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## FRAGMENTATION AND INTEGRATION: THE FUTURE OF WORLD POLITICS

Joseph A. Camilleri  
Reader in Politics  
La Trobe University  
Melbourne

The international political and economic system is undergoing substantial transformation, involving new patterns of fragmentation and integration, both of which point to areas of increasing vulnerability in international relations. Conventional wisdom might suggest that integration is stabilising whereas fragmentation heightens instability. The reality, however, is far more complex for these fragmenting and integrative pressures are closely interconnected and mutually reinforcing.

To illuminate these interactive processes and their implications for the future of international society I propose to examine the recent evolution of the system of sovereign states on the one hand and the continued development of the world market on the other. These two systems, at least in their modern form, have histories stretching over the best part of five centuries, although that historical process has accelerated rapidly since the scientific and industrial revolutions of the seventeenth and eighteenth centuries, and even more rapidly since the Second World War. The nation-state and the national economy represent the point of intersection between these two systems and the locus of new patterns of integration and unification on the one hand and fragmentation and differentiation on the other.

#### System of Sovereign States

The Roman Empire and its successor, the Holy Roman Empire, partly because of the territorial spread of the imperial system and later because of the universal moral order presumed by Christendom, had nurtured the idea of a world society. But with the growth of the absolute monarchies and the subsequent rise of nationalism, the concept of an international community was discarded in favour of a world of separate and sovereign political communities. This system, which was formalised by the Treaty of Westphalia in 1648, has been labelled by Hedley Bull the 'anarchical society',<sup>1</sup> that is, a society of states which, though jealous of their sovereignty and therefore not subject to common government, are nevertheless conscious of certain common interests and common values and of the need to share in the working of common institutions.

With the increasing complexity of relationships and needs, of beliefs and institutions, ushered in first by the Renaissance and Reformation and later by the scientific, technical and industrial revolutions, there

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This is a preliminary outline of a much larger project on which Jim Falk and I are currently working and which will eventually be published as a book by Edward Elgar.

emerged a new pattern of collective identification. Increasing literacy, higher levels of numerical, technical and general sophistication, the development of market relations, increasing mobility and communication leading to urbanisation, and the consequent need for a common linguistic medium and script gave powerful impetus to the national principle.<sup>2</sup> Amidst turbulent social, economic and political change nationalism became the vehicle for sharing past glories and grievances and future hopes, dreams and ambitions. Nationalism brought about the coincidence between culture and statehood through the emergence of the nation-state.

In its modern guise, in Europe as much as in the post-colonial world, the state assumed an emancipatory role. It was expected to ameliorate social and economic deprivation, to protect vulnerable peoples, liberate oppressed and colonised populations, to oversee a new model of economic development that would usher in an age of progress and prosperity. Representing the interests of the whole nation, it would maintain its autonomy from competing interests and classes, and where necessary use its coercive powers to implement policies in pursuit of the common good. Written constitutions were in part intended to give effect to these principles. This is not to say that nationalist rhetoric ever fully reflected political reality. In any case, as Gellner and others have observed, the coincidence between state and nation has been at best partial. The world currently comprises some 200 states but at least 800 nationalist movements and more than 7,000 potentially assertive ethnic communities. Nationalism, the cultural instrument that has done so much to achieve the cohesion of the state, is increasingly challenging the stability and legitimacy of the modern state.

Of course, most separatist movements lack the numerical, economic or military strength to achieve their separatist objectives. They are thus driven by their very commitment to ethnic self-reliance to seek allies among other dissident groups at home and abroad. They may also enlist the support of foreign states which, for a variety of motives, may have an interest in eroding the authority of the national government. In this sense the internationalisation of ethnic conflict may be said to accentuate the vulnerability of the state system.

Now, it has been argued that separatist and revolutionary movements are themselves intellectually and organizationally imprisoned by the state

system since they are committed to wielding power, whether it be through the disintegration of an existing state or the substitution of one political system for another. This conclusion is not, however, altogether accurate for it does not take sufficiently into account the yearning for communal decision-making and the implicit "withering away of the state" which inspires the ideology of many of these movements. In any case, even if it were true that political opposition to the state is often premised, at least conceptually, on the principle of statehood, the fact remains that an increasing slice of political life, domestically and internationally, overflows the boundaries of the state system. In this sense the nation-state is being undermined from within by the very concept of nationhood.

