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Globalization and European State Formation 1900–2000

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ABSTRACT

The article deals with the impact that the globalization process has had on European state formation in the period 1900–2000. Hypotheses are derived from the emerging schools of globalization: the hyperglobalists, the transformationalists and the sceptics. Is state formation hindered or stimulated by level of economic globalization? Indeed, does economic globalization have any effect at all? It is found that the still growing number of European states were formed in clusters following systemic change, that the probability of state formation increased in the case of candidates situated in zones of defeat, that nationalism did not play a decisive role, and that there was no connection between fluctuations in the globalization process and state formation. The hyperglobalist hypothesis is thus rejected, little support is found for the transformationalist hypothesis, but the sceptic hypothesis matches the findings. In addition, the article offers an explanation for the residual patterns found.

Keywords: Europe; globalization; nationalism; state formation; unipolarity

The Hypotheses

Dealing with the formation of states, I ask whether this specific phenomenon is hindered or stimulated by globalization — indeed whether there is any effect at all. The question is limited in scope, but the answer may contribute to the process of accumulating results concerning the impact of globalization. We get an evaluation of three hypotheses on the relationship and possibly answers to the ongoing debate on where globalization is taking us: whether to a neo-medieval order, to an era of new empires or to neither?¹

Analysing the relationship between state formation and globalization will contribute to specifying the explanatory power of different perspectives on globalization, and also to the explanation of state formation.

Between 1900 and 2000, the number of European states increased from 18 to 35, and the level of globalization, understood as the globalization of vital economic transactions (Hirst and Thompson, 1999), increased too. At



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first glance, the common direction of state formation and globalization contradicts the expectation expressed at the beginning of the debate on globalization; namely, that the sovereign state would disappear with the spread of economic globalization (Ohmae, 1995).

During the 1990s, the debate on globalization became more complex. Held et al. (2000: 10) identified three 'schools' of thought. First, the hyper-globalists, who consider globalization to be an ever-present and irreversible process with the state, in a kind of zero-sum game, disappearing as globalization increases. Second, the sceptics, who claim that the impact of globalization on the state is exaggerated because the state still plays a major role in the organization of economic globalization. Third, the transformation perspective, emphasizing that globalization affects and changes states and world politics. In this process, states take on new roles and act in a different context. The impact is so strong that we have to expect outcomes regarding 'the state' — including effects on state formation.

A first glance at the relationship between state formation and globalization indicates an obvious coincidence between the current level of globalization and the currently high number of states in Europe — particularly since 1990 when 11 new states were formed over the course of a few years. This seems to nullify the hyperglobalist hypothesis that globalization eliminates the state. Likewise, at first glance the relationship seems to weaken the view of the sceptics, i.e. that we should not exaggerate the effects of globalization.

By contrast, it seems the hypothesis that globalization promotes survival of the state in order to exercise political control is gaining support, while the state itself and its context are changing. In the contemporary debate on globalization, this hypothesis supports the transformationalists.

However, these immediate conclusions on the validity of the three perspectives on globalization are based on a flawed approach: to begin with, we have to take a closer look at the fluctuations across time. Rather than just looking at a 100-year-long historical perspective, we have also to take into consideration the fluctuations of globalization within the time span. This will provide a more comprehensive background against which to evaluate the relationship. Secondly, we have to look for other or mediating variables. Only then can we discuss whether the transformationalists' hypothesis still appears to be the strongest of the three.

The test described below resulted in conclusions different from the apparently obvious one: while the hyperglobalist thesis was fully nullified, paradoxically the sceptic thesis had stronger support than the transformationalist thesis. According to the sceptic thesis, we can expect few changes in the formation of states caused by globalization. The results below match this expectation.

The strength of the transformationalist perspective lies more in its emphasis on changing state control — an emphasis, however, which is not challenged by the sceptic perspective (cf. Held et al., 2000: 10).

In order to treat both hypotheses fairly, it has to be said that neither of them is designed to deal with state formation. Their main focus is different. Given these frameworks' strong interests in the future of the state, how-

ever, it seems justifiable to establish their views on state formation. If states were never formed, how could we discuss their future? And isn't state formation an important part of the future of states?

