

IS THIS THE END OF THE NATION-STATE?

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Rosecrance, Richard. *The Rise of the Virtual State: Wealth and Power in the Coming Century*. New York: Basic Books, 1999.

287pp. \$26

Kaplan, Robert D. *The Coming Anarchy: Shattering the Dreams of the Post-Cold War*. New York: Random House,

2000. 198pp. \$21.95

Friedman, Thomas L. *The Lexus and the Olive Tree*. New York: Farrar, Straus, and Giroux, 1999. 394pp. \$27.50

Micklethwait, John, and Adrian Wooldridge. *A Future Perfect: The Challenge and Hidden Promise of Globalization*. New York: Crown, 2000. 386pp. \$27.50

Like the proverbial demise of Mark Twain, rumors of the death of the nation-state may be exaggerated, but in recent years they have become rife. The end of the great-power standoff between the United States and the Soviet Union, and the ensuing surge in global economic relations, gave rise over the past decade to a flood of books and articles postulating a new age in international relations. A general theme has been that the era that began in 1648 with the Treaty of Westphalia is ending, that we are witnessing a no less dramatic transition in which both transnational and local forces will eclipse the importance of national polities. The terrorist attacks of 11 September 2001 can only reinforce this argument, having apparently been orchestrated by a globally based, subnational network that targeted the World Trade Center, the paramount symbol of economic and cultural globalization.

On the other hand, those who accept the basic premise that the importance of

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the nation-state is declining differ as to the implications of that development, and some scholars continue to deny it is occurring at all. For the U.S. Navy, the debate is far from academic; the image of the future that prevails will shape tomorrow's fleet and influence its employment.

Visions of a future that is no longer state-centric range from utopian to menacing. An early optimist was Francis Fukuyama, who in a seminal essay in 1989 postulated that "the end of history" had arrived: with

the global triumph of liberal democracy, no further evolution of human intercourse was necessary or desirable.¹ Similarly sweeping assessments emerged from the business community. Management guru Peter Drucker wrote of a “post-capitalist society” in which the four-hundred-year dominance of the nation-state faced challenges at every level, from the transnational down to the tribal.² In addition, quintessential banker Walter Wriston, seeing a transition from a “material” economy to an “information economy,” concluded that the ability to transfer instantaneously huge amounts of capital was undermining national boundaries and sovereignty.³

Of the authors whose books are here reviewed, Richard Rosecrance falls most squarely in the lineage of those with a positive view of the effects of globalization. We may call them “post-nation-state optimists.”

Rosecrance, a professor of political science at the University of California, Los Angeles, is the only author reviewed here who is not a journalist. Using quantitative analysis to buttress his arguments, he bases his case upon the proposition that money and power no longer derive from land—a fixed asset—but from capital, labor, and information—assets that are mobile. Moreover, he asserts that “the most mobile—information—has created the greatest value.” Because the key factors of production have become so mobile, the importance of boundaries is diminished, and Rosecrance considers this a good thing: “The theory this book offers is fundamentally optimistic. It sketches a future with an ever-widening zone of international peace.”

A balanced and systematic thinker, Rosecrance presents his case in four parts. The first outlines his theory and attempts to refute the “conflict as usual” thesis. The second discusses political and international implications. The third undertakes a global tour, assessing where each major country stands in the process of becoming a virtual state, which Rosecrance defines as one where “services total as much as 80 percent of GDP [gross domestic product] and manufacturing less than 20 percent (with the remainder in primary products).” He maintains that Hong Kong, Singapore, and Taiwan are already virtual states and that among major developed countries the United States has advanced the farthest. The Middle East and South Asia, by contrast, remain part of the “old” world, where land remains the dominant economic factor, and nineteenth and twentieth-century patterns of conflict endure.

The fourth part of Rosecrance’s book looks at the new international system from a combined political and economic perspective. It concludes that “worldwide economics is no longer captured by the parochial organization of nationalist states. Rather, states are trapped in the international coils of economics.” This does not mean, however, that it is time to write the obituary of the nation-state. Indeed, Rosecrance predicts that in the twenty-first century, “nation-states will

remain the major organizing factor in international politics.” They “will continue to compete,” although this competition will be economic, not about land. At the same time, the global economy will require “some form of political coherence among great states, supervising and protecting the market. If such protection succeeds, the twenty-first century will be the first epoch in history to offer the prospect of peaceful transformation and enduring global stability.”