But the demand for greater autonomy is by no means confined to ethnic minorities. It is common to all groups in society which experience a sense of relative deprivation, often accentuated by the visible discrepancy between steadily rising expectations and the system's lagging capacity to satisfy them. This is not to suggest that established structures are facing imminent collapse, but simply to underline the sharpening conflict of values and the progressive delegitimization of state morality. In this respect, it is worth noting that trade unions, student and feminist groups, ethnic, cultural, religious and other subnational organizations can form coalitions within national boundaries, but also develop formal and informal relations with their counterparts in other countries as well as with international institutions. Such interaction, assisted by the increased mobility of people and messages, can often take place even when governments define it as illegitimate. The efficacy of global communications has provided ethnic, cultural and political conflict with an international dimension which transcends the boundaries and jurisdiction of the nation-state.

#### The World Market

Side by side with the emergence of the sovereign national state has been the internationalisation of economic activity, a trend that has been a distinguishing feature of capitalist development for more than a century and a half.<sup>3</sup>

For Immanuel Wallerstein the capitalist world economy has an even longer history stretching as far back as 1450, when the crisis of feudalism gradually gave way to a geographic expansion of the division of

labour. With the advent of European imperialism other economic systems were either eliminated or absorbed into the European economic order.<sup>4</sup> With capitalist industrialisation we have seen the progressive institutionalisation of trade, financial and technological exchanges across national boundaries. Since the turn of the century the industrial and financial growth of the large corporation has enabled it to integrate the advances of the physical and social sciences and apply them to the creation of "a new structure of international industrial organisation and a new international division of labour."<sup>5</sup>

The period since the Second World War has seen the rapid increase in the export of capital with transnational corporations developing a highly sophisticated brain and nervous system capable of connecting widely differentiated products and divisions, and geographically distant affiliates and subsidiaries. The end result has been the increasingly cosmopolitan organisation of the productive process, and the transnational mobility of capital, labour, finance, information and expertise. Paradoxically, the national state has played a critical role in the emergence of an increasingly integrated world market.

It is the state which has established the legal conditions for property relations, regulates the business cycle, manages the labour and land markets, provides credit and subsidies to industry, funds scientific and technological research, organises transport and communication systems, and maintains social cohesion by offering a range of welfare and social services.<sup>6</sup>

The institutionalisation of trade, financial and technological exchanges across national boundaries would not have been possible without state intervention in the economy. In the aftermath of the Second World War the American superstate performed a global stabilising and coordinating role - not only militarily but economically and ideologically - which made possible the rapid growth of capitalist interdependence.

It would not be far-fetched to argue that the internationalisation of trade, finance and production has become synonymous with modernity. Critical to the entire process has been accelerating technological innovation. The global span of the mass media and the development of almost instantaneous systems of data processing and transmission have played a vital part in the globalisation of economic activity. The worldwide transportation and communication networks, the international

governmental agencies and the transnational corporations have combined in an integrated, mutually inter-locking system, the world market. The inner logic of this system now permeates almost every national society whose economic and political life is as a consequence made dependent on external pressures which it can scarcely influence let alone control.

Progress centred on the unifying power of the world market and the industrial muscle of the imperial powers that gave rise to it has become the dominant image of change. In this sense modernity has become synonymous with market oriented growth. Both East and West, North and South, despite ideological differences and economic disparities, experience the effects of the same technocratic model of development where management, programming, information control and militarisation are made to co-exist with economic and social dislocation, political instability and psychological and military insecurity. This polarisation, which in its global setting I have elsewhere described as a systemic imbalance,<sup>7</sup> is most strikingly reflected in Third World societies where the contradiction is between privileged elites that benefit from modernisation and the peasant and urban masses that are devastated by it. The hierarchy of military power and the threat of nuclear extinction, to which I shall return later, are perhaps the ultimate expression of the fragmentation of the globe. The myth of economic and military modernity continues to hold sway but the success of the image rests not on its intellectual and moral force but on a new form of cultural imperialism dressed as rationality and self-interest.

