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## State

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The question of the state remains central in the social sciences. The famous call for ‘bringing the state back in’ in the 1980s (Evans, Rueschemeyer and Skocpol, eds 1985) has been remarkably successful; it does not need repeating. Nor need we claim ‘new’ debates of the state as such. In this chapter we underline enduring aspects of state development, structure and significance for modern political systems and economies, and we rehearse some important developments in recent scholarly research on this key topic. Since research – both empirical and theoretical – on the state is abundant, our discussion here cannot claim to be exhaustive but it does convey a sense of the salient debates and identifies ways in which scholarly argument about the state is developing. That the state remains and will remain fundamental to political sociology, comparative politics, legal studies, political economy, public policy and international relations is not in doubt.

### State Origins and Contemporary Relevance

Since the seventeenth century states have been the principal form of political organization within the international system. ‘Peoples’ who believed themselves to form a distinct nation fought enemies, overthrew imperial powers, petitioned Great Powers and later international organizations such as the League of Nations and its successor the United Nations, and staged secessionist struggles to achieve national self-determination. The purpose of such activities was to achieve status as a state recognized by other states and accredited in global organizations such as the United Nations (UN), World Bank and World Trade Organization (WTO) and acknowledged by regional institutions such as the Organization of American States (OAS) and European Union (EU). This aim inspires movements of peoples believing

themselves to be distinct nations entitled to a separate state. East Timor (2002) and Kosovo (2008) are recent instances, bringing the total number of states to just over 190 (compared with 55 in 1914 and 69 in 1950). A new African state, South Sudan, appeared in 2011.

### Defining a state and what states do

The Treaty of Westphalia ending Europe's bloody Thirty Years' War, agreed over three centuries ago, determined that international politics occurs primarily between states. States consist in:

- Units which recognize each other's independence in principle, though in practice many states violate other states' sovereignty on occasions.
- The legitimacy of a nation of people aspiring to the status of independent statehood – a trend that signalled the long-term demise of numerous multi-ethnic empires such as the Ottoman Empire.
- Presumption of internal sovereignty, or what scholars term a compulsory political organization, over which a state enjoys control, a feature made central to theoretical analysis by the German sociologist Max Weber (see Breiner, Chapter 2, in this volume). Over time, internal sovereignty extends to administrative control and competence across the state's territorial cartilage and bureaucratic capacity to raise taxes and to provide security for citizens against disorder, crime or illegal imprisonment.
- States operate as diplomatic actors in an international system of states, a system governed and regulated by international law and mediated through mass state membership in international organizations, principally the UN, but including regional alliances such as the African Union or OAS or military alliances such as the defunct pre-1989 Warsaw Pact and North Atlantic Treaty Organization (NATO).
- States demand allegiance from citizens, and while religion or ruling royal dynasties may be intricately interwoven with state identity, they are no longer the fundamental basis for a state's legitimacy. As the eruptions in Tunisia, Morocco, Egypt and Libya in early 2011 demonstrate, a state's legitimacy is a dynamic not a static quality and one open to challenge in all societies.

Established historically as international actors, states increasingly became institutions engaged with their citizens rather than just external relations. Hence the growth of tax-raising ability and expectation of public spending on military, social welfare and health care, and law and order.

### State power and fiscal crisis

In the 1990s, debate about the state was shaped by scholarly exchange between those researchers emphasizing the eternal strength of the state and those making a living out of prophesying its demise in relation to globalization, or Europeanization, or regionalization trends. Books and articles speak volumes in this regard: 'the dismantling

state'; 'the splintered state'; 'the virtual state'; 'the retreating state' (Strange 1996); 'the hollowing out of the state' (Castells 2000); 'the destatization process' (Jessop 2002). Some contributions attached a question mark to their polemic: 'the state, obsolete or obstinate?' (Hoffman 1995). Comparative political economy scholars in the vein of neo-institutionalism demoted the importance of the state as an actor in public policy and economic outcomes. This analytical demotion is made clear both in Crouch and Streeck (1997) and in Hall and Soskice's influential varieties of capitalism model (eds, 2001).

