warming, inclusion of recycling and disposal costs in the pricing of goods, and resort to prudential principles in the introduction of new technologies. For these could tilt the balance away from globalization in favor of regional and local economies, slow the rate of environmental destruction, and allow proper evaluation of the likely consequences of technological innovation. This could be supplemented by a fourth political time-management option. This is to establish the institutional framework for guided self-regulation on various scales based on the principle of subsidiarity as well as for continuous monitoring of how well such self-regulation is operating in the light of agreed criteria. This strategy of reflexive metagovernance would enable the state to retain the capacity to co-ordinate activities across different time zones and temporalities without the risk of overload.

Conclusions: Post-national Governance and the Resilience of the National State

I conclude this review of recent changes in the state with two main sets of arguments. First, in most advanced capitalist economies, the Keynesian national welfare state is being tendentially replaced by a Schumpeterian post-national workfare regime (SPWR). The latter can be presented along the same ideal-typical lines as the KNWS. Thus, regarding its economic functions, the new state form is *Schumpeterian* insofar as it tries to promote permanent innovation and flexibility in relatively open econo-

mies by intervening on the supply-side and to strengthen their structural and/or systemic competitiveness. This invokes Schumpeter, the theorist of innovation, entrepreneurship, and competition, rather than Keynes, the theorist of money, employment, and national demand, as its emblematic economist. Likewise, as a *workfare* regime, the SPWR subordinates social policy to the demands of labor market flexibility and employability and to the demands of economic competition. This includes putting downward pressure on the social wage qua cost of international production but, given the economic and political limits to welfare cuts, it also involves the reorientation of the inherited welfare state to economic interests. In more neo-liberal economies this leads to the partial dismantling of the welfare state and increasing polarization and social exclusion; but it is consistent with a more incremental redesign, reorientation, and rescaling of welfare in other types of economic regimes. In relation to its economic and social functions, attempts are also made to create appropriate subjects to serve as partners in the innovative, knowledge-driven, entrepreneurial, flexible economy and its accompanying self-reliant, autonomous, empowered workfare regime.

Regarding the scale on which these functions are performed, the SPWR is »*post-national*« insofar as the national territory has become less important as an economic, political, and cultural »power container«. This is associated with a transfer of economic and social policy-making functions upward, downward, and sideways. On a global level, this can be seen in the growing involvement of a growing number of international agencies (such as the IMF, World Bank, OECD, and ILO) and intergovernmental forums (such as the G8) in the shaping of current social as well as economic policy agendas. Other scales of political organization are also increasingly active in this redesign – including the European Union as an emerging post-national polity, the emerging global hierarchy of networked cities, and a growing number of cross-border regions. Finally, the SPWR relies increasingly on forms of governance rather than sovereign state capacities to compensate for market failures and inadequacies. There is an increased role for non-state mechanisms in shaping and delivering state-sponsored economic and social policies. One aspect of this is the increased importance of private-public networks to state activities on all levels from the local to the supranational. The shift from *government* towards *governance* means that traditional forms of intervention are less important now in economic and social policy. This does not mean that law and money have disappeared, of course; instead, active economic and social steering

now tends to run more through soft regulation and reflexive law, additionality and private-public partnerships, organizational intelligence and information-sharing, etc. A key role is also played by »meta-governance«, i.e., the organization of the institutional framework and rules for individual modes of governance and the »calibration« (or re-balancing) of different modes of governance.

The early stages of Europolity construction were shaped by a tension between strategies to develop a supranational European state and strategies to confine it to a limited, goal-oriented, and revocable mechanism of intergovernmental collaboration. We are now witnessing the emergence of the European Union as a complex, self-organizing system of multi-level meta-governance.

My second conclusion relates primarily to the European Union as the currently most advanced form of post-national political regime that is committed to a broad range of economic and social tasks within a more or less integrated political territory. On the one hand, the EU has key roles in organizing the transition to a Schumpeterian post-national workfare regime in Europe, in promoting the competitiveness of European economic space in a globalizing knowledge-based economy, and in restructuring and defending the European social model in the face of pressures emanating from more evangelistic neo-liberal economies (most notably the United States). Moreover, corresponding to the increasingly post-national nature of contemporary political economy, the EU also acts both as a relay and a filter for the agenda-shaping efforts of international agencies (such as the WTO and OECD) at the same time as it attempts to shape the emerging global economic, political, and social agenda and to promote a distinctive European agenda in regions and countries beyond its borders. On the other hand, corresponding to these changing economic and political functions, their expanding territorial scope, and their increasing functional interdependence, the EU is being reorganized politically as part of the more general transformation of statehood and politics on a global scale. The early stages of Europolity construction were shaped by a tension between strategies to develop a supranational European state and strategies to confine it to a limited, goal-oriented, and revocable mechanism of intergovernmental collaboration. We are now witnessing the emergence of the European Union as a complex, self-organizing sys-

tem of multi-level meta-governance. This involves a variety of state and non-state political actors and a variety of non-political actors in a continuing process of meta-constitutional design and meta-governance practices. This process is concerned to produce appropriate forms of government *and governance* that have variable territorial and functional geometries but are also compatible with the pursuit of longer term economic and political projects and with some overall coherence and cohesion of the emerging European regime. This involves complex processes of inter-scalar management and the calibration of activities on different scales with careful attention to what tasks are allocated to which scales and the balance among different modes of governance. This is a distinctive feature of the European Union and excludes any easy generalization from the EU case to the other two triads – or vice versa. It is itself a sign that one should not push globalization too far as a general explanatory framework of recent changes.

Finally, while globalization and the other challenges mentioned in the introduction to this essay have undermined the effectiveness of the Keynesian national welfare state, a restructured national state remains central to the effective management of the emerging spatio-temporal matrices of capitalism and the emerging forms of post- or transnational citizenship. For national states have become even more important arbiters of the movement of state powers upward, downward, and lateral; they have become even more important meta-governors of the increasingly complex multicentric, multiscalar, multitemporal, and multiform world of governance; and they are actively involved in shaping the forms of international policy regimes. This is especially clear even in the most advanced case of state transformation, namely, the emergence of the Europolity as a complex multi-level meta-governance regime. National states are also responding more or less effectively to the crisis in traditional forms and bases of national citizenship. Their activities in these respects have far less to do with globalization in the strongest sense of this polyvalent, promiscuous, and controversial word (i.e., the emergence of a borderless planetary economy – an entity widely and rightly regarded as mythical) than they do with the more general spatio-temporal restructuring of contemporary capitalism. And in this regard it is just as important to pay attention to the temporal dimensions of these transformations as it is to consider their spatial aspects. For the effectiveness of the exercise of state powers depends on its command of time as well as space. The changes in the state reviewed above reflect the complex interrelations between both aspects.