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States in Europe: uncaging societies and the limits to the infrastructural power

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1. Introduction

For more than a century now, states have intervened strongly to alleviate the social and economic consequences of crises in capitalism. New models of regulation, such as Keynesianism, have been invented to deal with capitalist contradictions: to socialize the huge losses booked by banks and large firms, change policy instruments, correct market failures, support regions in decline, transform labor market regulations or create new markets whilst supporting creative destruction. Crises inspire us to think in new ways about periods and varieties of capitalism, about regulation crises and dynamics and about the role, functions and characteristics of the state. At the same time, crises are a great source of tension, pushing political debates to the extreme, sparking waves of protest, and generating political pressures or anti-democratic trends that call into question the very legitimacy of the state.

The 2008 financial crisis and the ensuing recession demonstrate both the power and the vulnerability of the modern state. Severely buffeted by the economic crisis, most advanced democracies were forced to take drastic policy measures that often included hugely expensive public interventions in the private sector, only some of which have been paid back. Such measures threw the state's centrality into sharp focus. Although major recessions have challenged the strength and capacity of the state, they have not called into question the role of the state as the primary agent of policy initiatives, nor its legitimate authority to respond to economic crises.

The current crisis is no exception and has incited the rapid development of myriad state interventions, both internally and in relation to other states: active policy responses have been deployed across the world, from China and Brazil to the USA. In Europe, states are paying a huge price to support their banks (Woll, *in press*), and many Southern and Western European countries, under intense pressure from other states and market actors, have taken unprecedented austerity in response to the ongoing European fiscal crisis.

There are also other fundamental changes occurring within states. A large strand of political economy research has been devoted to examining the ways in which states have restructured extensively in response to globalization, changing societies, and other phenomena, such as the worsening of long-term fiscal crises or implementation failures. The reach of the state is growing in certain fields, such as auditing, market making or penalizing; it is retreating in others. Whilst some scholars evoke a new phase of the Weberian state and others point to the emergence of neoliberal governmentality, most of us remain slightly confused.

Indeed, what is happening to the state—both to specific states and the state in general—is the subject of a massive, disputed and perplexing literature. For instance, sessions devoted to Brazil at the SASE conference in Milan characterized the Brazilian state as complex, hybrid, developmental, post-developmental, neoliberal, soft neoliberal, multilevel . . . and difficult to conceptualize. Indeed! (The same may be said for more countries than Brazil.) Social scientists in particular have shown themselves to be endlessly creative in their quest to qualify the state, putting forward a remarkable list of adjectives to characterize the state's many forms, functions and dynamics. These include corporatist, managerial, developmental, welfare, warfare, workfare, punishing, hollowed out, regulatory, post-military, obsolete, submerged, standardizing, constrained, activist, technological, virtual, repleted, post-statist, carceral, retreating, unsustainable, cosmopolitan, failed, post-modern and, most recently, post-neoliberal (Grugel and Riggirozzi, 2013). It remains to be seen whether inventing labels leads to clear analytical insights. The state question is not just about political order; it is also about contradictions, failures, democratic contest, economic crisis, climate change, surveillance, war, fragmentation, reform—states may be here to stay, but they are not the same as they once were.

Ongoing conceptual debates about the nature of the state and what constitutes statehood are both intimidating and fascinating. The rise of non-positivist approaches to the state that include state trajectories in different parts of the world is both intellectually stimulating and puzzling (Migdal, 2009; Vu, 2010; King and Le Galés, 2011). But for the sake of this article, the state will be understood in a more classic sense of the term: a political form intended to be permanent; a complex set of interdependent, relatively differentiated and legitimate institutions; autonomous; based in a defined territory; and recognized as a state by other states.

Here, the state is also characterized by its administrative capacity to steer, govern a society, establish constraining rules, solve conflict, exercise authority, protect citizens and make war. Additionally, contemporary states are part of a capitalist system: they set and guarantee property rights, guarantee exchanges and organize economic development by taxing and concentrating resources. The state has taken different shapes in different eras and different countries: it has no absolute form and may even be considered a narrative or a legitimizing myth. Furthermore, key dimensions of state activity may be ‘submerged’ or hidden, that is, made invisible for citizens to develop state capacity without facing citizen hostility (Mann, 1984; Levi 2002; Jessop, 2007; Mettler, 2011).