This question of whether the state has in fact disappeared either empirically or theoretically is no longer appropriate given the demands and responses to the Great Recession. The debate about the state is now framed as analysis of the 'restructuring of the state' to use Cassese and Wright's title of an agenda-setting book on the state (1997). Actors within the state are active agents in globalization processes (Jessop 2002; Brenner 2004). Some sections of the state are gaining ground and developing new forms of authority. The economic crisis since 2007/08 is a compellingly reminder of the role of the state at times of crisis, both of its key policy response role (as in the United States' Troubled Asset Relief Program 2008 in support of banks) and of its economic weaknesses and political vulnerabilities (in Greece or Belgium, for instance).

However, the analysis of the restructuring of the state is fraught with conceptual difficulties, including such questions as: Where to begin analysis? What is the appropriate length of time to consider a state development? What variables should be emphasized? What are the principal dynamics of change?

### **Beyond Europe: Diverse State Activity and Varieties of State Research**

Some of the distinctive contributions to the state debate come from scholars benefiting from many years of intellectual engagement with this subject. A growing body of research examines the making and the evolution of the state in less linear ways in different parts of the world (Vu 2010). In particular, the conditions at the creation of states, their dynamics, and examples of state failures call on explanations and characterizations of states which are more and more divergent from the standard European nation-state seen through the experience of France, the United Kingdom or Germany. Some American historians and political scientists emphasize how the particular story and characteristics of the US state are germane to comparative studies.

Thus in a provocative paper, 'Ironies of state building', King and Lieberman use insights from the making of states in Eastern Europe to characterize the American state. They conclude (2009: 573) that 'without the development of a central bureaucratic state to enforce standards of democratic procedure (such as the Fourteenth and Fifteenth Amendments), the American democratization process would have remained incomplete'. This view of the American state as a key agent of democratization contrasts with the need to dilute and weaken the state elsewhere. This standardization activity is one of five distinct American state activities identified by King and Lieberman, the others being the American state's historical role in upholding racial segregation which ended in the 1960s, the fostering of public-private associational

networks to develop public policy in a unique way, the administrative state with a distinct bureaucratic structure, and the multiple sites of power created by federal structures. These dimensions can easily be applied in comparative settings.

The accumulation of cases about state creation and transformations and the development of innovative comparative projects reveal a messier but also stimulating world of social science dealing with the state.

### Failed states

For instance, the classic dichotomy strong states/weak states (Badie and Birnbaum 1982) has been more or less abandoned in favour of more nuanced typologies or a serious rethinking about key variables of stateness. Systematic comparative research about states in Asia, Latin America and Africa emphasize the role of colonial inheritance, the dynamics of religious influences and the effects of competition between parties and interest groups, that is, the role of internal actors in competition to shape forms of state simultaneously influenced by norms and forces from outside. An innovative literature is, for instance, engaged with state failures, the difficulties arising from some states' inability to collect taxes, to provide goods and services to the population or to protect the population. States or elites of the state may also be active in order to steal, to oppress, and to develop violence against their own population (Spruyt 2009).

Modern states act internationally and developed historically in part because of the way international society evolved. But it is in respect of their treatment of individual members and capacity to govern effectively and legitimately that ideas about state failure arise.

It is among many of the new states that the problem of state failure prevails. Mostly able to satisfy the criterion of territorial sovereignty, many of these new states fail to govern effectively across their geographic unit with respect to the following.

- (i) *Violence*: The principal defining characteristic of a failing state is the presence of violence because of the state's inability effectively to exercise its monopoly on the use of legitimate violence. This failure translates into public disorder, severe and continuing danger to personal security and organized gangs paralleling the state's structures:
  - Violence is continuing and systemic as for example in Angola and the Sudan. This can lead to collapsed states of which Somali is an example. The state's rulers are in constant war with violent challengers, failing to exercise authority throughout their geographic territory. Warlords dominate and there is no state presence to provide public goods or disarm the private armies. Control of peripheral areas by the centre is tenuous at best, as the internationally unrecognized territory of Somaliland in the old north of Somalia shows.
  - Violence is widespread and consuming in large geographic parts of the failed state, as for instance in Burundi, Afghanistan and Sierra Leone; during the 1990s the Colombia government failed to control large parts of the state and between 1992 and 1997 the state in Tajikistan also lacked effective presence.

