Contemporary Debate on the Nature of State

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1. Introduction

Societies existing before or without a political state are currently studied in such fields as paleolithic history, and the anthropological subfields of archaeology, cultural anthropology, social anthropology, and ethnology, which investigate the social and power-related structures of indigenous and uncontacted peoples living in tribal communities. In the 17th and 18th century a common device in political philosophy was to reason in terms of the "state of nature." What this meant was to imagine human society as it was before there were states and governments. The question was usually what life was like in such conditions and then how and why there was or would be a transition from it to the arrangements we see now. Often the origin of organized society was conceived as an original agreement, a "social contract," negotiated among people in the state of nature. Three significant versions of state of nature theory can be found with Thomas Hobbes, John Locke, and Jean Jacques Rousseau.¹

Everywhere it seems to have been taken for granted that force and violence are necessary to man's welfare upon the earth. Endless volumes have been written, and countless lives been sacrificed in an effort to prove that one form of government is better than another; but few seem seriously to have considered the proposition that all government rests on violence and force; is sustained by soldiers, policemen, and courts; and is contrary to the ideal peace and order that make for the happiness and progress of the human race. The beginnings of the state can be traced back to the early

¹Arthur Schopenhauer, *The World as Will and Representation*, Volume I, 62, E.F.J. Payne translation, Dover Publications, 1966

history of the human race when the strongest savage seized the largest club and with this weapon enforced his rule upon the other members of the tribe. By means of strength and cunning he became the chief and exercised this power, not to protect the weak but to take the good things of the earth for himself and his.²

John Locke considers the state of nature in his *Second Treatise on Civil Government* written around the time of the Exclusion Crisis in England during the 1680s. For Locke, in the state of nature all men are free "to order their actions, and dispose of their possessions and persons, as they think fit, within the bounds of the law of nature." (2nd Tr., §4). "The state of Nature has a law of Nature to govern it", and that law is reason. Locke believes that reason teaches that "no one ought to harm another in his life, liberty, and or property" (2nd Tr., §6); and that transgressions of this may be punished. This view of the state of nature is partly deduced from Christian belief (unlike Hobbes, whose philosophy is not dependent upon any prior theology).

Want of a common Judge with Authority, puts all Men in a State of Nature: Force without Right, upon a Man's Person, makes a State of War, both where there is and is not, a common Judge.

John Locke, The Second Treatise of Civil Government, §19

Although it may be natural to assume that Locke was responding to Hobbes, Locke never refers to Hobbes by name, and may instead have been responding to other writers of the day, like Robert Filmer.³

The pure state of nature or "the natural condition of mankind" was deduced by the 17th century English philosopher Thomas Hobbes, in *Leviathan* and in his earlier work *On the Citizen*⁴. Hobbes argued that all humans are by nature equal in faculties of body and mind (i.e., no *natural* inequalities are so great as to give anyone a "claim" to an exclusive "benefit"). From this equality and other causes in human nature, everyone is naturally willing to fight one another: so that "during the time men live without a common power to keep them all in awe, they are in that condition which is called warre; and such a warre as is of every man against every man". In this state every person has a natural right or liberty to do anything one thinks necessary for preserving one's own life;

⁴Hobbes, Thomas, *Leviathan*. 1651. Edwin Curley (Ed.) 1994. Hackett Publishing.

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² Resist Not Evil, originally published in 1903, republished by the Mises Institute in 2011

³Skinner, Quentin. Visions of Politics. Cambridge.

and life is "solitary, poor, nasty, brutish, and short" (*Leviathan*, Chapters XIII–XIV). Hobbes described this natural condition with the Latin phrase *bellum omnium contra omnes* (meaning war of all against all), in his work *De Cive*. Within the state of nature there is neither personal property nor injustice since there is no law, except for certain natural precepts discovered by reason ("laws of nature"): the first of which is "that every man ought to endeavour peace, as far as he has hope of obtaining it" (*Leviathan*, Ch. XIV); and the second is "that a man be willing, when others are so too, as far forth as for peace and defence of himself he shall think it necessary, to lay down this right to all things; and be contented with so much liberty against other men as he would allow other men against himself" (*loc. cit.*). From here Hobbes develops the way out of the state of nature into political society and government, by mutual contracts.