The article argues that the contemporary transformations of states are related to processes of changing scales, particularly supra-national and infra-national processes. Critical urban scholars have written extensively about the organization of societies on different scales. They emphasized the tensions created by mobility, pressures of capital and political logics (Brenner, 1999). Depending on the scale at which societies are organized, they may become more or less structured and institutionalized over time as a result of integrating, centralizing and embedding culture, the economy and the making of a social and political order. This led to what Michael Mann (2013b) has called ‘uncaging’ of citizens and networks. Whilst Mann sees uncaging as a possible but very limited process, this article pays tribute to the exceptional work of this great British sociologist from UCLA and his formidable four-volume work titled *Sources of Social Power*, particularly, the last two volumes published in 2013 dealing with the twentieth century. Whilst Mann (1997) was famously sceptical about the impact of globalization on the retreat of the state, this article deals with Europe and identifies three types of processes: the uncaging of society, the de-nationalization of society isolating economic policy from democracy and the rise of infra-national territories.

2. States caging societies

In historical terms, a world of empires, fiefdoms, city-states, religious realms and pirates became a world of states, and often nation-states (Spruyt, 2009). The national scale took a great deal of time to emerge and did so against a backdrop of competing groups, particularly elites (Lachman, 2010). States evolved through a process of territorial unification, in which borders were stabilized so that authority could be exercised over a given population. The territorial question is both central to and dependent on the scale at which social, cultural, economic and political spheres are organized and on how visions of these spheres are deployed. Particularly in Europe, classic accounts of the emergence of the modern state are replete with accounts of conquests, battles and wars. This is the fiscal military paradigm identified by Charles Tilly. But territorial unification has also taken a more pacific road: in

the cases of Italy and Germany, Ziblatt (2006) has shown how national elites negotiated with regional elites characterized by important political.

Throughout the twentieth century, differences of language, social structure, territories and culture eroded as the nation-state grew stronger, with the advent of public policy, conflict resolution mechanisms and the nationalization of politics and society. As James Scott argued in *Seeing Like a State* (1998), if societies were to be rationalized and governed, they had to be made 'legible' and standardized (see also King and Lieberman, 2009).

Developing Weber's conception of social closure, scholars such as Mann (1986), Brubaker (1992) and Bartolini (2005) have identified processes through which state elites consolidated their control over societies on a given territory; first, the closure of borders and second, the strengthening of interdependences among social groups. Closing borders helped differentiate inside from outside and make exit more difficult for groups and firms. Differentiation grew more acute with time, playing out most intensely during wars. At the same time, the closure of borders prevents external forces from participating in the way the national political order is structured. Historically, national elites have attempted to curb transnational movements such as international socialism or religious hierarchies (Catholicism in France, for example) and embed certain organized groups within national hierarchies to counter the influence of international capitalism.

Once an internal order has been organized and a national society homogenized, interdependence among social groups was strengthened through institutions, culture, standardization, public policy (e.g., transport, education, social welfare), redistribution, language, industrialization and war. The interdependence this fostered among different classes and status groups promoted social cohesion and reinforced the feeling of belonging to a nation. Over time, in addition to establishing national cleavages, state institutions organized everything from the extraction of resources to the centralization of administrations, politics and social relations (Crouch, 1992, 1999; Dyson, 2010), and in this way established the more or less national societies we know today. Intense warfare and the rise of the welfare state intensified this process through the end of the nineteenth and the first half of the twentieth century.

The social compromise forged after World War II gave this model new vigour. European industrial capitalist societies were organized around the state, its citizens' rights and its institutions. Public expenditures related to the welfare state increased dramatically in Europe from 8% to 9% of the national revenue at the beginning of the twentieth century to 45% to 55% in continental Europe today (Piketty, 2013).

Michael Mann provided his own version of the argument when he developed the concept of the 'caging' of people within modern nation-states (Mann, 1993), which he understood as the containment of communities and political ties

within confined social and territorial boundaries.¹ Two key caging processes were central in the making of the modern state according to Mann: the economic process and the political process. In other words, Mann argues (2013b, p. 139): ‘In the course of their self protection, citizens became more caged within their nation states, while nationally regulated economies erected defenses against the insecurities produced by capitalism’ and that during the twentieth century ‘we have seen warfare and welfare tightening the caging of citizens by the nation states, at the same time bringing them onstage’. Of course the caging of society was never complete, but national societies in Europe did become more different from each other.

3. Uncaging people, firms and groups and the undermining of state’s infrastructural power

The caging processes that became so powerful over the twentieth century led to a transformation of states. Weberian and legal definitions of the state have put forward the claim for the monopoly of violence, borders, the legal system, the territory and most important the institutions (including the courts and the agencies) and their degree of centralization. But the rise of public expenditure has massively increased the activities of the states, the government part with the production and implementation of public policies. To come back to Mann, he (1986, p. 113) argues that the ‘infrastructural power of the state’ defined as ‘the capacity of the state actually to penetrate civil society, and to implement logistically political decisions throughout the realms’ has become massive.