- Violence is anti-government and anti-state: it is mobilized and used to destabilize the existing government and regime; until the recent defeat of the Tamils in Sri Lanka their decades-long campaign threatened the state.
  - Violence is often equivalent to civil war, as divisions rooted in ethnicity or religion or regions provide the basis for violent conflict as in parts of the former Yugoslavia or Kenya since its last election.
  - Because of violence the state may effectively lose control of parts of the state, as seems to have occurred in Mexico in drugs-gang-controlled regions; such criminal gangs make lawlessness common and terrorize ordinary citizens. In the most extreme form ‘shadow states’ emerge providing some of the public goods – notably protection against violence – which the state traditionally provides, at a heavy fiscal price and under a regime of fear. Such privatized violence fundamentally challenges the idea and purpose of states. The European process of state formation, stretched over several centuries, consisted in part in the transfer of organized violence to the state’s monopoly on legitimate force. In many failing states in Africa, the process is in reverse as groups in society deny the legitimacy of the state’s monopoly and rival its organization with a shadow state based on its own exercise of violence.
- (ii) *Dismantled states:* Beyond the problem of public order and violence, failed states manifest:
- Poor or absent infrastructure, with roads and other transport links destroyed from a combination of conflict and inadequate fiscal resources. Palestine is a glaring example as is Guinea-Bissau, the former Portuguese colony. Elections in June 2010 in Guinea-Bissau reminded the world of its parlous condition. One former finance minister characterized its state as ‘in a phase of delinquency;’ in Guinea-Bissau the state has been dismantled. There is no electricity at night; violence is widespread and endemic with killings all the time and no state response, with the last three military chiefs of state murdered and the president shot dead. No president has completed his five-year term since the ‘restoration’ of multi-party rule in 1994, as the military effectively controls state institutions and power. It is a failed state, not just a weak one. According to the UN, its fragility is such that even drugs gangs have chosen other states as smuggling bases.
  - The collapse of state revenues – such as Zimbabwe or Haiti – because rulers have siphoned off resources for personal profit and/or to pay off protectors. The prospective state South Sudan, independent from 2011 following a referendum on secession, is so fragile and potentially unstable as to be characterized as a ‘prefailed state’, since murderous inter-ethnic Lou–Jikany conflicts have increased despite the presence of UN peace-keepers and the Sudanese People’s Liberation Army. The government of Southern Sudan does not inspire confidence: it received oil revenues and UN Food Programme aid yet has a humanitarian crisis level of malnutrition and state infrastructure outside the regional capital (Juba) is non-existent, any facilities a result of charities and foreign governments. This corruption and waste of oil resources bode ill for effective statehood.

- The collapse of educational and health systems, as physical infrastructure decays, salaries of key public-sector workers go unpaid and rampant inflation takes root.

### Variations in stateness indicators

Research on the state has taken multiple foci. Consider a few instances.

The now classic ‘fiscal-military model’ of state (see Poggi, Chapter 9, in this volume) formation epitomized in particular in Tilly’s work has been contested from all sorts of social science perspectives, including comparative historical sociology (Vu 2010; Jessop 2006). There is now a substantial gender literature about the state (Adams 2005 and Dean, Chapter 25, in this volume). STS (Sociology of Science and Technologies) scholars inspired by the work of Latour, Law or Callon but also Michel Foucault and Norbert Elias in particular emphasize the construction of states in relation to the emergence of different kinds of knowledge, technologies, representations, materialities, networks, produced for instance by engineers or doctors (Baldwin 2005). Porter’s (1995) or Desrosière’s (1998) classic books on quantification and the production of figures have been crucial landmarks in the understanding of the state, echoing Weber’s rationalization process or James Scott’s argument about the modern state making society legible (1998). Carroll writes:

The state can be understood simultaneously as an idea, a system, and a country, as a complex of meanings, practices, and materialities. The state idea has become a powerful discursive formation, a cognitive structure, and assemblage of institutions: the state system has become a vast organizational apparatus that is practiced with varying degree of coherence (and indeed incoherence) from the heads of executive agencies to the most mundane aspect of everyday life: and the state country is constituted through the materialities of land, built environment, and bodies/people, transformed by the co-productive agencies of science and government and rendered in the new forms of techno-territory, infrastructural jurisdiction and bio-population.