Concerning the hyperglobalist thesis, one could argue that its logic is that capital mobility weakens the viability of new states. The obstacles to state formation should therefore be seen as following capital mobility: the more mobility, the greater the obstacles.

The transformationalist perspective is indeed a broad and comprehensive one. To a lesser extent than many other frameworks dealing with globalization, it is designed to infer hypotheses. However, since it is claimed that it provides a balanced view on the effects of globalization, it is reasonable to put it to the test on state formation, too.

The hypothesis was constructed indirectly: when the transformationalists argue that the state will change fundamentally in accordance with globalization's impact on its role, we can expect consequences for state formation as well. We cannot point to any specific consequences, but at least we have to expect some variations in the pattern of state formation.

In contrast, the sceptics' approach emphasizes the continuity of politics despite the globalization process — consequently the hypothesis that the level of globalization would have little or no effect on the patterns of state formation.

Finally, it is stressed that there are limits to a quantitative approach as applied here. Analyses of the impact of globalization clearly must not be restricted to such an approach or merely to the number of states being formed. Because of its nature, it is likely that the quantitative approach will tell us least about the relevance of the transformationalist framework. Yet the quantitative approach represents one line of investigation which should be included in the ongoing accumulation of research results concerning the impact of globalization.

How to Examine the Relationship

With the Peace of Westphalia in 1648, a modern state system emerged in Europe, and the sovereign state became prevalent. Proliferation of the model took place alongside and following European colonialism. The European colonial powers did not transform their colonies into exact images of themselves, but after de-colonization the new non-European states were inclined to socialize, most of them attempting to imitate the sovereign state. The sovereign state had displaced city-leagues and city-states (Spruyt, 1994: 185), and then it came to displace its own colonies — with new management, communications and transport infrastructures providing new mechanisms of political control (Held et al., 2000: 41).

The globalization process thus influenced these two developments, i.e. proliferation of the sovereign state and the anti-colonization process: the European great powers spread the idea of the sovereign state during the nineteenth century, and core issues of the globalization process facilitated transformation of the previous colonies into sovereign states.

However, the problem here is whether globalization counts as having a specific impact on the formation of sovereign states rather than being simply a general factor in the general spread of the phenomenon.

In *Globalization in Question*, Paul Hirst and Grahame Thompson have suggested an ideal type of globalized economy. They see a globalized economy as characterized by the subsumption and rearticulation of national economies into the global system by international processes and transactions (1999: 10). The rearticulation implies problematic governance, the rise of transnational rather than multinational companies, a decline in the influence of organized labour and the growth of multipolarity. Using a series of indicators, Hirst and Thompson assessed the 'state of the international economy'.

This understanding of globalization is applied here. Globalization is often seen as a much broader and complicated process (Held et al., 2000: 16) that affects many areas and social relations. Viewpoints are seen not to be mutually exclusive, but different in scope. Here the economic dimension, probably the most important part of the process, is applied — without it, several other dimensions would hardly spread (Hirst and Thompson, 1999). In addition, it is important to separate different developments in order to analyse how they interact and affect each other.

Furthermore, the fluctuations of the globalization process are useful here in examining whether there is any correspondence with state formation.