What happens to states if the infrastructural power is under question? People, firms, groups or societies are escaping the boundaries of the state, undermining the dual economic and political processes of caging. This has implications for how states become reconfigured. Arguments about the uncaging of people, firms and groups are well known. The state is not the container of society anymore; the dual process (closure and growing interdependence) raising the cost of exit is undermined in all sorts of ways. Globalization and critical urban geography scholars have done a lot of work to analyse changing scales, the crisis of territoriality and the reconfiguration of state as suggested by Brenner: ‘the current round of globalization has significantly reconfigured or at least undermined, the container-like qualities of states’ (Brenner, 1999, p. 40; also Badie, 1995).

Transnationalism has been defined as the significant intensification of border-crossing relations, communications, networks and interactions for both work and social reasons, as well as to the growing presence of international

¹As is well known Mann defines society in terms of overlapping and intersecting power networks related to four sources of power: ideological, economic, military and political.

references in everyday practices, societal systems and regulations (Mau *et al.*, 2008). Those developments make social groups, firms and individuals within the nation-state less interdependent from each other. It has become easier for many (but not all) to be more transnationally mobile. Groups are less interdependent from each other, and territorial boundaries do not prevent increasing mobility. It has become easier to choose exit over voice or loyalty, to return to Hirschman's terms. Long-term trends in immigration are bringing increased cultural and ethnic diversity to more and more cities and states. As immigration studies have shown at length, integration or assimilation models become less realistic as individuals become more transnational, maintaining physical and virtual ties to their countries of origin and returning home, temporarily or permanently, with greater ease.

Global theorists such as Urry, Beck, Appadurai and Giddens argue that various processes are becoming less embedded in the nation-state: cultural practices, images and representations; social movements (particularly global ones such as environmental and human rights movements); and of course capitalism itself (or at least its vanguard forces). Beck and Sznaider (2006) suggest that cosmopolitanism and elite membership is not a conscious or voluntary individual choice but the consequence of an irreversible trend whereby relations at the global level are intensified, mostly through production and consumption behaviours. It dilutes the boundaries of national societies and makes more visible the actual and irreversible patterns of interdependence among societies.

Despite the empirical limits of those broad claims related to globalization, empirical research does suggest a 'globalization of minds' amongst the middle classes (Andreotti *et al.*, 2013). The role of supranational influence in social change is evident in analyses of the transnationalisation of Germany, or European mobilities (Favell and Recchi, 2009) and interactions (Favell and Guiraudon, 2011). Evidence of local lives changed by global transformations (Kennedy, 2010) is given by research by studies on mobility (including the less mobile) (e.g., Urry, 2007), transnational networks and diasporas.

It is only logical that national political orders take into account external influences such as international capital, immigrant transnational networks, foreign religious influences, transnational non-governmental organizations (NGOs) and the existence of international norms, standards and rankings. Such actors and norms are used to compare, rank, criticize or produce alternative knowledge and in the process may undermine the legitimacy of existing national elites in different domains, from politics to culture. Universities are an excellent example of this phenomenon. External influences may undermine the capacity of the state to control and mobilize its population and impose its own norms. Thus, they ultimately limit its capacity to govern and use their infrastructural power, to use Mann's concept. Many public policy failures may be explained in those terms. The capacity of the state to govern firms and individuals has also been called into question. Beyond

issues of mobility, the scale of tax evasion by firms through the ‘optimization’ of fiscal strategy and the boom of fiscal paradises are evidence of the magnitude of exit strategies. As one website offering tax advice puts it, ‘Evading taxes is illegal, but avoiding paying unnecessary tax is one of the keys to building wealth.’ (<http://www.investopedia.com/video/play/tax-avoidance-vs-tax-evasion/> September 2013).²

Our point here is not to show how increasingly fluid the world is but to expose the mechanisms undermining the logic of states caging societies due to external influences, circulations, flows and networks. Because globalization facilitates mobility, various forms of exit become more likely and easy. Interdependence among social groups is also weakened by the absence of war and massive industrialization. Globalization trends allow groups and organizations with resources to spread their influence, look for new markets, develop horizontal networks and negotiate their involvement in national societies.

The world of free-floating individuals remains limited to a tiny group of people, but particularly strong amongst elites, who are becoming at least partly transnational (Fligstein, 2008; Recchi, 2013). The ‘uncaging’ of elites groups, who are more likely to exit, is of particular relevance when studying the state (Lachman, 2010). Increasing transnational mobility and transactions would appear to produce social differentiation processes and play a role in restructuring the social hierarchies within national societies (Savage *et al.*, 2005). In a more Marxist vein, Sklair (2001) has argued that members of what he calls the transnational capitalist class seek to project images of themselves as both ‘citizens of the world’ as well as of their places and/or countries of birth—the latter despite their shared lifestyles, patterns of higher education, consumption of luxury goods and services and dynamics of residential segregation.