#### Relationship between the World Market and the System of Sovereign States

The logic of the world market, as we have seen, does not operate in an institutional vacuum. It is embedded in a web of national, international and transnational institutions that endow it with organisational potency and legitimation. Among these institutions none is more important than the state or to be more precise the system of sovereign states. Here, I am largely in agreement with Wallerstein who argues that the state system is one of the three pillars of international political economy. Together with the core-periphery division of labour and the world market, it sustains capitalist commodity production. It concretises through legal, diplomatic and military arrangements the distribution of power on a global scale but

also provides the crucial mechanism for the organisation of economic production and exchange within and between different sectors of the world capitalist system.<sup>8</sup>

But the system of sovereign states is by definition a fragmented system. The whole exercises no authority over the parts. It does not represent a universal moral order. It is the interaction of competing, often discordant wills. In the post-1945 period, the American state, by virtue of the economic and military power at its disposal, was able to act as the organiser of the world capitalist system and to preserve its integrity in the face of internal and external threats. The restructuring of the world's trading and monetary systems was complemented by the establishment of a network of military alliances which ensured the strategic and economic integration of their members under undisputed American leadership.<sup>9</sup>

But American power, which contributed to an unprecedented expansion in the accumulation of capital, also sowed the seeds of future competition and is now in visible decline. Not only has the Soviet Union achieved nuclear parity with the United States, but the Europeans and Japanese have effectively and perhaps irrevocably undermined American economic supremacy. The ensuing rivalry between the major trading and financial centres makes it impossible for a new political structure to emerge capable of regulating the world market. To give but one example, in the area of international finance states have attempted to regain control over their financial resources either by imposing restrictions on trade, by applying exchange controls, by unilaterally realigning the value of their currency or by raising interest rates. Such partial or temporary measures, however, have normally served to fuel speculation or given added impetus to the financial revolution. International institutions are increasingly acting not so much on behalf of any one state or group of states but on behalf of anonymous market forces.

It would not be far-fetched to argue that a state of anarchy has characterised international economic relations since 1973. The periodic economic summits of the leading Western industrial powers have proved entirely ineffectual in reconciling competing interests and policies with respect to growth, inflation, currency alignments and interest rates. Yet the demise of the American imperial order and the emergence of a new era of

imperial rivalry have not impeded the transnational expansion of capital. If anything, the trend is towards the accelerating interpenetration of national economies and the increasing preeminence of world market forces.<sup>10</sup>

Here it is worth reflecting for a moment on the nature and intensity of the current economic crisis. For we are not merely witnessing a profound change in the global balance of economic power. The other side of the equation is the crisis of stagflation - a sharp decline in rates of growth coupled with high inflation and unemployment - which has in varying degrees gripped most parts of the industrialised Western world since the early 1970s. The economic, political and environmental constraints on growth have compounded the difficulties of national economic management and made it increasingly vulnerable to the strategies of transnational capital.

In the current economic crisis the re-organisation of the capitalist system is proceeding through increasing concentration of ownership and control; rationalisation of production through the restructuring of labour processes and introduction of labour displacing technologies; relocation of much industrial activity from the core to the semi-periphery (i.e. to the newly industrialising countries); a multi-faceted campaign for increased privatisation and deregulation of the economy. All of this reflected in and reinforced by a new ideological orthodoxy intent on changing the cultural and political environment and thereby facilitating and legitimising the above strategies.

What emerges from the re-organisation of the world economy is the growing centralisation and internationalisation of capital. Yet this apparent unification of the world co-exists with, indeed contributes to, a far-reaching pattern of uneven development. An increasingly integrated world economy, while reinforcing the North-South cleavage, at the same time creates a new structural divide within all countries, often on the basis of wealth although race, gender, religion and ethnicity can also become important instruments of division.