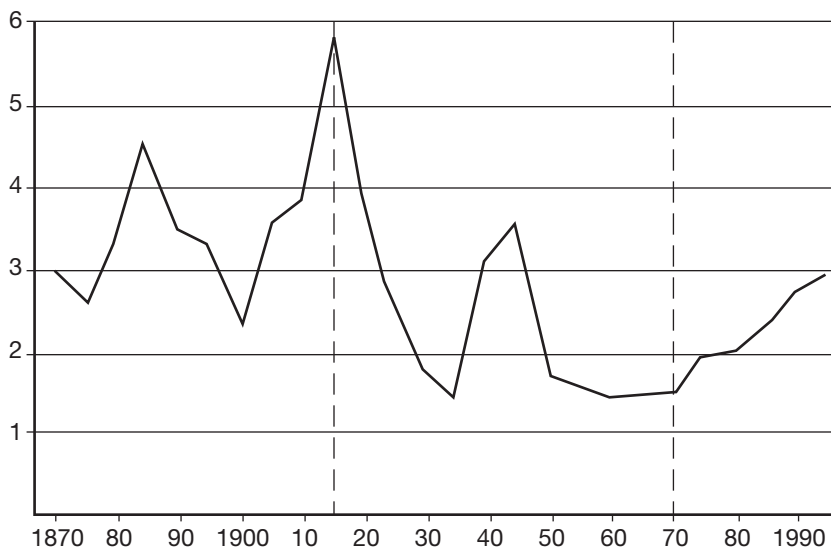
A key indicator behind the findings of Hirst and Thompson was the international capital flows among the G7 economies, measured as a percentage of GDP (1999: 28). The trend in the flows was supported by other indicators and is used here. Figure 1 shows a peak at the beginning of the twentieth century, before a dramatic decline from 1914 until the middle of the 1930s; then half a dozen years of increase followed by another decline from the beginning of the 1940s. From 1970 onwards, the level of globalization has increased steadily.

The investigation tests the relationship between the fluctuations and state formation: if there is any firm coincidence positive or negative regarding the level of globalization, we can go on to further explore the relationship. If not, we will have to look elsewhere for explanations. In both cases, it has been necessary to look for alternative correlations in order not to burden the explanatory power of globalization with too strong conclusions. Testing of the relationship should, of course, be seen in relation to the very small numbers that we are dealing with — as we will see, three clusters of state formation and a total of less than 30 cases.

'Europe' is understood according to the conventional geographic discourse.² Of course, even the geographic demarcation is a construction, but it is the conventional one, and if applied historically the regional demarcation of Europe can be held as a constant (in contrast to political demarcations, which change).

The geographic demarcation of Europe has two implications. Russia is situated across Europe and Asia. It can be categorized as a European state because its point of gravity around Moscow is clearly in the European zone. However, the former Soviet Union stretches far into Asia, and is thus

FIGURE 1
International Capital Flows Among the G7 Economies, 1870–1995 (% GDP)



Source: Adapted from Howell (1998, figure 7) and Hirst and Thompson (1999, figure 2.4).

Notes: The measure was adapted from Howell (1998) by Hirst and Thompson. It was selected here because of its importance in the general measuring, in the focus on Europe, and because it expresses the development clearly in 'one line'. The development of foreign trade could also have been applied. Trade grew until 1911; between 1913 and 1950 there was a decline in rate of growth as well as output growth; and since 1950 there has been an expansion (Hirst and Thompson, 1999: 22). It seems that it would have made little difference if, for example, foreign trade had been used.

excluded. Also excluded is Kazakhstan, which became independent after the collapse of the Soviet Union. Kazakhstan is another example of how political borders and geographical location do not match. It was therefore excluded from Europe³ along with politically close but geographically clear 'outsiders' like the Central Asian, Trans Caucasian post-Soviet republics, Malta and Cyprus.

The advantage of using European state formation in the examination is that Europe is one of the most globalized areas as well as the cradle of the system of sovereign states. There can therefore be no doubt about the influence of globalization, nor about the progressive spread or prevalence of the modern, sovereign state.

The same argument holds when focusing on the period 1900–2000, characterized by the presence of globalization as well as being the era of consolidation of the sovereign state.

State formation is understood as the formation of a territorial entity with an internal monopoly of power and international recognition. This implies that states which were in existence before disappearing and later

re-emerging are counted each time they were formed. Throughout history, states have come and gone (more so the former, however, than the latter) (Thompson and Krasner, 1989: 207), and sometimes re-emerged in a reshaped version. It therefore seemed relevant to count each of the formations.

The analysis is carried out (and the article constructed) as follows: a survey of state formation is presented and patterns are identified. The patterns are then related to the globalization process, and the first conclusions are drawn. Other factors are then introduced to explain what could not be related to globalization. First, this provides a context for assessment of the effects of globalization; second, it contributes to a comprehensive model for explaining state formation; third, the compatibility of the findings and the three hypotheses are discussed. The globalization process is re-introduced in a broader version in order to point to more subtle relations between the process and dimensions of state formation apart from any quantitative correspondence.