Against the optimists like Rosecrance stand those who see the decline of the nation-state as more likely to bring conflict than prosperity. We may call them “post-nation-state pessimists.”

Four years after Fukuyama’s visionary article appeared, Samuel Huntington offered a far darker prognosis. He first broached it in an article entitled “The Clash of Civilizations?” in the summer 1993 issue of *Foreign Affairs*. Despite the question mark in its title, the article strongly argued that “the fault lines between civilizations will be the battle lines of the future.” Breaking with the traditional paradigm of the nation-state, Huntington maintained it had become more meaningful to group countries in terms of their culture and civilization rather than their political or economic systems or level of development. He predicted that the “central axis of world politics” would become one of conflict between “the West and the Rest,” the latter in particular constituting a Confucian-Islamic connection that would challenge Western “interests, values and power.”⁴

Huntington’s thesis sparked a firestorm of controversy, which received new impetus when he expanded it into a best-selling book.⁵ It remains controversial, especially the prediction of an anti-Western “axis” uniting Asia and the Middle East. Nonetheless, the unfolding of events in recent years has gained Huntington many adherents. The events of 11 September seem bound to strengthen his credibility.

A year after Huntington’s article appeared, a different but equally disturbing portrait of the future made its debut in the *Atlantic Monthly*. In the February 1994 issue, contributing editor Robert D. Kaplan, who had previously written the influential best-seller *Balkan Ghosts* (1993), published “The Coming Anarchy.” It portrayed the underdeveloped regions of the world as marked by “the withering away of central governments, the rise of tribal and regional domains, the unchecked spread of disease, and the growing pervasiveness of war.” Kaplan shared the pessimism of the neo-Malthusian Thomas Fraser Homer-Dixon, who foresaw spreading disease, malnutrition, and competition for resources. Kaplan also accepted the conclusions of Martin van Creveld that future conflicts would be low-intensity and subnational. He elaborated on these themes in a second best-seller, *The Ends of the Earth: A Journey to the Frontiers of Anarchy*, in which he recounted his observations in West Africa, the Near and Middle East, Central Asia, India, and Cambodia.⁶ While his judgments and degree of pessimism

varied from region to region, his common themes were the breakdown of authority, increased violence, and a trend toward rule by warlords or their equivalents—“guerrilla armies and urban mafias.”

The Coming Anarchy reprints Kaplan’s article and a series of subsequent essays that reflect the evolution of his thinking. The latter includes an emerging philosophy of international relations that may be characterized as stark realpolitik. Warning of the perils of attempting to implant Western democracy where it does not fit, he compares its potentially disruptive effects to those of Christianity in the fourth-century Roman Empire, observing that “democracies do not always make societies more civil.” To oppose the breakdown of order in the underdeveloped world, he recommends that the United States adopt “proportionalism.” Under this policy, foreign aid would not increase, but its focus would shift from political reform to population control, women’s literacy, and projects aimed at preserving or renewing dwindling resources. American policy makers would have to be constantly on the lookout for trouble, but they would also have to be highly selective about intervening. A decision to do so would require consideration of the difficulty of the operation, the strategic value of the location in question, and the potential for the operation to influence events elsewhere. Even with these policy modifications, Kaplan sees U.S. ability to influence the trend toward global anarchy as limited.

By the time *New York Times* foreign correspondent Thomas L. Friedman published *The Lexus and the Olive Tree*, he had the benefit of previous writings on the decline of the nation-state by both optimists and pessimists. His own approach was to offer a synthesis of the two. Thus the “Lexus” of his title symbolizes the revolutionary changes globalization is bringing to national security, politics, culture, finance, technology, and the environment, while the “olive tree” represents resistance to those changes from traditionalists struggling to preserve their cultural roots, often suffering the dislocations of globalization without enjoying its benefits. In other words, the Lexus represents the world of Fukuyama and Rosecrance, and the olive tree that of Huntington and Kaplan.