How then does the integration of the world economy and the interpenetration of national economies which it implies interact with the fragmented system of sovereign states? Part of the answer lies in the efforts of transnational capital to seek international competitive advantage through the agency of a particular national state. For example,

American, Japanese and European corporate interests are currently locked in fierce competition, whether in the agricultural, manufacturing or financial sectors. They are all attempting to buttress their positions by seeking the support of their home states. State intervention, whether it takes the form of subsidies, tax concessions, or devaluation of the currency, is seen as the necessary condition for the achievement of corporate advantage.

In any case, a point is soon reached where the disruptive effect of competition creates a need for coordination without which the continued internationalisation of capital may itself be in jeopardy. Accordingly, transnational capital is obliged to rely more and more on international governmental institutions (eg. World Bank, International Monetary Fund, Bank of International Settlements, Organisation for Economic Co-operation and Development, International Atomic Energy Agency) which can perform a coordinating and moderating function. The policies of these institutions act as a further constraint on national sovereignty.

The erosion of sovereignty is particularly evident in the case of Third World countries many of which have accumulated large foreign debts that have made them highly vulnerable to the stringent requirements of the International Monetary Fund. But the negative impact on national sovereignty is equally apparent in First World countries. Evidence of this is provided by the monotonous regularity with which social democratic governments in Western Europe, Australia and New Zealand, ostensibly committed to full employment and social welfare 'policies, have had to jettison their pre-election programmes in order to comply with OECD orthodoxy.<sup>11</sup> The national state continues to intervene to facilitate the restructuring of the economy, to rationalise competition and maximise competitiveness, to lessen the violence of the crisis, to counteract the tendency to self-destruction. But in performing these interrelated functions the state is responding to contradictory global pressures pushing simultaneously towards integration and fragmentation rather than to a coherent set of autonomously determined national priorities. In that sense the sovereign state is the indispensable agent in the development of the world market but also its primary victim.

### The State System in Crisis

By virtue of its fragmented character the system of sovereign states has always been prone to the use and threat of force. But since the advent of total war the military edifice on which national security is said to rest has acquired unprecedented proportions in terms of the human and financial resources devoted to its construction and preservation. Yet the security it delivers has become progressively more elusive.

Contemporary structures of militarisation reflect not only traditional interstate rivalries but industrial and technological pressures that underpin what has been variously described as the military-industrial complex, the steel triangle or the contract state.<sup>12</sup> I am referring here to that loosely structured coalition of converging or overlapping interests in which are represented the armed services, industry, finance, the legislative and executive organs of government, the mass media, the scientific and technological professions and even unions, and which have a stake in high and rising levels of military spending. Particularly important in this respect is the technological momentum of militarisation, which crosses the boundaries of the civilian and military sectors of the economy and operates to a greater or lesser degree in both industrialised and developing societies.

Warfare and preparation for war, particularly in the nuclear age, would seem to be antithetical to the accumulation of capital. The use of force risks the destruction of all commodity production, or at the very least the severe disruption of the free flow of labour, capital and money.<sup>13</sup> On the other hand, the internationalisation of capital and the development of a world market that penetrates and dominates entire industries, regions and nations inevitably provokes ideological, political and economic resistance. The very attempt to contain or neutralise such resistance often necessitates the use or threat of force as indicated by the succession of colonial wars and wars of intervention that have characterised much of contemporary history.

The two world wars represent a different and more complex phenomenon which revolves principally around the collision of rival national capitalisms. With the advent of nuclear weapons a comparable military collision would prove suicidal, hence the desperate attempts to enhance the

credibility of the mutual threat system through such concepts as flexible response and nuclear war-fighting. Whether a system of mutual deterrence based on brinkmanship can indefinitely keep the strategic balance below the threshold of nuclear violence is open to question. In any case the threat of nuclear extinction has not diminished but encouraged the incidence of conventional hostilities in many parts of the Third World. At the same time, commercial incentives have combined with bureaucratic and technological pressures to ensure the application of nuclear fission to civilian purposes which has in turn facilitated the horizontal proliferation of nuclear weapons.