(Carroll 2009: 592)

Research about the state has been significantly critically revised under the influence of cultural studies and post-positivist research scholarship (Marinetti 2007). In particular, they have contributed to the deconstruction of the state as a stable institution. By contrast, they stress the fact that the state is a contingent form, always in question, always changing in response to discourse, a radical constructivist point of view. In their book *The State as Cultural Practice*, Bevir and Rhodes propose an alternative to positivism by defining the state through the meanings of its action, that is, ‘the state appears as a differentiated cultural practice composed of all kinds of contingent and shifting beliefs and actions, where these beliefs and actions can be explained through an historical understanding’ (2010: 8).

In parallel, constructivist sociologists have emphasized the historical specificity and contingency of processes leading to state formation in order to avoid either the reification of the state or to take the European-centric conception of the state for granted. Joel Migdal (2009) suggests differentiating at least between three waves of state formation in the twentieth century beyond classic European models: the

post–First World War wave, the decolonization wave and the end of the Soviet empire. At each period, different forms of capitalism, national ideologies, norms of nation-states and power relations between states may explain the emergence of different processes of state making. Furthermore, timing of creation clearly affects the potential to become a failed state. Whether the 2011 democratic protests and government changes in the Middle East will constitute a continuation of Migdal's third phase of state formation or a fourth phase will engage scholars in the coming decade. Such comparative and historical works reveal the value of analysing a range of state emergence and trajectories, beyond the long-dominant European nation-state path. This irreducible contingency of state formation is central in comparative historical sociology research on the power of bottom-up processes, the fluidity of state-making trajectories and the diversity of historical experiences. In his work on African states J. F. Leguil-Bayart underlines hybrid processes related to diverse colonial experiences. His researchers emphasize intersection points between overlapping levels of institutional development and overlapping historical periods. Béatrice Hibou's collection on the privatization of the state (2004) is also anti-functionalist as she shows non-linear trajectories of state de-differentiation and transfers of functions to agencies or families (patrimony), focusing on different forms of interactions between states and societies in different parts of the world.

In other words, the state is complex and so is the analysis of the state (Migdal 2009).

### Essentialism and the state

One radical solution with which to develop the same line of argument is to get rid of any definition in order to avoid essentialism. Quentin Skinner's method of 'ideas in context' leads to that conclusion. In a recent paper on the genealogy of the modern state, a follow-up to his classic books, Skinner makes the following point about the word 'state': 'I consequently focus as much as possible on how this particular word came to figure in successive debates about the nature of public power . . . to investigate the genealogy of the state is to discover that there has never been any agreed concept to which the word state has answered' (2009: 325–326). This is a fascinating intellectual journey but such radical constructivism does not help comparative research by generating clear hypotheses for research. The argument does have a logical rationale. However, moderate constructivism seems a more fruitful perspective to analyse contemporary changes.

Although neo-Marxist analysis of the state has lost salience (though it had not vanished), the current economic crisis shows the relevance of many Marxist insights about the state (see Le Galès and Scott 2010 for a fuller account of the issues raised in this section and Jessop, Chapter 1, in this volume). Marx was the first thinker to demonstrate that the self-regulated market – the putatively free and effective play of market forces – in practice requires the state. On Marxist and neo-Marxist accounts, the state played a key role, namely in the accumulation of capital and ideology, the latter a reflection of the dominant force in society. This argument has been applied in various empirical studies. For example, it features in Logan and Molotch's (1987) classic sociological study of urban growth coalitions and how urban real-estate markets operate in the United States. They empirically clarify the social role of the state in growth coalitions: the state first intervenes as guarantor of social order, namely

through ideology and by regulating the various social interests (a classic neo-Marxist argument), as social order is an essential condition for real-estate investment; it later intervenes in the accumulation phase, by making below-market-price land or subsidies available to real-estate developers.

Those developments are also used in relation to the globalization of capitalism. Jessop (2002, 2007) and Brenner (2004) provide ambitious theoretical frameworks with which to analyse the transformation of the state under current conditions of capitalism. They argue that although the importance of the national-state-controlled scale of political power may be in decline, states are still very active and control many resources. To analyse the rescaling of the state these scholars develop a political economy of scale, or rather, *statehood*, based upon an analysis of the struggle to reorganize both statehood and capitalism following the destabilization of the nation-state's primacy in organizing both society and capitalism. They contrast the postwar Fordist Keynesian state with more competitiveness-driven approaches to the contemporary state. To stress that the state is a strategic site of structuration of globalization, such scholars highlight a strategic-relational approach to the state.