In his introduction, Friedman compares his feelings about globalization to his feelings about the dawn—“It does more good than harm,” and in any case, it is inevitable. While not blind to globalization’s negative effects, particularly on the environment, he emphasizes the positive, especially democratization. The attractiveness of his arguments is enhanced by his ability to coin a phrase. Thus, the “Electronic Herd” refers to global investors who are capable of moving billions of dollars into or out of a country instantaneously in reaction to decisions by its government. This phenomenon, previously noted by Wriston, contributes to another, which Friedman calls “Globalution,” or “revolution from beyond.” He argues that the need to attract and retain foreign investment is forcing

nondemocratic countries to adopt practices that will become the “building blocks” of democracy. These include transparency, international business standards, and intolerance of corruption. Once a country adopts these “rules of the free market,” it puts on a “Golden Straitjacket” since its prosperity depends upon continuing to observe them.

Like Rosecrance, Friedman is unready to write off the nation-state. In fact, he stresses that “globalization does not end geopolitics.” What it does is create a “much stronger web of constraints” on the foreign policy of nations plugged into the system. Friedman sees the United States as occupying a unique position. In a chapter called “Revolution Is U.S.,” he notes how closely globalization equates to Americanization, a linkage that arouses both admiration and resentment—as became horribly apparent on 11 September. At the same time, Friedman believes the United States cannot retreat from its role if it wants to continue enjoying the benefits of globalization, for world stability depends upon U.S. strength and willingness to engage: “America truly is the ultimate benign hegemon and reluctant enforcer.”

Not unlike Friedman, John Micklethwait and Adrian Wooldridge fuse elements of optimism and pessimism in *A Future Perfect: The Essentials of Globalization*. Correspondents for the *Economist*, they previously coauthored *Witch Doctors*, a survey of faddish management theories and those who hawk them. The authors’ views on globalization, perhaps reflecting their ties to the international management community, are highly positive. Indeed, they state as “the underlying message” of their book that “globalization needs not merely to be understood but to be defended stoutly.” Their advocacy rests upon both economic and political grounds. They believe that the number of people who have benefited from globalization is far larger than that of those who have been hurt, and that many of the latter would have fared poorly whether or not globalization took place. Like Friedman, they view globalization as a force for democratization, and they appear to share none of Kaplan’s reservations about the value of democracy to the developing world.

However, as the quotation above suggests, Micklethwait and Wooldridge do not share Friedman’s view that globalization is as inevitable as the dawn; they believe it faces serious challenges and could even be reversed, like similar trends a century ago. In language reminiscent of Kaplan and Huntington, they write, “Far from bringing nations together, globalization has often helped awaken old nationalist or fundamentalist impulses. In some cases, such as Quebec and Scotland, these revivals are merely inconvenient. In others, they are vengeful and bloody.”

Like Rosecrance and Friedman, Micklethwait and Wooldridge take a measured view of the degree to which globalization is affecting the role of the nation-state.

While they maintain that the forces driving globalization—technology, mobility of capital, and the internationalization of management—are blurring national boundaries, they do not see those boundaries as disappearing.⁷ Indeed, in a chapter entitled “The Strange Survival of the Nation-State,” they argue the opposite: “Globalization is fundamentally a democratic process, driven by individual choices, and what most people still want are senses of culture, place, and nationality. National politicians are not powerless, history is not ending, and the basic substance of foreign policy is, for better or worse, little different from what it was a century ago.” They then cite Peter Drucker: “Whenever in the last 200 years political passions and nation-state politics have collided with economic rationality, political passions and the nation state have won.”⁸

Finally, some writers disagree with all the authors considered thus far, denying either that globalization is a major force or that the nation-state is in decline. We may call these skeptics “nation-state traditionalists.”

A leading representative of this group is the renowned international relations scholar Kenneth N. Waltz, author of the classic *Man, the State and War* (1965), who challenged the apostles of globalization in an article in the spring 2000 *National Interest*.⁹ Waltz begins by noting that extravagant hopes for globalization, which he calls “the fad of the 1990s,” are nothing new. Sir Norman Angell’s widely read *The Great Illusion* claimed in 1910 that the growing interdependence of national economies ruled out future wars and promised an era of prosperity and democracy. Within a few years, World War I had shattered that vision, and events over the next fifty years fed the resulting disillusionment.