According to Hobbes the state of nature exists at all times among independent countries, over whom there is no law except for those same precepts or laws of nature (*Leviathan*, Chapters XIII, XXX end). His view of the state of nature helped to serve as a basis for theories of international law and realism.⁵

Montesquieu makes use of the concept of the state of nature in his *The Spirit of the Laws*, first printed in 1748. Montesquieu interestingly states the thought process behind early human beings before the formation of society. He says that human beings would have the faculty of knowing and would first think to preserve their life in the state. Human beings would also at first feel themselves to be impotent and weak. As a result, humans would not be likely to attack each other in this state. Next, humans would seek nourishment and out of fear and impulse would eventually unite to create society. Once society was created, a state of war would ensue amongst societies which would have been all created the same way. The purpose of war is the preservation of the society and the self. The formation of law within society is the reflection and application of reason for Montesquieu.⁶

Hobbes' view was challenged in the eighteenth century by Jean-Jacques Rousseau, who claimed that Hobbes was taking socialized people and simply imagining them living outside of the society in which they were raised. He affirmed instead that people were neither good nor bad, but were born as a blank slate, and later society and the environment influence which way we lean. In

⁵Yurdusev, A. Nuri (June 2006). "Thomas Hobbes and international relations: from realism to rationalism" (PDF). Australian Journal of International Affairs. **60** (2): 305. Retrieved 2 February2016.

⁶Translated by Thomas Nugent, revised by J. V. Prichard. Based on edition published in 1914 by G. Bell & Sons, Ltd., London. Rendered into HTML and text by Jon Roland of the Constitution Society, where the full text of this document may be found, Book 2

Rousseau's state of nature, people did not know each other enough to come into serious conflict, and they did have normal values. The modern society, and the ownership it entails, is blamed for the disruption of the state of nature which Rousseau sees as true freedom.⁷

David Hume offers in *A Treatise of Human Nature* (1739) that human beings are naturally social: "This utterly impossible for men to remain any considerable time in that savage condition, which precedes society; but that his very first state and situation may justly be esteem'd social. This, however, hinders not, but that philosophers may, if they please, extend their reasoning to the suppos'd state of nature; provided they allow it to be a mere philosophical fiction, which never had, and never cou'd have any reality."

Hume's ideas about human nature expressed in the *Treatise* suggest that he would be happy with neither Hobbes' nor his contemporary Rousseau's thought-experiments. He explicitly derides as incredible the hypothetical humanity described in Hobbes' *Leviathan*. Additionally, he argues in "Of the Origin of Justice and Property" that if mankind were universally benevolent, we would not hold Justice to be a virtue: "'tis only from the selfishness and confin'd generosity of men, along with the scanty provision nature has made for his wants, that justice derives its origin."

John C. Calhoun, in his *Disquisition on Government*, (1850) wrote that a state of nature is merely hypothetical and argues that the concept is self contradictory and that political states naturally always existed. "It is, indeed, difficult to explain how an opinion so destitute of all sound reason, ever could have been so extensively entertained, ... I refer to the assertion, that all men are equal in the state of nature; meaning, by a state of nature, a state of individuality, supposed to have existed prior to the social and political state; and in which men lived apart and independent of each other... But such a state is purely hypothetical. It never did, nor can exist; as it is inconsistent with the preservation and perpetuation of the race. It is, therefore, a great misnomer to call it the state of nature. Instead of being the natural state of man, it is, of all conceivable states, the most opposed to his nature—most repugnant to his feelings, and most incompatible with his wants. His natural state is, the social and

⁷Jean-Jacques Rousseau, A Discourse on Inequality

⁸Hume, David (1739). A Treatise of Human Nature. Project Gutenberg. pp. Book III, Part II, Section II. Retrieved 2 February 2016.

⁹Hume, David (1739). A Treatise of Human Nature. Project Gutenberg. pp. Book II, Part III, Section I. Retrieved 2 February 2016.