In contrast to anti-essentialist views, generations of legal scholars define the state in terms of an independent territory, an institutional apparatus of government and the source of the law. But beyond this, there is ambiguity about what should be analysed. The state theorist Bob Jessop poses the problem:

Is the state best defined by its legal form, coercive capacities, institutional composition and boundaries, internal operations and modes of calculation, declared aims, functions for the broader society, or sovereign place in the international system? Is it a thing, a subject, a social relation or a construct that helps to orient political actions? Is stateness a variable and, if so, what are its central dimensions? What is the relationship between the state and law, the state and politics, the state and civil society, the public and the private, state power and micro power relations? Is the state best studied in isolation: only as part of the political system: or, indeed, in terms of a more general social theory? Do states have institutional, decisional, or operational autonomy and, if so, what are its sources and limits?

(2006: 111–112)

As this quotation makes explicit, much of the confusion about the state, and the analysis of the contemporary restructuring process, derive from the variables but also from uncertainty about the most appropriate historical period to select to understand change.

### **Weber's Endurance**

To address these sorts of empirical questions and analytical tasks, a return to the classic Weberian route retains its appeal. Although there is a debate about several definitions of the state, the well-known Weberian definition of the state in terms of political institutions and the attempt to monopolize violence is most widely employed by scholars (Weber 1978: 57); the definition has been refined in much work on state capacity (Hendrix 2010). The institutional dimensions of the state are key to Weber's



account. In the macro-historical comparative sociology tradition, scholars emphasize the differentiation and autonomy of elites, separate from social or economic elites, professionals claiming a monopoly to be in charge of governing and developing specialized institutions (see Lachmann 2010). In that tradition of research, the key variable of the state is the construction of an autonomous political space and the differentiation of elites specific to the state. Of course, in this perspective, there are different types of state but this analysis gives little purchase on the contemporary restructuring of the state. What is central is the long-term construction of states, which are fundamental in structuring societies.

Adopting a similar Weberian line, du Gay and Scott (2010) argue that much confusion about the state derives from the choice of periods upon which scholars focus. They cast doubts on the literature dealing with the restructuring of the state because most of it tends to identify a high point of the state in the 1960s (a golden age according to the TranState programme in Bremen – see Leibfried and Zürn (eds) 2007) and to reify some post-golden-age period. They argue that this dichotomy is of limited value because both comparative macro sociologists of state formation and the scholars of the so-called Cambridge School have demonstrated in detail the gradual process of state formation, slowly reaching its modern form over several centuries. In other words, they argue, the relevance of short-term radical change to fundamental state form is likely to be weak. They also stress the fact that confusion is increased by the most recent developments of the state (such as the welfare state in the twentieth century). In other words, they criticize the choice made by many scholars to analyse the state first and foremost in terms of government rather than develop a richer sense of the actions and activities of the state. By contrast, they argue in favour of a parsimonious, quasi-essentialist definition of the state. The state is an independent coercive apparatus also defined by the centrality of the rule of law as argued by Gianfranco Poggi (1977). Defined in those terms, the state is about ‘being’ and the activities play no role. These authors thus rehabilitate Raymond Aron’s concept of ‘regime’ to talk about the rest, including government. Beyond the fact that the relations between regime and state are not – as yet – clearly defined in this account, this definition implies that the development of government policies over the past two hundred years was of minor importance in comparison with the making of the state itself. It also means improbably that these developments are independent from the noble structure of the state and have no effects whatsoever on the state itself. Nevertheless, du Gay and Scott make a valuable case that it is useful to distinguish the state from the government in order not to assume that changes concerning governments automatically signal state changes.

### **Analysing state apparatus**

Following this route leads to analysis of the apparatus of the state, the organization of the state. Many empirical projects, sometimes initiated by public administration scholars, have attempted to document the restructuring of the state bureaucracy, that is, the demise of amorphous hierarchical administration and ministries, of external services of the state and the rise of agencies – known as the agency-form of the state (Thatcher 2007) – and of auditing organizations (Hood 1998). In most European countries, how states reform themselves – reform of the public sector – has become a central political question. What Bezes (2009) has cleverly called ‘Le souci de soi de

l'Etat' is a good indicator of serious changes that even parsimonious Weberians find hard to put aside.