Whilst major cultural and social conflicts of interest are increasingly structured at the global scale, not all individuals or social groups within nation-states are affected by it with the same intensity. Empirical studies show that two very different social groups are experiencing and taking advantage of this new mobility: low-wage migrant workers and the upper social strata of the population. The latter category have at times been described as the ‘hypermobile elite’, composed largely of managers and other professionals with high levels of economic, educational and social capital, who spend their time shuttling among global cities (Elliott and Urry, 2010). As was the case during the rise of the nation-state and the initial

²Figures vary. The US senate evaluated tax evasion by individuals and firms at US\$100 billion a year in the USA, whereas Oxfam estimated the amount of money kept in tax shelters to be about \$12 trillion; in a 2013 report it estimated that individual tax evasion worldwide amounted to around €100 billion. The Tax Avoidance Justice Network estimates global tax evasion at £3 trillion yearly, with £69 billion in the UK alone. This has become a common theme at the G8 and G20 summits, and the OECD is working on the issue of transparency. See <http://www.oecd.org/ctp/fightingtaxevasion.htm>.

stages of capitalist development, this new elite is much less nationally oriented, coming as it does from the urban upper or upper-middle classes. Indeed, it takes advantage of this newfound transnational mobility to challenge existing national elites, push for different modernization projects and promote their own ambitions and interests. Elites gain latitude by taking advantage of a multilevel world to limit pressure from national democratic forces or interest groups. The case of the EU is illuminating to redefine statehood in those terms.

4. The denationalization of political authority: redefining statehood by EU membership and elite isolation from democratic pressure

States themselves are also increasingly involved in transnational networks, constituting supra-national entity at the European or world scale. But global processes do not live on their own. They materialize in territories, including national ones (Sassen, 2006).

The argument about various forms of globalization has been stressed many times by scholars of international political economy and international relations. They have pointed out the forms of transnational governance that emerged as the result of the decline of state monopolies, the rise of transnational firms and privatization processes, the transnationalization of actors and flows, including both public and private organisations, and norm setting by NGOs and social movements (Sassen, 2006; Djelic and Quack, 2010).

From an IR perspective, Genschel and Zangl (2011) analyze the denationalization of political authority, organizations, activities, resources and instruments, particularly fields such as economic development and defence. Transnational, private and international actors play an ever-increasing role in imposing norms from outside the nation-state. Nation-states have lost their monopoly over political authority and are now becoming its managers, who coordinate among and provide resources such as legitimacy for other groups of actors. However, states remain the only actors with 'general' legitimacy when it comes to exercising political authority, and most other transnational actors must with the state one way or another. In other words, the state 'remains the central node of a more and more decentralized authority structure' (Genschel and Zangl, 2011, p. 531).

Just what role the EU and the European integration process has played in the transformation of the state is the subject of extensive debate, and one that is particularly germane to my argument. Contesting the neo-functionalists, Alan Milward (2000) famously claimed that the EU came to 'the rescue of the nation states', and a never-ending debate rages between those who see the EU as primarily an association of autonomous states and those who perceive it as a kind of federal state in the making. There is now a robust literature on state weakening mechanisms and the migration of authority from the nation-state to the EU through courts,

norms and policies. By contrast, [Bruszt \(2002\)](#) has provided ample evidence in Eastern Europe of state-making mechanisms that may be explained by the dynamics of EU integration, including norms and institutions and the strengthening of market-making institutions. All over Europe, a significant state-building apparatus has been put in place to respond to European agencies, regulations, courts and interest groups. The EU may have a centrifugal effect on states, but it has also profoundly transformed the way states and their elites operate in a number of fields ([Sweet et al., 2001](#)). In particular, after the Delors period, the rise of the European regulatory state has led to a new round of institution-building (most notably through regulation agencies) to regulate various markets and forms of competition amongst states. [Bruszt \(2002\)](#) argues two additional factors have affected Eastern European states; first, the structural funds allocated to those states, which, as is also true in the south of Europe, explains the building of subnational state capacities to manage funds and implement policies; and second, criteria for eastern European countries' accession to Europe, in addition to pushing them to comply with human rights standards, requires them to build their capacity to withstand pressure from competitions. What has happened in Turkey is a good example of this. Although the EU has shown reluctance with regards to Turkish accession, the Turkish state is effecting large-scale change to meet membership criteria, progressively modifying agencies, indicators, norms and standards.

The EU may thus be considered a major force for transforming states, although its transformations may be seen in very different ways. In the field of law, the contrast between France and Britain is striking: British lawyers lament that the traditional British system of common law has been infected with the virus of Continental public law, a classic pillar of the state ([Loughlin, 2010](#)). Meanwhile, on the other side of the English Channel, French lawyers bemoan the erosion of the French public and administrative law system under threat from the international norms and standards of the private law imposed by Brussels ([Caillousse, 2008](#)). In some ways, the EU's norm setting may be seen as a reflection or an adaptation to global law ([Cassese, 2006, 2011](#)). He argues that the rise of administrative non-governmental agencies will soon make international administrative public law a reality.