¹⁰Hume, David (1739). A Treatise of Human Nature. Project Gutenberg. pp. Book III, Part II, Section II. Retrieved 2 February 2016.

political—the one for which his Creator made him, and the only one in which he can preserve and perfect his race. As, then, there never was such a state as the, so called, state of nature, and never can be, it follows, that men, instead of being born in it, are born in the social and political state; and of course, instead of being born free and equal, are born subject, not only to parental authority, but to the laws and institutions of the country where born, and under whose protection they draw their first breath."

John Rawls used what amounted to an artificial state of nature. To develop his theory of justice, Rawls places everyone in the original position. The original position is a hypothetical state of nature used as a thought experiment development to Rawls' theory of justice. People in the original position have no society and are under a veil of ignorance that prevents them from knowing how they may benefit from society. They lack foreknowledge of their intelligence, wealth, or abilities. Rawls reasons that people in the original position would want a society where they had their basic liberties protected and where they had some economic guarantees as well. If society were to be constructed from scratch through a social agreement between individuals, these principles would be the expected basis of such an agreement. Thus, these principles should form the basis of real, modern societies since everyone should consent to them if society were organized from scratch in fair agreements.

Rawls' Harvard colleague Robert Nozick countered the liberal *A Theory of Justice* with the libertarian *Anarchy, State, and Utopia*, also grounded in the state of nature tradition. ¹² Nozick argued that a minimalist state of property rights and basic law enforcement would develop out of a state of nature without violating anyone's rights or using force. Mutual agreements among individuals rather than social contract would lead to this minimal state.

In Hobbes' view, once a civil government is instituted, the state of nature has disappeared between individuals because of the civil power which exists to enforce contracts and the laws of nature generally. Between nations, however, no such power exists and therefore nations have the same rights to preserve themselves—including making war—as individuals possessed. Such a conclusion led some writers to the idea of an association of nations or worldwide civil society. Among them there were Immanuel Kant with his work on perpetual peace.

Rawls also examines the state of nature between nations. In his work the Law of Peoples,

¹¹Calhoun, John. "Disquisition on Government". Retrieved 2 February 2016.

¹²Rothbard, Murray N. (1977). "Robert Nozick and the Immaculate Conception of the State" (PDF). Journal of Libertarian Studies. 1, Num1.: 45–47.

Rawls applies a modified version of his original position thought experiment to international relationships. Rawls says that peoples, not states, form the basic unit that should be examined. States should be encouraged to follow the principles from Rawls' earlier *A Theory of Justice*. Democracy seems like it would be the most logical means of accomplishing these goals, but benign non-democracies should be seen as acceptable at the international stage. Rawls develops eight principles for how a people should act on an international stage.

Now whoever wishes to set aside the purely moral consideration of human conduct, or to deny it, and to consider conduct merely according to its external effect and the result thereof, can certainly, with Hobbes, declare right and wrong to be conventional determinations arbitrarily assumed, and thus not existing at all outside positive law; and we can never explain to him through external experience what does not belong to external experience. Hobbes characterizes his completely empirical way of thinking very remarkably by the fact that, in his book *De Principiis Geometrarum*, he denies the whole of really pure mathematics, and obstinately asserts that the point has extension and the line breadth.¹³

2. Globalization and the Nation State

An essential link between globalization and the nation state is the concept of sovereignty, a term dating back several centuries, well before the nation-state system was established in 1648. Originally intended in reference to the establishment of order within a state, sovereignty has since been interpreted by some as a legal quality that places the state above the authority of all external laws. Yet whenever a state exercises its sovereign right to sign a treaty, it is also wilfully limiting that right by the very act of undertaking an international legal obligation. States are also bound by other rules, such as customary international law. With these formal legal limitations, sovereignty stubbornly persists even in an age of globalization -- and is manifested in such functions as the coining of money, the gathering of taxes, the promulgation of domestic law, the conduct of foreign policy, the regulation of commerce, and the maintenance of domestic order. These are all functions that are reserved exclusively to the state, a condition that the European Union is challenging today in many dimensions of governance, but has by no means overcome.