Military technologies and their spin-offs produce not only instruments of war but commodities on the world market which form a key link in the chain of transnational production, exchange and finance. Modern weapons are not simply instruments of statecraft. They are complex systems involving research and development, testing, production, transportation, storage, servicing, inspection, a continuous process of technical modification and refinement, marketing and advertising, in short a web of commercial, financial and administrative transactions. They are pawns in a fiercely competitive market. Militarisation is at the interface between a single international division of labour and a multiplicity of sovereign states.

In the era of Cold War politics, the mutual threat system represents an attempt by the two superpowers to extend their political control beyond their respective territorial boundaries, to divide the world into two opposing camps, to impose bipolarity on a global scale.

Each of the two blocs justifies its existence and ensuing military and political integration by asserting that it is necessary for the security of its member states and the preservation of the values to which it adheres. In practice the integration of each bloc, in particular military integration (ie. network of bilateral and multilateral agreements on the establishment of bases, stationing of troops, joint military exercises and adoption of joint strategies) has ensured the primacy of the superpower. More than that, the web of alliance arrangements has mirrored and reinforced the economic penetration of the superpowers inside the boundaries of their allies. In other words, it has occasioned a steady erosion of national sovereignty. In the case of the Soviet Union

penetration has often involved the use of physical force (e.g. Hungary, Czechoslovakia, Afghanistan) and led to an explicit formulation of the concept of 'limited sovereignty'. Economic penetration has been particularly relevant in the Western camp, although the United States has not hesitated to resort to force as part of a global interventionist strategy designed to secure docile client states in many parts of the Third World.

The process of integration unleashed by the Cold War has been countered in part by the intermittent reassertion of nationalist sentiment in allied states, resulting in tensions within the two alliance systems, verging at times on outright revolt (e.g. Mao's China, Gaullist France, Dubcek's Czechoslovakia). Not surprisingly, the fluctuation between Cold War and detente is therefore closely related to the to and fro movement between integration and fragmentation. Detente is in part a lever used by allies to facilitate the reassertion of their sovereignty. The Cold War is a lever used by the superpowers to reassert their imperial dominance.

The effects of militarisation are not, however, confined to the international arena. For the militarised state is likely to target its five power as much on the domestic population as on the external enemy. Allegedly in the interests of national unity, but often more as a way of diverting attention from social and economic ills, the state will exploit religious, linguistic or ethnic differences and unleash a reign of terror on vulnerable groups, castes and communities. Violence and civil war are thus instruments for the reassertion of elite dominance)<sup>14</sup> Particularly in the West, the terrorist threat has become a convenient peg on which to hang a new array of legal powers that often cut across established civil liberties and are, more often than not, used to contain political unrest and suppress social movements. Although the axis of conflict, legal setting and ideological justification may vary considerably from country to country, the state's heavy reliance on the use or threat of force is a common feature of the political landscape in First, Second and Third World countries, and is in each case exacerbating the economic, cultural and ethnic fragmentation of society.

Nor are human rights and democratic traditions the only casualties of militarisation. Economic inequality and environmental degradation are also an integral part of the process. Militarisation is perhaps the most

visible sign - though by no means the only one - of the widening gap between the promise and performance of the modern state. Theoretically, the nation-state is meant to act as the protector of human rights, of national culture, of the national economy. In practice because of the centralisation and militarisation of the state on the one hand and the integration of the national economy into the world economy on the other, it has become increasingly difficult for the state to represent the community or preserve its independence.

The bureaucratisation of the modern state, which the world market dictates and reinforces, fosters alienation and withdrawal and thereby undermines the meaningful exercise of sovereignty. In this context we understand by sovereignty the principle that within the community the state exercises the sum of political power and represents the supreme political authority. Applied internationally, the function of the concept is to express the principle that the state recognises no higher external authority. In the contemporary period the cultural basis of nationalism has been decoupled from economic decision-making. As a result of the increasing interpenetration of national economies, the state appears less and less able to exercise national sovereignty in either the internal or external sense. This phenomenon is especially acute in the dependent societies of the Third World but is equally evident in the industrial world, for here the process of economic integration is if anything more advanced and pervasive. Moreover, as we have already observed, the nationalist principle has been weakened by the emergence of highly integrated alliance systems where the legitimising principle is ideological (ie. serving the interests of the imperial power) rather than national.