All in all, in the Weberian tradition, there is widespread consensus around a definition of the state understood in terms of relative monopoly and concentration of coercion. It is defined as a complex of interdependent institutions, differentiated from other institutions in society and legitimate, autonomous, based upon a defined territory and recognized as a state by other states. The state is also characterized by its administrative capacity to steer, to govern a society, to establish constraining rules, property rights, to guarantee exchanges, to tax and concentrate resources, to organize economic development and to protect citizens (Mann 1986; Tilly 2010; Levi 2002). Even the American state – often seen as an outlier – presents these broad Weberian features (Carpenter 2001; King and Lieberman 2009; Skowronek 2009) together with distinct public–private associational networks (Lieberman 2009) and social actors responding to signals in public policy about the need to reform (Dobbin 2009; Farhang 2010). The state takes different shape depending on historical periods, nationally distinct circumstances and political institutional structures, notably whether it is federal or unitary (Johnson 2007; Ziblatt 2006a).

### Infrastructural power and the policy state

One group of scholars advocates studying the state with parsimony, concentrating on its basic institutions and functions, on its formation and the classic criteria of elite differentiation. However, it may also be fruitful to think about the state by looking at what it does, the activities, the interactions, the capacity to structure and steer society, as government – what is termed the 'policy state' (Skowronek 2009). In other words, the development of public policies over one century may not just be a strange appendix to the 'pure' state that could be easily terminated. What happens in the policy realm, in relation to politics, may have structural consequences for states, secession or sovereign bankruptcy for instance.

A useful point of departure is the sociologist Michael Mann's distinction between what he calls the *despotic power* of the state, that is 'the range of actions which the elite is empowered to undertake without routine, institutionalized negotiation with civil society groups', and the *infrastructural power*, that is, 'the capacity of the state actually to penetrate civil society, and to implement logistically political decisions throughout the realms' (1986 [1984]: 113). Combining those two analytically distinctive dimensions allows Mann to show, in his influential two-volume study of the state (1986 and 1993), the weakening of the first dimension and the strengthening of the second in relation to the rise and rise of public policies in Europe from the early twentieth century. This framework leads to typologies of state activities and policies such as Ted Lowi's widely used threefold categorization (1964). Many public policy scholars, neo-institutionalists in particular, have tried to show how the implementation of policies, their results, were crucial elements of the structuring of political conflicts, and to the legitimacy of the state (Duran 2009). Feedback from policies helps shape political conflict and subsequent policy.

Three very different research strategies are therefore at play in analysing the restructuring of the state. One is to concentrate on the classic question of elites and institutions, including the personnel of the state, in order to show the long-term

resilience and robustness of the state. A second is, in contrast, to stress ever-changing configurations. A final strategy is to assume that the long-term entropy of the state has also had lasting consequences for the basic institutions and purposes of the state. Analysing the 'government' dimension of the state, the 'policy state' to take the phrase coined by Stephen Skowronek, may be central to understanding the institutional dimension of the state, even its survival. Policy successes and policy failures are not without consequence for the legitimacy of the state. In a number of cases, from the United States to Greece, Spain or Belgium, the sustainability of the state in its current form is at stake (Jacobs and King 2009).

In Western Europe and in the United States, empirical research points to different, sometimes contradictory directions, hence the research agenda defined in terms of restructuring of the state. A large body of research has tried to identify the failures of the state to govern. The contemporary debate about the state, greatly influenced both by comparative political economy research and by governance questions, tends to focus on the question of capacity. In the late 1990s, scholars identified the state's decreasing capacity to govern society as a crucial issue. The argument is well known: globalization trends, however contradictory they might be, may compel the state to force societal changes but they also make society more difficult to govern because of the rise of exit strategy, especially among firms and capital, and economic fluctuations affecting working- and middle-class incomes and employment prospects. The hidden – or not so hidden – secret of the state was therefore one of growing inability to govern society, to tax, to implement decisions, a question well identified by governance scholars (Mayntz 1993).