States have, over the years, discovered that their interests are better advanced within a broader

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¹³Arthur Schopenhauer, *The World as Will and Representation*, Volume I, 62, E.F.J. Payne translation, Dover Publications, 1966, p.342

system of binding rules than without such a system. Rules help to define rights, including property rights, as well as duties, including duties to do and not to do certain things. What precisely these rights and obligations are depends on a whole complex of circumstances: political, economic, cultural, and technological. In our current age, globalization is having a profound effect upon national and international rules -- it is, for example, influencing the norms that govern world commerce, transportation, environmental protection, to name only a few.

There is, however, no universally-agreed definition of this term. It made its debut in western public policy circles in the mid-1980s -- replacing "interdependence" -- and was at the time generally viewed in an economic context. Globalization simply referred to a largely commercial process involving rapid increases in the exchange of goods, capital, and services across national frontiers. It figured particularly in writings about the role of multinational corporations, with their global networks of vertically-integrated subsidiaries and affiliates.

Expanded flows of commerce across borders had, to be sure, many benefits. They provided profits, jobs, efficiencies of scale, lowered unit costs, and increased the variety of goods available for everyone to buy. This commerce was facilitated by important technological trends, like the increased speed and declining cost of long-distance transportation (both of passengers and of cargo) and similar developments in the field of telecommunications. Simply put, it was not just getting easier to do business across national borders, but highly desirable to the growing numbers of potential beneficiaries of this commerce.

Some commentators over the ages have even written that unfettered trade would be the key to world peace, since states -- and the large economic interests within them -- would be most reluctant to let wars interfere with the cool logic of mutual economic gain. Journalists, social scientists, and political leaders joined their economist friends in heralding a new age of interdependence, one that promised a more rational way of going about the world's business, one less influenced by unilateral actions by nation states, including the use of force.

Yet any fair assessment of interdependence must go back somewhat farther in history than the last few decades or so, for the concept is actually much older. Several historians, economists, and political scientists throughout the 20th century used the term extensively in their writings. They understood that the world's economy was highly interdependent even well before World War I. A recent study by the International Monetary Fund, for example, stated that "By some measures,

international economic integration increased just as much in the 50 years before World War I as in recent decades, and reached comparable levels."

Many of these writers were also keenly aware of another dimension of interdependence -- namely, its potential to make armed conflicts much more devastating. Distinguished observers like Norman Angell, Leonard Wolf, Francis Delaisi and Ramsey Muir wrote extensively on this theme and questioned the adequacy of the nation state in meeting the economic and security challenges of the new century. In short, the close interdependence of the world's economies did not only offer great benefits, but also entailed great risks, and great responsibilities for governmental reform. The capacity to generate wealth clearly did not come with any guarantees that this new wealth would be distributed equitably, as recent economic trends show clearly that the gap between the rich and poor -- both within and between nations -- has widened even in the generally prosperous decade of the 1990s. Interdependence also entails cross-border exchanges of what are called, negative externalities, including environmental pollution, risks of international pandemics, and thriving clandestine markets for arms, components of weapons of mass destruction, narcotics, and even illicit transfers of various forms of industrial wastes.

Globalization is an ongoing process, not a completed condition. Against the grand tapestry of history, it has arguably just started. It has grown from a purely economic or technological concept and now implies evolutionary change on a cultural dimension as well. Information communicated through modern print and electronic media is not just affecting commerce, but shaping world-views, relations inside families, and attitudes of citizens to the state. The process, however, has still not significantly touched an extraordinary proportion of humanity and hence has not yet truly earned its title, globalization.

3. The Nation State

Many of the brightest prospects, as well as the worst potential risks, of globalization stem from the fate of the nation, in particular its association with the administrative structure known as the state. The idea that each state should have, or coincide with, its underlying nation goes back many years before the doctrine of national self-determination was enshrined -- albeit selectively -- in the Versailles Treaty after World War I. Though there is considerable disagreement over the formal definition of the term, the communitarian nation differs from the administrative machinery of the state much as the human spirit differs from the bones and muscles of one's body. The nation is not an

administrative contrivance, but a form of collective social identity, one that is based on a common historical, linguistic, or cultural heritage.