Despite the strength of actually existing 'states,' the same concept might disguise a profound transformation, a state first defined by its interactions with the EU of global governance institutions as suggested by Chris [Bickerton \(2012\)](#). He argues that states in Europe have been profoundly transformed by the EU, despite the fact that European integration is a state-driven process. Building on the findings of John Dunn and Quentin Skinner, he perceives the development of the state in the EU as an answer to claims of popular sovereignty, in that representation is an elitist process ([Manin, 1996](#)) and constitutions (not least the US Constitution) are in part designed to prevent radical popular movements from co-opting their

states' capacity to transform society. In other words, the congruence of nation, democratic system and state should be considered an exception, not a rule. Europe nation-state elites attempt to escape from the pressure of their populations, and becoming an EU member state is one way to do this, hence his definition of states defined by their membership of the EU:

[A member-state is] a distinctive kind of state where national power is exercised in concert with others. National executives seek to bind themselves and their own domestic publics through a growing body of rules and norms created by national governments in their ongoing and increasingly complex policymaking activities at the EU level. . . . The paradox is that member statehood is thus the way in which political power is exercised by national governments but in ways that appear external to and far removed from the national societies over whom these governments rule. . . . In their place we have seen a strengthening of the relations between national executives at the pan-European level. This was pursued initially as a strategy for weakening the hold of domestic actors on the policymaking process but it has become over time a source of authority for national governments lacking points of connection with their domestic societies. (Bickerton, 2012, p. 4)

That's a quite compelling argument to understand the relationship between democratic crisis and state transformation in Europe. Insightfully, Bickerton emphasizes the fact that the relationship between state and society should be seen in relative terms, as one of the state's many dimensions, and argues that national governments have actively dismantled some of rights and responsibilities that structure the relationship between a state and its people. He suggests that 'member statehood' is not without contradictions: although states' commitments, obligations, rights and duties allow them to gain resources, authority and strength through close links among core national executives all over Europe, 'national political actors are more insulated from domestic social procedures' and in this way relinquish some elements of sovereignty.

This does not mean that the relationship between state and society is abandoned but organized by supra-national norms and pressures. Pressures from external rules and norms are particularly striking in relation to the crisis and austerity policies. Whilst the current crisis may lead to the restructuring of the state, this restructuring should also be linked to past three decades (Streeck, 2009). During this period neo-liberalism became if not hegemonic then at least dominant and influential within states. Pressures abound to limit the role of the state in the economy and society in general, and the nearly exclusive recourse to the expertise of neoclassical economists in governance matters has set precise parameters for state intervention.

For instance, in *Governments versus Markets: The Changing Economic Role of the State*, former IMF director and economist Vito Tanzi presents what he claims is ‘the first comprehensive treatment available in the literature of the economic role of the state in a historical and world perspective’ (2012). Though couched in terms of a search for the optimal size of the state, the book is actually a ferocious critique of the expansion of state expenditures in the twentieth century, at the expense of ‘reduced individual freedom’ (p. 17), when ‘for much of recorded history (until the 20th century), the world did not have governments that taxed their citizens at high rates and spent the money to finance public programs.’ No doubt the working class shares Tanzi’s regret for the good old days of feudal times or the nineteenth century! Our leading world expert in public economics offers this solution: ‘The abolition of the government programs by reducing public spending would significantly and progressively reduce the need for high taxes’ (p. 21). The circular (non)logic of this normative wisdom is proffered in the name of optimizing the size of the state. Tanzi finds Nozick’s position in *Anarchy, State, and Utopia* a ‘little bit extreme’, and would accept a kind of ‘paternalistic libertarian approach’ to encourage the rational behavior of individuals—as long as it does not cost much. State spending is bad, he reckons, and he cheers the transformation of the financial crisis into a fiscal crisis, touting it as a once-in-a-lifetime opportunity to justify massive cuts in public spending, and thus put an end to an evil force working against individual freedom. He claims the search for the optimal size of the state is not apolitical but a deeply political process that should be taken seriously to promote a low-tax economy burdened by minimal state intervention. But, as many arguing in the tradition of Hayek have posited, politics in the form of populism or state capture by organized interests is also the enemy, since a good economy requires good laws and markets.