Waltz disputes the notion that economic activity is shifting to the international level, noting that the process called “globalization” is in fact leaving out many regions, including most of Africa and all of the Middle East except Israel. He further claims that economic interdependence in 1999 was no greater than in 1910, and that even financial markets, the most globalized, are no more integrated now than in 1900. Moreover, he maintains that “the range of government functions and the extent of state control over societies and economies has seldom been fuller than it is now.”¹⁰

Waltz offers an alternative view to those who believe the world is increasingly ruled by markets. He sees the distinguishing feature of today’s international politics not in the increased interdependence of states but in their growing inequality, which has become “extremely lopsided” since the end of the bipolar era. Rather than elevating economic forces, he believes, these inequalities “enhance the political role of one country.” He concludes, “Politics as usual prevails over economics.”¹¹

As noted at the outset, the way these contending visions get sorted out will have a direct impact on the future U.S. Navy. If the view of the post-nation-state

optimists prevails, the Navy's role might look at first glance much as it did to Alfred Thayer Mahan a century ago—protecting the shipping lanes for commerce, while maintaining sufficient capability to deter any potential challenger. These tasks, however, would be far less demanding than in Mahan's era. Then, the nation-state still reigned supreme, and several potential rivals had navies powerful enough to challenge even the strongest, or the capability to build such navies. Today, the United States has neither a peer at sea nor a potential peer. In the world of the post-nation-state optimists, the U.S. Navy could grow significantly smaller and the tempo of operations shrink to occasional presence and minor policing actions. America would still maintain some surge capability and a sufficient advantage in numbers and technology to dissuade any potential rival from trying to compete, but it could size its fleet in the expectations that there would rarely be a need to deploy for combat and that the prospect of a navy-against-navy conflict would be practically nil.

On the other hand, if the post-nation-state pessimists prove correct, the evolution of the Navy would follow a very different course. The future force would need to be capable of a wide range of operations. Many would be like those of the 1990s and today—widespread deployments to demonstrate presence, and active engagement in low-end, littoral operations in support of ground forces. At the same time, the Navy of this scenario would also have to hedge against challenges of a higher magnitude. This would be a world from which regional hegemony might emerge, and the prospect of using naval forces for missile defense could raise demand for high-end platforms to be deployed abroad for early interception or off U.S. shores for homeland defense. These considerations point toward a fleet at least as large as today's, with significant capabilities across the spectrum of conflict.

What if the world of tomorrow turns out to be much like the world of yesterday, that of nation-state traditionalists? Such a world might bring a reduction in low-end conflict from today's levels and a commensurate reduction in the tempo of naval deployments. The rise of a peer competitor would remain unlikely, or at most a distant prospect, but regional challengers could arise, and planning would have to focus on the possibility of navy-to-navy conflict at the theater level. Force levels might be somewhat lower than today's, but the emphasis would be on high-end capabilities.

With views of the future varying so sharply, the challenge of planning tomorrow's Navy has never been greater.

NOTES

1. Francis Fukuyama, "The End of History?" *National Interest*, Summer 1989, pp. 3–18. Fukuyama expanded his ideas into a book, *The End of History and the Last Man* (New York: Free Press, 1992). In it he describes a transition period marked by the coexistence of two "worlds." In the "post-historical world . . . the old rules of power politics would have decreasing relevance," and "economic rationality" would "erode many traditional features of sovereignty." In a continuing "historical world," on the other hand, the nation-state would remain the "chief locus of political identification" (pp. 276–7).
2. Peter F. Drucker, *Post-Capitalist Society* (New York: Harper, 1993), pp. 4, 9–11, 113–56. Drucker accorded as much weight to the transnational military coalition against Saddam Hussein in February 1991 as he did to the fall of the Berlin Wall two years earlier as milestones in the transition of international affairs (pp. 9–10).
3. Walter B. Wriston, *The Twilight of Sovereignty: How the Information Revolution Is Transforming Our World* (New York: Scribner's, 1992), passim.
4. Samuel P. Huntington, "The Clash of Civilizations?" *Foreign Affairs*, Summer 1993, pp. 22–49.
5. Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996).
6. Robert D. Kaplan, *The Ends of the Earth: A Journey to the Frontiers of Anarchy* (New York: Random House, 1996).
7. The authors somewhat misrepresent their own position by naming the first part of their book "The Remaking of a Borderless World." Their account makes it clear that neither the earlier move toward globalization nor the present one has had that effect.
8. The quotation is from Drucker's article "The Global Economy and the Nation State," in *Foreign Affairs*, September–October 1997.
9. Kenneth W. Waltz, "Globalization and American Power," *National Interest*, Spring 2000, pp. 46–56.
10. *Ibid.*, p. 51.
11. *Ibid.*, p. 56.