Historically, the leaders of states have relied upon nations as a base of support for official laws and policies, indeed, as a basis for their own legitimacy. As the backbone of political power of the administrative state, the nation has rallied behind many great causes, including many of the progressive reforms in social, economic, and environmental policy of the 20th century. Yet since Napoleonic times, the nation has also been associated with the age of total war, of horrific conflicts between the peoples of the world rather than just their armies. This unfettered spirit of the nation, when combined with the revolutionary advances in military technology in the 19th and 20th century, has led to the bloodiest years in the history of humanity. Even today, the nation, and its associated ideology -- nationalism -- continue to provide a formidable obstacle to constructive international cooperation on an enormous variety of common global problems.

In an age of total war, of instant global communications and fast, cheap travel, the nation state has appeared to many observers as a quaint, even dangerous anachronism. Even a hard-core realist like Hans Morgenthau was drawn to declare thirty-five years ago that -- in his words -- Modern technology has rendered the nation state obsolete as a principle of political organization; for the nation state is no longer able to perform what is the elementary function of any political organization: to protect the lives of its members and their way of life . . . The modern technologies of transportation, communications, and warfare, and the resultant feasibility of all-out atomic war, have completely destroyed this protective function of the nation state.

Contemporary observers and leaders alike have devoted considerable effort throughout the postwar years in the pursuit of measures to go -- in the popular parlance -- "beyond the nation state." The functionalist approach of Jean Monnet and Robert Schuman -- the pioneers of the European Union -- sought to tackle this problem by building habits of cooperation in relatively non-sensitive areas of economic and cultural activity in the belief that, in due course, these habits of cooperation would spill over into more sensitive areas. Habits can be powerful political forces indeed. As Samuel Johnson once said, "The chains of habit are too weak to be felt until they are too strong to be broken." Obsolete though it may be in many ways, the nation state nevertheless persists as do, quite obviously, a multitude of nations. Indeed, many of the legal and political principles of exclusivity commonly associated with the nation state are enshrined in the great treaty linking all countries, the Charter of

the United Nations. Yet, at the start of the new millennium, we are also seeing the gradual emergence of awareness throughout the world of our common humanity and the planet as a whole rather than simply the sum of its parts.

This synthesis of the globe and the nation state as the fundamental units of sustained political activity is but another way of thinking about the process of globalization. The idea here is not to replace the nation state but to adapt it to be more responsive to human needs in new global conditions.

Without a doubt the best expression of the synthesis that is now underway can be found in a historic document that was issued last September after the Millennium Summit at the United Nations, the largest-ever gathering of world leaders. This document, called the Millennium Declaration, consists of a statement of common values and principles, as well as a list of specific common objectives. Specific initiatives are outlined in the areas of peace, security, and disarmament; development and poverty eradication; protecting the environment; human rights, democracy, and good governance; protecting the vulnerable; meeting the special needs of Africa; and strengthening the United Nations.

It is noteworthy that the primary agent for pursuing these common, global goals remains the state. The declaration itself, for example, was, unlike the Charter, a statement by "heads of State and Government" not their peoples. In this document, these leaders emphatically rededicated themselves "to uphold the sovereign equality of all States," to respect their "territorial integrity and political independence," and to reaffirm their commitment of "non-interference in the internal affairs of States." It is hard to read this language and conclude that the state is obsolete.

Yet to read only those passages pertaining to the state would be to ignore other parts of the declaration that clearly seek to move the focus of political action to the betterment of all humanity. Hence one finds listed among the key values of the new Declaration a "collective responsibility to uphold the principles of human dignity, equality and equity at the global level." The document declares the existence of a duty "to all the world's people" and refers throughout to "our common humanity." What makes this Declaration so interesting is not only the solid consensus behind it, but its brilliant synthesis and redefinition of ends and means in the millennium to come. The document puts forward clear global ends and relies upon states as key agents in pursuing those ends on behalf of all humanity. The Declaration offers states a road map of initiatives they should follow for the collective good of all.