There are two possible solutions to the problems raised by this line of argument. The first is to promote austerity, an old idea that Mark Blyth has eloquently debunked:

Austerity is a form of voluntary deflation in which the economy adjusts through the reduction of wages, prices and public spending to restore competitiveness, which is (supposedly) best achieved by cutting the state’s budget, debts, and deficits. Doing so, its advocates believe, will inspire ‘business confidence’ since the government will neither be ‘crowding out’ the market for investment by sucking up all the available capital through the issuance of debt, nor adding the nation’s already ‘too big debt’. (Blyth, 2013, p. 2)

Austerity policy allows a nation’s elected representatives to justify massive cuts in public spending by citing debt and fiscal crisis. [Strecek and Mertens \(2013\)](#) have given ample evidence of how the ‘fiscal crisis of the state’ leads to the decline of

state capacity, stating, ‘As a growing share of public spending goes to pensioners, on the one hand, and rentiers on the other – to pay the debt- the space for democratic politics to serve competing claims by less well protected groups must shrink’ (p. 29).

The second solution is for states to abandon public spending and intervention in favor of regulation. Public choice scholars have long argued that regulations (law and economics) should govern society, rather than high taxes, public expenditures and, worse, redistribution. The rise of the regulatory state (Moran, 2003) can be traced to the emergence of several phenomena, but most germane to my argument is the way it disconnects elected representatives and the making and implementation of policy. At the state level, this leads to more fragmentation and less control by elected representatives. The mix of regulation, ‘agencification’ and privatization, promoted most notably by Margaret Thatcher, aims to isolate the political dimensions of the policy-making process from its implementation, which is done by experts. The rise of EU agencies shows this process in action and has generated networks of experts who are more and more disconnected from their national constituencies.

Austerity policies have been put in place by existing elites working in close networks: in the USA and in Europe, former bankers have played a crucial role in designing new regulations and governing the economy. The pressure they have exerted on classic democracies was most acute in Greece but has been felt elsewhere in Europe as well. The influence of these elites is also visible in the dream of ‘automatic instruments’ (Weaver, 1989), such as constitutional limits to budget deficits or benefits and redistribution that disappear automatically if certain criteria are not met. This raises numerous questions for democratic theory, and as Mair (2013, p. 164) puts it, underscores ‘the growing gap between responsiveness and responsibility—or between what citizens might like governments to do and what governments are obliged to do—and the declining capacity of parties to bridge or manage that gap’.

Some would argue that this mix of austerity and regulations is a new way to cage societies imposed by neoliberal or capitalist globalized elites, and one that raises significant questions about our existing democracies. This is only part of the story, however: these transformations are also the result of a long-term rationalization process of the state, as well as an attempt to help state elites find failsafe ways to implement policy.

5. States reconfigured by the decline of hard politics and decentralization of political authority

All classic accounts of the state stress the protection of individuals, the claim to the monopoly of violence and the state security apparatus. In war and the periods leading up to it, military groups are central elites of the state. However, Perry

Anderson (1994) and Michael Mann (1997) have put forward a robust thesis to contradict this idea, arguing that domestic coercion was relaxed following World War II, which marked the end of armed conflict among European nation-states. No longer mobilized to the same extent by the imperatives of war or preparation for it, states have tended to let territorial differentiation processes simply unfold, allowing social and political actors unprecedented autonomy. The development of relatively post-militarist tendencies (as compared, for example, with the period between 1850 and 1945) has lessened coercion, leaving the field open for the decline of what Mann calls ‘hard politics’; that is, politics defined in terms of control and domination in a context of possible war. According to Anderson, this was the prime logic driving decentralization all over Europe.³ The relative decline of war in some parts of the world has long-term consequences for the state’s capacity to govern and mobilize. Mann (2013b, p. 419) explains how the decline of war in the world goes together with the decline of war-making capacity, meaning that nation-states in Europe and beyond ‘no longer retain their military backbone’.

Classically, authority has been described as a capacity to make and implement policy decisions (requiring organization, negotiation and resources) and deploy norms that legitimize those decisions to ensure citizens’ acquiescence. In European states and beyond, authority has progressively migrated from the center to the meso-level, in the process reinforcing the autonomy of subnational territories becoming more autonomous from the state. In Europe, the need to mobilize for war has become less central and legitimate. At the same time, the state has loosened its grip on subnational territories, transferring resources and authority to federal or quasi-federal states, regions and cities (Le Galès 2002; Keating, 2013).

In its first phase, the rise of regionalist movements was characterized by cultural resistance to national goals, in general driven by regional inequalities or marginalization: Flanders, Scotland, Wales, the Basque country and Corsica are a few examples of this well-documented phenomenon. Moves to decentralize, federalize or delegate state power were driven by pressures from state elites to improve public service delivery and implementation whilst resolving conflicts at the regional level. In the 1970s, this rationalist approach by state elites also led to the ‘decentralization of scarcity’; in other words, high-cost public services or public policy management were decentralized as a way to delegate budget cuts or reductions.