A Survey of European State Formation from 1900 to 2000

Eighteen European states were in existence in 1900: Austria-Hungary, Belgium, Bulgaria, Denmark, France, Germany, Greece, Italy, Luxembourg, Montenegro, The Netherlands, Portugal, Romania, Serbia, Spain, Sweden, Switzerland, and the United Kingdom. By 1999 this had risen to 35, a large number coming into being in the last decade of the Millennium: Belarus, Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, (Germany), Latvia, Lithuania, FYRO Macedonia, Slovakia, Slovenia and Ukraine. The post-1989 version of Germany is not included in the list, however, even though both the German Democratic Republic and the *Bundesrepublik* were dissolved in favour of the new, re-united state of Germany. This is because the merger took place without any re-writing of the constitution (only consequential up-dating), and rather than a new state formation, the German reunification is interpreted as an enlargement of the *Bundesrepublik*. Likewise, the reorganized Yugoslavia (Serbia and Montenegro) is interpreted as a continuation of the existing state, albeit in reduced form. As mentioned, the states that became independent from the former Soviet Union are included only in so far they are part of geographical Europe.

Belarus, which emerged from the breakdown of the Soviet Union, became an independent state closely connected to Russia, and during the first decade after independence the connections became closer still, resulting in a union. Formally, however, Belarus remained a sovereign state.

These states were not the only newcomers between 1900 and 2000: Norway achieved full independence from its union with Sweden in 1905. Then came Albania (1912), Austria (1918), Czechoslovakia (1918), Estonia (1918), Finland (1917), Hungary (1918), Ireland (1921), Latvia (1918), Lithuania (1918), Poland (1918), Yugoslavia (1918), Iceland (1944), Germany DR (1949) and Germany FR (1949). The list in Table 1 is a survey

TABLE 1
State Formation in Europe, 1900–2000

Norway	1905	Germany DR	1949
Albania	1912	Germany FR	1949
Finland	1917	Belarus	1991
Austria	1918	Croatia	1991
Czechoslovakia	1918	Estonia	1991
Estonia	1918	Latvia	1991
Hungary	1918	Lithuania	1991
Latvia	1918	FYRO Macedonia	1991
Lithuania	1918	Slovenia	1991
Poland	1918	Ukraine	1991
Yugoslavia	1918	Bosnia Herzegovina	1992
Ireland	1921	Czech Republic	1993
Iceland	1944	Slovakia	1993

of new states forming between 1900 and 2000. Some states appear twice on the list, as they were formed, disappeared and reappeared. Disappearance was often a result of annexation. Reappearance has taken different forms (cf. the Baltic States compared to the Balkan states). Nevertheless, they were 'out' and their formation thus has to be counted twice. Estonia, Latvia, Lithuania reappeared after annexation.

In the course of the century, states also vanished: Austria-Hungary, Czechoslovakia, Estonia, pre-Second World War Germany, Latvia, Lithuania, Montenegro, Serbia and the Soviet Union. Some of these were later re-born or re-emerged in different versions (see Figure 1). Twentieth-century Europe thus witnessed a series of states forming as well as states disappearing.

The Patterns

Apart from the well-known pattern of a still growing number of states (Lane and Ersson, 1996), a series of other patterns and variables emerged from the survey.

The first pattern is the *clusters* of state formation.⁴ With the exception of Norway, which became a fully sovereign state in 1905, Albania, which succeeded in obtaining independence in 1912 and Iceland, in 1944, all state formations between 1900 and 2000 took place within five years of the end of serious power struggles between the international great powers.