In the area of protecting the environment, for example, the Declaration's language calls upon states to embrace and implement numerous international conventions and understandings, including the Kyoto Protocol and support for the principles of sustainable development enshrined in the Rio Declaration. The actions needed to enforce such agreements do not materialize from nowhere: they continue to depend heavily upon enlightened action by states.

If it is true that the nation state is likely to remain for some time to come a prominent reference point in the "cartography of governance" -- the subject of this symposium -- it is also true that the specific role of this administrative structure will be determined by more than structural or topographic features of a political system. To this extent a "meteorology of governance" is needed as well, for it addresses the dynamic though often unpredictable processes that occur across the political landscape.

If the winds of political change are to sweep into the dusty halls of government, they will originate from the same place they have always arisen from time immemorial -- they will flow from the voices of the people.¹⁴

The role of the nation-state in globalization is a complex one in part due to the varying definitions and shifting concepts of globalization. While it has been defined in many ways, globalization is generally recognized as the fading or complete disappearance of economic, social and cultural borders between nation-states. Some scholars have theorized that nation-states, which are inherently divided by physical and economic boundaries, will be less relevant in a globalized world.

While increasingly reduced barriers in regard to international commerce and communication are sometimes seen as a potential threat to nation-states, these trends have existed throughout history. Air and sea transportation that made same-day travel to other continents possible and greatly expanded trade among countries did not abolish the sovereignty of individual nations. Instead, globalization is a force that changed the way nation-states deal with one another, particularly in the area of international commerce.

One commonly recognized effect of globalization is that it favors Westernization, meaning that other nation-states are at a disadvantage when dealing with the Americas and Europe. This is particularly true in the agricultural industry, in which second- and third-world nations face internal

¹⁴Jayantha Dhanapala, Colorado Journal of International Environmental Law and Policy April 7, 2001

competition from Western companies. Another potential effect is that nation-states are forced to examine their economic policies in light of the many challenges and opportunities that multinational corporations and other entities of international commerce present. Multinational corporations, particularly, challenge nation-states to confront the unique issue of foreign direct investments, forcing nation-states to determine how much international influence they allow in their economies. Globalization also creates a sense of interdependence among nations, which could create an imbalance of power among nations of differing economic strengths.

The role of the nation-state in a global world is largely a regulatory one as the chief factor in global interdependence. While the domestic role of the nation-state remains largely unchanged, states that were previously isolated are now forced to engage with one another to set international commerce policies. Through various economic imbalances, these interactions may lead to diminished roles for some states and exalted roles for others.¹⁵

According to a widely-shared definition, the State, at least the modern State, consists of three basic elements: a territory, its people, and a sovereign power. If this is true, every analysis of the transformations affecting the State brought about by globalization cannot but take those three elements, which are all present and interact with each other, as subjects for reflection.

4. Security Globalization

Traditionally, national security is understood as "the acquisition, deployment and use of military force to achieve national goals" Looking at *military/security globalisation*, the traditional agenda of national security is redefined as international security or *new cooperative security community*'. Globalization widens the scope of security. International security includes environmental issues such as global warming, ozone depletion and acid rain. Globalization means that nation-states can no longer control their non-physical security requirements, such as protection of information and technology assets. Agents of threat can be the state, but can also be non-state groups and individuals, such as ethnic militias, cults, organized crime and terrorism. States are becoming more sensitive to security and military developments in other regions due to increasing financial, trade and economic relations Turns Furthermore, through organizations like NATO, state autonomy and sovereignty is

¹⁵http://www.investopedia.com/ask/answers/022415/what-role-nationstate-globalization.asp#ixzz4HyrIXTIr

¹⁶David Held, A. McGrew (1998), "The End of the Old Order?", Review of International Studies, 24, pp. 226

¹⁷Victor D. Chan (2000), "Globalisation and the Study of International Security", *Journal of Peace Research*, 37(3), pp. 391-403.

limited.¹⁸ Globalisation is not an "event", but a gradual and continuous expansion and integration of relations. The "deep" integration that presently characterizes globalisation was born in the 1980's and accelerated in the1990's, especially with the advances in communication and transportation technology. This "deep" integration has brought new realities. In the 21stcentury, nation-states have to find ways of adapting in order to cope effectively with these realities.