Furthermore, the capacity of the modern industrial state to guarantee minimum universal standards of health, education and employment is increasingly problematic. In the case of Third World societies, where the state was seen in the aftermath of political independence as the instrument of development and nation-building, it is now widely recognised that the actions of the state reflect the interests of dominant castes, classes and elites, transnational corporations, international financial institutions and other metropolitan centres of power. There is diminishing faith in the ability of the newly independent states to challenge credibly or effectively the premises and structures of the existing international

economic order. The growth of strong internal security systems points to the failure of the state to maintain the confidence of its citizenry, to the mounting crisis of legitimacy.

#### Discontent and Revolt

Despite the very significant institutional, technological and ideological differences between the First, Second and Third Worlds, indeed between countries within each of these three worlds, there is evidence to suggest that the scope for domestic participation in most contemporary states is limited and generally in decline. Under the mutually reinforcing impact of domestic and external pressures the state is unable to satisfy the conditions of individual responsibility and mutual aid and co-operation necessary for the democratic process. The state, still widely regarded as the major institution for the organisation of human affairs, is finding it increasingly difficult to allay the deeply felt insecurity that is the instinctive human response to the growing signs of economic, military and ecological instability.

In conditions of increasing uncertainty and vulnerability the state's competence and authority are increasingly under challenge. The natural reaction of the state is to expand its powers as a means of regaining control. In this sense, it would appear that under the combined impact of integrative and fragmenting influences we are witnessing the simultaneous weakening and strengthening of the state.

The challenge to the state is most strikingly evident in the development of those struggles and movements that are giving expression and responding to acute and widely shared insecurities. On the one hand, these movements are propelled by an appreciation of the increasing unity of human existence. On the other hand, they reflect a sense of "frightening vulnerability" to processes and institutions that are alienating, oppressive and ultimately "exterminist".<sup>15</sup> Slowly but cumulatively they have given rise to a trenchant critique of the modern state and of the prevailing doctrines of economic rationality. This critique represents a revolt of conscience, a reassertion of normative discourse. Yet it is not for that reason a purely subjective phenomenon. It is also premised on an analysis of objective conditions and is embryonically present in a great many new organisational forms and practices. The rise of non-state actors

and processes, particularly at the subnational and transnational levels, have given new life to the notions of personal and local autonomy on the one hand and of world community on the other.<sup>16</sup>

Imperial dominance, that is dominance of the institutions that currently underpin the world system - in particular the world market and system of sovereign states - is being weakened by the phenomenon of imperial conflict (East-West) and imperial competition (rivalries between European, Japanese and American capital). But imperial decline has also been weakened by the emergence of resistance movements in the First World (eg. peace/anti-nuclear, ecological, feminist, consumer, human potential/self-awareness movements), the growth of dissent in Eastern Europe (eg. Solidarity in Poland), and liberation and self-determination movements in the Third World. These movements have been successful in changing the political agenda, in redefining the goals of peace, disarmament, development and environmental balance and in calling into question the present international division of labour and the Cold War basis of world politics.

Despite diverging ideologies, strategies and organisational styles, contemporary social movements share the same perception of a future increasingly under threat, in which the established economic and political institutions seem less and less able to prevent the crisis from crossing the threshold to disaster. In other words, these movements, united by a common understanding of an increasingly fragile world, are waging diverse but interrelated struggles inspired by a new vision of the future. They are in the process developing a new political culture, mapping out the ground for cultural liberation and political resistance.