Major changes in the international system occurred in 1918 after the end of the First World War, after the end of the Second World War in 1945, and after the end of the Cold War in 1989. These specific years were followed by intervals of clustered state formation, and only a couple of states were formed in Europe outside these intervals. We could argue, however, that the

formations of Albania and Iceland were also related to the systemic changes. Iceland obtained full independence from Denmark in the last phase of the Second World War, when Denmark was occupied by (Nazi-) Germany. At that time, Germany could not exercise control over Iceland situated in the North Atlantic Sea. Albania achieved independence from the Ottoman Empire during the Empire's decline prior to the First World War. Even Norway may be dealt with as an effect of systemic change, as Norwegian independence began with the defeat of Denmark in the Napoleonic wars. Norway thus complies with all expectations, that is, a systemic change and Denmark being part of the zone of defeat. However, there is still a time lag, and Norway stands out in terms of its formation outside the clusters.

The changes in the international system are conceptualized as international systemic change, i.e. changes in the relative international distribution of strength among the international system's leading powers (Waltz, 1979; Hansen, 2000: 71). This has usually but not necessarily occurred subsequent to a hot war. The Cold War between the United States and the Soviet Union came to a peaceful end in the context of their nuclear weapons.⁵

As Porter (1994) and Tilly (1995) have shown, the relationship between state formation and war is a complex one. Many authors have pointed to the significance of war in the creation of new states. This picture specifies the role of war: the third cluster allows us to specify at least the correlations in twentieth-century Europe. The deep precondition for the formations was systemic change, i.e. being 'hot' or 'cold'. The systemic change was followed by formations sometimes resulting from subsequent minor wars; minor wars are understood in contrast to great power conflicts.

The British Prime Minister David Lloyd George said after the conclusion of the Versailles Treaty: 'When the big ones make peace, the pygmies start to fight.' While the formulation today might be considered politically incorrect, the recognition pointed to the distinction between great power conflicts and the wars in their aftermath.

In the post-Cold War cluster, the formations in the Balkans took place after dramatic warfare, although Slovenia seceded relatively peacefully, and although FYRO Macedonia became subject to internal conflict only after secession. The rest of the 11 formations took place peacefully, as did the three formations related to the Second World War; the partition of Germany was imposed after Germany's defeat as a great power. The First World War related cluster provides mixed evidence, ranging from intense warfare to peaceful territorial concessions by the defeated great powers.

Another pattern is revealed when looking at the geopolitical dimension of state formations: the vast majority of the new states were formed within the boundaries of the losing powers and their networks of alliances, or at the borderline between the fronts. These could be labelled as the zones of defeat. Norway and Ireland are exceptions.

After the First World War, Albania, Austria, Czechoslovakia, Hungary and Yugoslavia were formed within the range of the collapsing Austro-Hungarian empire. Poland emerged from the defeated Germany, Austria-

Hungary and Russia. Finland and the three Baltic states of Estonia, Latvia and Lithuania benefited from the territorial surrender of czarist Russia. In terms of the balance of power, an essential part of the neorealist theory, the European great power system was reorganized. The redistribution of strength led to realignment, including new opportunities for some groups aspiring for statehood and the loss of opportunities for others, previously dependent on now defeated and/or weakened allies.

After the Second World War, the major loser, Germany, was reduced and partitioned into two new states, Germany DR and Germany FR.

The end of the Cold War between the international system's rival great powers sparked off further state formations within the 'zone of defeat': Belarus, Estonia, Latvia, Lithuania and Ukraine seceded from the collapsing Soviet Union; the Czech Republic and Slovakia formed out of Czechoslovakia, a member of the former Soviet-led alliance, the Warsaw Pact. Bosnia and Herzegovina, Croatia, FYRO Macedonia and Slovenia seceded from Yugoslavia, formerly non-aligned during the Cold War. However, Yugoslavia was situated at the borderline between the two blocs in Cold War Europe. If the German reunification is considered a mere subordination of Germany DR to Germany FR, a state vanished in the defeated zone while another, in the winning zone, was enlarged.

Another relevant pattern is the correspondence between nationalism and state formation. Nationalism has many definitions, but in this case the following was applied: '... the mobilization of populations that do not have their own state around a claim to political independence' (Tilly, 1995: 116).