5. Economic change and Globalization

Globalization as the name suggests is a global economic movement which involves all national international economic players including the all pervasive bureaucracy. It is a multi-role, multi-layered phenomenon in which everyone contributes his bit. The growing progress of science and faster means of communication have converted the world into a global village wherein people from all strata of society have converged to share the economic benefits which are a resultant of increase in production. States' national boundaries are shrinking and an inter-state commonwealth is emerging on the basis of a common cooperative endeavor.

The tempo and pace of globalization is so momentous that it has transformed world politics. States are no longer closed and compact political units that could control their economies independently. They are greatly influenced by international financial and trade institutions, and policies. Common global culture is a world wide phenomenon and under its influence, most urban centers of various nations have developed a close affinity with one another. "The world is becoming more homogeneous. Differences between people are diminishing. Time and space seem to be collapsing. Our old ideas of geographical space and chronicle time are undermined by the speed of modern communication and media. There is emerging a global polity, with transitional social and political movements and the beginning of a transfer of allegiance from the state to sub-state, transitional and international bodies. A cosmopolitan culture is developing."

6. Conclusion

Globalization is a complex phenomenon, which encompasses a great variety of tendencies and trends in the economic, social and cultural spheres. It has a multidimensional character and thus does not lend itself to a unique definition. For purposes of simplicity, it may be described as increasing and

¹⁸David Held (1989), *Political Theory and The Modern State*, Stanford California: Stanford University Press, pp. 231.

 $^{^{19}\,}$ MRS RUCHIRA AGRAWAL, International Journal of Social Science & Interdisciplinary Research ISSN 2277 3630 , Vol. 2 (3), 2013

intensified flows between countries of goods, services, capital, ideas, information and people, which produce cross border integration of a number of economic, social and cultural activities. It creates both opportunities and costs and for this reason it should not be demonized nor sanctified, nor should it be used as a scapegoat for the major problems that are affecting the world today.²⁰ Governments have played a pivotal role in allowing greater interdependence and economic integration of specific activities through the elaboration and adoption of market-oriented policies and regulations, at both the international and local levels. Increased global integration in a number of economic areas began to intensify in the 1980s when many governments supported economic liberalization. The latter has included "financial sector deregulation, the removal of controls over foreign exchange and enhanced freedom of trade. Financial deregulation has resulted in the progressive elimination of capital controls, the removal of controls over interest rates, and the lifting of traditional barriers to entry into banking and other financial services" (Cable, 1995, p. 3)²¹.

State efforts to uphold free trade and to encourage the reduction of trade barriers have been reflected in the eight successive negotiating rounds of the former General Agreement on Trade and Tariffs (GATT), which culminated in 1995 with the establishment of a multilateral trading system – the World Trade Organization (WTO). The latter has not only led to the reduction of barriers to trade in goods, but has also proceeded to liberalize services and capital flows. The WTO has as well focused more closely on an ever-growing range of policy measures affecting the terms and conditions of market access, such as standards and regulations, subsidy practices, and intellectual property rights (WTO, 1998 Annual Report).²²

Globalization in absolute terms as either a totally positive or negative phenomenon is a simplistic approach. Ultimately, globalization benefits society at large in countries that enjoy some degree of political stability, that have in place adequate infrastructure, equitable social safety nets and in general strong democratic institutions. Experience has shown that globalization requires strong, not weak States. Thus, one of the main preconditions to ensure that the benefits of globalization are evenly spread throughout the developed and the developing world and within a given country is good governance, including an efficient and effective public administration.

²⁰Guido Bertucci, United Nations World Public Sector Report 2001 on "Globalization and the State"

²¹Cable, Vincent (1995). "What Future for the State", in *Deadalus*, March 22.

²²World Trade Organization (1998). Annual Report, Geneva