In its second phase, which came in the 1990s, decentralization came out of the mobilization of a rising ‘regionalism of the rich’. Wealthy urban regions demanded more autonomy and protested redistribution to poorer regions in the name of the economic competition promoted by the EU. Catalonia, northern Italy, Bavaria and

³This argument is only partial because it does not take into account the reconfiguration of the state security apparatus, surveillance and exercise of violence.

to some extent Scotland are all examples of this phenomenon. Legal and fiscal resources garnered from ongoing reforms aimed at federalization, delegation, or decentralization helped strengthen the role of cities and regions as political actors in the European arena. Keating (2013) has analysed the rise of competitive regionalism, looking at competitive federalism in Germany, quasi-federalism in Spain, and the beginnings of regionalism in Italy. Whilst the EU has to some extent sidelined regional policy in favor of competition policy, nation-states have on the whole been less direct in their interventionist strategy, preferring a ‘hands-off’ approach.

As a result, subnational politics now resembles a mosaic in most countries, featuring overlapping levels of governance, networks of local and regional political actors and diverse combination of public policies. According the OECD, central government spending as a percentage of public spending is less than 20% in federal states such as Germany or Belgium; around 35% in Scandinavia, France or Italy; and approximately 70% in the most centralized countries, such as the UK. The past half-century has seen massive transfers of expertise, knowledge and resources take place in Europe. Normative orders are created below the state.

First, secession claims in some places are a renewed threat to the state’s borders and sovereignty. Nationalist movements in Flanders, Catalonia and Scotland have exerted increasing pressure over time, gaining resources and political skill and winning elections that have allowed them to participate in regional governance; they are now trying to organize referenda that would grant them independence or, more likely, large-scale autonomy. Until the 2008 crisis, the idea of a Europe of small, competitive states (such as Iceland, Ireland or Finland) was popular in regional circles; since then the near bankruptcy of Iceland, Ireland and Greece has made this option less attractive.

Second, within each member state, political differentiation is increasing due to the mobilizations already described, as well as greater diversity in service delivery and changing forms of state regulation. The intermediate level—which, depending on the context, may mean the metropolitan, regional or federal level—is responsible for more resources, manages more policies, has more autonomy and is more involved in horizontal transnational networks than ever before. Countries around the globe are experimenting with the decentralization of power, granting newfound autonomy or special legal standing to certain territories or allowing them to regulate policies in new ways. Conflict-resolution mechanisms are also being decentralized, and the day-to-day management of conflicts among ethnic, cultural or religious groups is now usually done at the local or regional level. The centralized majoritarian structure of the state no longer seems like the way forward for ‘strong’ states and has become the exception, not the rule (Paul *et al.*, 2003).

Third, whilst some territories are gaining influence, others are becoming more and more marginalized in economic and social terms. The EU and its member states

are showing less capacity (or at least less political willingness) to reduce these inequalities. The process is not about uncaging but gradual marginalization. The slow decline of the de-industrialized north of England is now largely accepted amongst political elites in London, and the Mezzogiorno, however diverse it may have become (Trigilia, 2012), is falling behind the rest of Italy (and Europe) according to most indicators. In Eastern Europe, too, inequalities between major cities and the rest of the country are rising. This runs counter to the original project of the modern state, which sought to integrate, standardize and decrease inequalities across territories. Large, rich metropolitan areas such as London or Paris become hubs for circulation, migration, wealth production, culture and finance. Consequently, states have reshaped their policies to enhance the international competitive edge of these cities, fashioning them as ‘national champions’ and supporting them accordingly (Crouch and Le Galès, 2012). Whilst London is still British, it has also become a formidable multicultural center, attracting investors, visitors, migrants and wealthy residents from around the world. Many London establishments accept payments in dollars and euros as well as pounds. Culturally Paris or Brussels seem closer to London than Bradford and take the same time to reach by train. Whilst these major cities have not exited their nation-states, they are more structured by international patterns of circulation are embedded within national structures and institutions (Taylor, 1994).

The rise of cities and regions would, for all these reasons, seem to point to more autonomy from the state. Centralization is being renewed by state elites, in particular through the controls and regulations being developed by many finance ministries (Peters, 2008; Le Galès and Scott, 2010). All the same, increasing regional autonomy and greater latitude with regards to policy have caused tensions to proliferate within nation-states. In both federal and highly centralized states, constitutional courts are being called on more often to settle disputes between the state’s central and intermediate levels over the legal or financial status of various policies.

6. Conclusion

The article argues that amongst other processes, those related to rescaling societies and capitalism are changing some key parameters of statehood (Brenner, 2004). Classic parameters of statehood, including territoriality, elites, centralization or the monopoly of violence, are being redefined in relation to other levels of governance, transnational flux and networks.