Rejectionist movements, it is true, have yet to mount a comprehensive challenge to the status quo, let alone to construct a credible alternative to the present organisation of human affairs. They have yet to develop a coherent cultural and political framework around which it is possible to build a new sense of autonomy and solidarity. On the other hand, it may be that useful groundwork has already been done and that the defining principles and structures of an alternative world order are, however dimly, beginning to emerge. The critical question becomes: Is it possible given the present historical conjuncture on the one hand to permit and encourage diversity that does not degenerate into fragmentation and violent

confrontation and on the other to avoid unification and integration of a kind that conceals domination and thrives on alienation and inequality? To rephrase the question: What is the potential for fashioning equitable, peaceful and sustainable institutions that respect and foster identification with local community yet recognise emerging global connections and responsibilities?

The answer presumably lies in a new form of politics that reconstitutes the meaning of both power and authority, encourages devolution and decentralisation of decision-making, not least in the economic arena, but that locates citizenship in a planetary setting in both spatial and temporal terms. Decisions must be made in a way that recognise the larger interests of the human community and reconcile the conflicting demands of present and future generations. The task is to grasp the universal history that is in the making, yet with due attention to the particular histories that are the legacy of individual civilizations, communities and cultures. As Richard Falk has observed, "the universalisation of communications, trade and knowledge flows should not be allowed to become a recipe for the homogenisation of world culture."<sup>17</sup> Here one must be at pains to question the presumed universality of Western civilization, and in particular the subordination of all history to the institutions and ideology of progress associated with the rise of the West.

The emerging awareness of the unity of the human experiment must be grounded on the contribution of different histories, in particular those of colonised peoples and societies. Nor can one exclude the rich insights and perspectives of significant traditions within the West that have consistently challenged Western intellectual and political orthodoxy. That is perhaps the main function of the "anti-systemic" movements to which we have referred, and which are best placed by virtue of their histories and philosophical disposition to build bridges between nations and civilizations. Only a new cosmopolitan culture that gives due recognition to the needs of both society and personality is likely to provide the basis for a new political and ecological stability. As I have argued elsewhere, this new cultural synthesis will need to combine "the profound eastern sense of the unity of man and cosmos as reflected in Vedantic and Buddhist philosophy, with the Western passion for freedom, self-mastery and creativity."<sup>18</sup>

The question remains: What is to be the institutional setting for this new cultural project? No comprehensive answer to this question is yet possible, but one may safely assume that a new political order will need to harness the residual emancipatory thrust of the state and nationhood, but at the same time contain and eventually eliminate the oppressive, exploitative and hegemonial ends to which they have been put. What is proposed is not the abolition but transformation of the state in a way that restores and extends the sovereignty of the body politic. To use Kothari's phrase, "the transformation of the state must be achieved through the transformation of civil society not the other way around."<sup>19</sup> Though the state will for the foreseeable future have to continue to perform certain centralised functions, many existing functions could be devolved to other political spaces in civil society, and even residual functions could be performed in concert with local and international institutions.

What perhaps needs to be understood is that civil society is not synonymous with the nation. Civil society exists locally, nationally and internationally. It follows that the nation-state must be situated within a larger framework that includes both the local and communal levels of organisation on the one hand, and a transnational framework of communication and coordination on the other. An alternative world order that avoids the current pitfalls of fragmentation and integration must develop processes which weave together local, national and transnational loyalties and institutions. Different levels of organisation are required to meet different needs and/or values. The local level can most effectively achieve autonomy and direct participation whereas the national and international levels may be necessary to achieve principles of equality and redistribution. The national and international levels are also required to achieve "socially valued economies of scale". Each level of organisation should integrate within its decision-making processes the other two levels and the principles which underpin them.

The underlying principle at each of the three levels of decision-making is democratisation. The advantage of stringently applying the democratic principle at every level of organisation is that it slows down the process of social, economic and technological change, thereby making the wide range of problems associated with this change more manageable. At the same time democratisation automatically reduces the scope of the profit

motive and substantially qualifies the market as an allocative mechanism. Democratisation of the decision to invest, that is of the allocation of human and financial resources, lies at the heart of a restructured political economy. Democratisation, by intruding normative criteria at the centre of the policy-making process, is also a considerable constraint on bureaucratic rationality and on the creation and expansion of large bureaucratic empires.