This issue prompted a new research agenda based upon classic questions associated with governance and government alike: not just who governs but how governments and various actors involved in governance processes operate. This is not as new an idea as some conjectured. Foucault in particular stressed the need to understand changes in governmentality and the theme was central for Miller and Rose (2008) when they started their research project on governmentality. However, to raise this issue is to underline that the governance research agenda is historically related to the 1970s research about public policy failures, well represented by the work of Pressman and Wildavsky (1973). One then wondered whether complex societies were becoming ungovernable or if, at the very least, governments and state elites were less and less able to govern society through the public administration, taxes and laws. Ever since, this debate has led to a dynamic governance research domain organized around the following questions: Can government govern, steer or row (Peters 1997)? Do governments always govern? What do they govern, and how? What is not governed? Can we identify dysfunctions of governments over time? Can groups or sectors escape from governments (Mayntz 1993)? What does it mean to govern complex societies?

Political economy scholars, emphasizing the significance of globalized capitalism for state activity and change, have stressed too the notion of a powerless state against global economic forces (as in the work of Susan Strange, for instance); or at the very least they see the state as heavily constrained by financial markets, the strategy of large firms or globalized exchanges. In a recent contribution to this debate, the sociologist Wolfgang Streeck (2010) has underlined the fiscal crisis of the state. If inheritance is a classic theme in public policy, Streeck shows, before the crisis, the structural development of public deficits in most developed countries followed by rising debt and

dramatically reduced capacity to govern. Needless to say, this argument has not lost its force with the coming of the financial crisis.

Paralleling this trend is the expansion of the state into new activities (Jacobs and King 2009). States have become more intrusive or have developed new policies in matters of education, gender, discrimination and environment, but also security, defence or surveillance. New bureaucracies are employed in the field of auditing and control to change individual behaviour through mechanisms of sanctions and rewards (Le Galès and Scott 2010). In terms of relations between states and markets, neo-Marxist, Polanyian and neo-institutionalists have long stressed the fact that markets were sustained by state activities, policies, ideology and finances. As Levi rightly documents, the rise of market-making activities and policies has become a notable feature of state elites more influenced by neoliberal ideas. Both the Thatcher and the New Labour governments were characterized not only by privatization and the introduction of market mechanisms in the public sector but also by centralization and the development of a stronger and more authoritarian state (Gamble 1993, Faucher-King and Le Galès 2010). In the United States, a body of recent research finds similar apparently contradictory pattern (Jacobs and King 2009).

The financial and economic crisis since 2008 illustrates more than ever this apparent paradox of weakened states in relation to banks, hedge funds, or large firms escaping taxes. To survive, states had to bail out the financial sector and in numerous cases transfer the private debt to the public sector. Despite the structural weakening of financial state capacity, some attempts have been made to recover the infrastructural power of the state, to use Mann's turn of phrase. Again, innovations in public policies and activities of the state are probably very revealing of state restructuring.

## Conclusion

What the Great Recession that commenced in 2008 demonstrates is both the power and the vulnerability of the modern state (see Crouch, Chapter 42, in this volume). States were buffeted severely by the economic crisis, most in advanced democracies forced into dramatic and extensive policy initiatives. Many of these latter involved hugely expensive public interventions into the private sector (though several such as the United States' Troubled Asset Relief Program (TARP) and the UK's semi-nationalization of two major banks have seen funds repaid to the state). It showed strikingly also the centrality of the state in these roles. The infirmity or incoherence of supranational bodies such as the EU or international organizations such as the WTO or World Bank as forums in which to develop effective policy exposed the shallowness of the alleged transnational and internal erosion of state institutions. State strength and capacity are challenged by the Great Recession but not the *role* of the state as the primary agent of policy initiator and legitimate authority for such responses.

The agenda of state research is exciting and varied. Scholars will spend many years excavating the precise mechanism and triggers through which the Great Recession occurred and integrating political economy and state theory in the process. The role of material interests, the competence of state institutions (such as central banks), the inadequacy or capacity of state regulatory institutions and the effect of long-term

global shifts in power and resources from the West to the East will all feature in such accounts. Concurrently, the enduring Weberian-style questions about how states restructure their public-sector capacities and how states retain or augment legitimacy will remain central to these new empirical studies.

### Further Reading

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