The classic debate about globalization of the state led to contrasting positions. Michael Mann (1997) makes a compelling argument about the continuity of the state in eras of globalization. Mann’s (2013a, p. 136) comments about globalization are something of a cold shower: ‘In itself, globalization has no distinctive content

other than its range. Globalization does not do anything . . . for it is merely the product of expansions of the sources of social power'⁴

Similarly, law-inspired scholars and Weberians have not been shy to suggest that states are robust institutions and symbolic entities based on law, protecting individuals within a given territory (Du Gay and Scott, 2010). In this reading, the welfare state or various activities associated with the Keynesian state are seen as secondary to the state itself, and may therefore be restructured without any consequences for the state. In parallel, a robust body of research has emphasized the continuity of the state. The current era is characterized less by the hollowing out of the state than by the strengthening of large states, hence the example of states with over 100 million inhabitants, such as India, China, Russia, Brazil, Japan and the USA, whose ranks are being joined by Indonesia, Bangladesh, Pakistan, and Mexico, among others. Regarding the state's relationship to capitalism, Linda Weiss (1998, 2010) has criticized the 'myth of the powerless state', whilst others have underscored the range of activities through which the state remains interventionist, either to discipline societies, as in Jessop's model of the globalized Schumpeterian financial workfare state (Jessop, 2002) or through market making (Levy, 2006) and entrepreneurial activities (Mazzucato, 2013).

By contrast, a vast literature has emerged linking globalization processes to the decline of state (or, as the case may be, the erosion, obsolescence, hollowing out, fragmentation, retreat, failure, etc.). Globalization processes, including the globalization of capitalism, were expected to make the state obsolete, unable to control the flow of capital, services and so on (Held and Macgregor, 1993; Urry, 2000). In different ways, international political economists such as Susan Strange and leading SASE scholars such as Wolfgang Streeck or Colin Crouch (amongst others), and Marxist scholars such as David Harvey, have all emphasized this diminishing capacity of the state to control globalizing capitalism and the resulting decline in its capacity to govern or assert infrastructural power or the crisis of the fiscal state (Streeck and Mertens, 2013).

The article aimed at identifying some processes through which the transformation of European states is taking place beyond the question of continuity or radical change. It does not suffice to argue that many globalized processes are related to the state. The progressive uncaging of citizens, groups and firms is undermining the infrastructural power of the state related to its capacity to penetrate society, control its population or steer economic flux. Policy failures and pressure from regions and cities are leading to institutional changes. The denationalization of political authority may leave the state at the centre, but that's not the same state known from the Weberian ideal-type. Statehood is being redefined in relation

⁴For a critique of globalization theory, see Mann (2013b, introduction) The great exception for him is climate change.

to external pressures and norms, some of them related to the EU or global governance institutions or neoliberal ideas with the effect of loosening the links between the state and democratic politics.

The article argues that the rescaling of societies and capitalism are leading to the transformation of the state. Political geographer and critical and neo-Marxist urban scholars have in particular stressed this transformation of statehood (Agnew, 1994; Taylor, 1994; Brenner, 1999, 2004; Jessop, 2002, 2007). If the globalization of capitalism is a major part of this story and a decisive engine of change, globalization takes many forms and combines more contradictory and diverse processes. Globalizations (both globalized capitalism and globalization in its other forms), Europeanization and decentralization have all changed the scale on which various social spheres are organized. This in turn has led the state to lose capacity and retreat in some areas and has altered the differentiation process of state elites; at the same time, transnational actors, flows and circulation have dismantled or radically altered the existing social and political order. At the same time, states retain vast and original resources, and whilst some are under threat, they are far from collapse. Policies are being developed to deal with the new environment, manage internationalized networks, support and control various groups, exercise political authority in more negotiated way or discipline society as it adapts to the pressures of globalization. States are more involved in policy making than ever before, and their legitimacy depends on results they achieve, which are now measured in comparative terms. However, globalization is not the only factor behind state restructuring, which is also driven by internal factors such as long-term rationalization processes and by the impact of policies—some neoliberal, others not—on state institutions. Furthermore, whilst the declining importance of war in Europe has led to the extensive restructuring of the state's security apparatus, the protection of citizens or at least the claim of doing so remains a seeming cornerstone of state legitimacy.

From all this, we may conclude that a different kind of state is in the making: one equipped with a wide variety of new instruments and technologies. Reconfigured to confront the forces of capitalism as well as changes in form and scale, the state is becoming more transnational, differentiated and managerial. It is more structured by networks and external norms, but also more internally contested by differentiated societies and mosaics of territories. The classic post-war state is losing ground (Streeck, 2009). The processes of transformation of European states must be analysed in relation to the crisis, to neoliberalism and to capitalism (Berneo and Pontusson, 2012; Schäfer and Streeck, 2013; Schmidt and Thatcher, 2013), but at the same time, profound rationalization dynamics are in progress to recover some capacity in some sectors and renewed forms of protest, evaluation and contestations are transforming the exercise of political authority (Bartels, 2007). The territoriality aspect of statehood is only one part of the reconfiguration in progress.

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