Regrettably there are no easy solutions. What is envisaged is a period of prolonged cultural, structural and ecological reconstruction. The project may take decades to mature; it carries no guarantee of ultimate success but the objective and subjective conditions for its genesis are already with us.

Notes

- 1 . See Hedley Bull, The Anarchical Society: A Study of World Order, London, Macmillan, 1977, pp.13, 46.
2. See Ernest Gellner, Nations and Nationalism, Oxford, Basil Blackwell, 1983, pp.35-8.
3. The argument that a "world economy" already existed in sixteenth century Europe is outlined in Christopher Chase-Dunn and Richard Rubinson, "Toward a Structural Perspective on the World System", Politics and Society, Vol.7, No.4, 1977, p.455.
4. For a fuller analysis of the historical process see Immanuel Wallerstein, The Capitalist World-Economy, Cambridge, Cambridge University Press, 1979, pp.1-36.
5. Stephen Hymer, "The Multinational Corporation and the Law of Uneven Development", in J. Bhagwati (ed), Economics and World Order from the 1970s to the 1990s, New York, 1972, p.114.
6. The diverse functions of the state and the crisis to which they give rise have been examined by numerous authors. Of particular interest are Jurgen Habermas, Legitimation Crisis, Boston, Beacon Press, 1973; James O'Connor, The Fiscal Crisis of the State, New York, St Martin's Press, 1973; Suzanne de Brunhoff, The State, Capital and Economic Policy, London, Pluto Press, 1978; J.E.S. Hayward & R.N. Berki (eds), State and Society in Contemporary Europe, Oxford, Martin Robertson, 1979; Boris Frankel, Beyond the State? Dominant Theories and Socialist Strategies, London, Macmillan, 1983.
7. J.A. Camilleri, Civilization in Crisis: Human Prospects in a Changing World, Cambridge, Cambridge University Press, 1976, pp. 22-6.
8. I. Wallerstein, "Semi-Peripheral Countries and the Contemporary World Crisis", Theory and Society, Vol. 3, No. 4, Winter 1976, pp. 461-84.
9. For a discussion of the shift from 'imperial hegemony' to 'imperial rivalry' see Joseph Camilleri, "The Advanced Capitalist State and the Contemporary World Crisis", Science and Society, Vol. XLV, No. 2, Summer 1981, pp. 130-158.
10. Giovanni Arrighi, "A Crisis of Hegemony", in Dynamics of Global Crisis, London, Macmillan Press, 1982, p. 65.

11. See Ralph Miliband, John Saville, Marcel Liebman and Leo Panitch (eds), Socialist Register 1985-86: Social Democracy and After, London, Merlin Press, 1986; also Joseph Camilleri, After Social Democracy, Arena, 77, 1986, pp. 48-73.
12. Gwyn Prins (ed), Defended to Death, Harmondsworth, Penguin Books, 1983, pp. 133-68.
13. Mary Kaldor, "Warfare and Capitalism" in Exterminism and Cold War, edited by the New Left Review, London, Verso, 1982, p. 264.
14. Rajni Kothari, "Masses, Classes and the State", Alternatives, Vol. XI, No. 2, April 1986, p. 176.
15. E.P. Thompson, "Notes on Exterminism, the Last Stage of Civilization", New Left Review, No. 121, May-June 1980.
16. See Richard W. Mansbach, Yale H. Ferguson and Donald E. Lampast, The Web of World Politics: Non-State Actors in the Global System, Englewood Cliffs, N.J., Prentice-Hall, Inc. 1976; Robert O'Keohane and Joseph S. Nye (eds), Transnational Relations and World Politics, Cambridge, Mass, Harvard University Press, 1972.
17. Richard A. Falk, "Solving the Puzzles of Global Reform", Alternatives, Vol. XI, No. 1, January 1983, p. 54.
18. J.A. Camilleri, Civilization in Crisis, p. 193; see also R.B.J. Walker (ed), Culture, Ideology and World Order, Boulder Co., Westrew Press, 1984 (in particular essays by R.B.J. Walker).
19. Rajni Kothari, op. cit., p. 183.