This definition covers only one dimension of what is usually referred to as nationalism, namely the so-called disruptive form in contrast to the state-building form. Charles Tilly showed that the disruptive form has been part and parcel of European history, and that the state-building form rarely appeared before the nineteenth century. He also stated that both kinds of nationalism multiplied after 1800 and have since become intertwined. However, it is important that Tilly's definition considers one specific expression of nationalism rather than what may be the full meaning of the concept.

Bearing in mind that the expression of nationalism used here refers to the disruptive form, Tilly's definition has several advantages. It highlights the political dimension of a phenomenon, which comprises several other dimensions; it points to nationalism as a popular project rather than as an elitist idea; it can be directly related to the purpose of examining state formations; and it is measurable.

If the definition is applied to measure the presence of nationalism, a very mixed pattern emerges. Nationalism was strongly present in almost all state formations following the First World War: most notably in what became Finland, Ireland, Hungary and Poland.⁶ In Estonia, Latvia and Lithuania a growing nationalist elite had emerged during the nineteenth century, by the end of which it included also the wealthy peasants, although not really the masses (White, 1994). In Albania, nationalism erupted during a brief period of revolts against the Ottoman Empire, which was much in decline. In the states which were created from the core of the losing parties —

Austria and Czechoslovakia⁷ — there were previously no substantial nationalist movements; likewise in Yugoslavia, which was formed as a merger of different nationalities.

In general, the Second World War related state formations took place without nationalist sentiments. The two new Germanys were the result of a partition imposed after the defeat. In Iceland, however, nationalism was strong with mass mobilization, a long record and previous steps towards sovereignty.

After the Cold War, the formations represented cases in which strong nationalism had been present, cases without, and cases with, competing nationalist movements. In what became Belarus, Ukraine, the Czech Republic and Slovakia there was little nationalism and no mass mobilization. In what became Croatia, Estonia, Latvia, Lithuania and Slovenia, strong nationalism was present. Pre-state Bosnia Herzegovina was subject to competing nationalisms, and FYRO Macedonia had little initially but saw the eruption in the context of its formation.

This points to the lack of any significant pattern of nationalist presence across the three clusters of state formation in the twentieth century. Additionally, strong nationalism was present in a number of cases at the time⁸ of each cluster without leading to state formation.⁹

In summary, the 1900–2000 state formations in Europe reveal the following patterns in addition to increase in number. (1) States were formed in clusters. (2) The clusters were related to international systemic change. Subsequently, the formations took place with or without minor wars. (3) The majority of state formations occurred within the zones of defeat or at the front lines. (4) The defeat of empires produced more new states than the defeat of states.¹⁰

In addition to these patterns, the findings showed that nationalism is clearly not omnipresent in the case of state formation, and may be present without resulting in state formation.

The Patterns and the Globalization Process

How do the patterns of state formation correspond with the fluctuations in the globalization process?

In the first place, it cannot be said that globalization has discouraged state formation in Europe when looking at the twentieth century: from 1900 to 2000, the number of states in Europe almost doubled from 18 to 35. If we accept that the level of globalization in 2000 was higher than in 1900 (as stated by Hirst and Thompson, although they warn against exaggerating the current level), increased globalization co-exists with an increased number of states. Furthermore, the trend was stable in the sense that the number rose steadily. The European pattern of state proliferation is similar to the global pattern (Boniface, 1998).

However, as we will see, the states were formed in clusters, and the first

question in the examination is whether these clusters correspond with developments in the globalization process.

The first cluster was formed during the most dramatic decline of the globalization process of the century (cf. Figure 1). The second cluster coincided with another decline, while the third cluster emerged during a steady increase. The conclusion is that there is no correspondence, and that state formation in itself does not correlate with the level of globalization.

Additionally, neither did nationalism. This is interesting, because we cannot ignore that nationalism may be more influenced by the globalization process than state formation has been. The new global infrastructures of an unprecedented scale (Held et al., 2000: 341) facilitate the spread of ideas, culture and political organization, and consequently globalization might have had an indirect impact through nationalism. This, however, was not reflected in the findings.

There are at least three other important dimensions which the rather narrow focus here cannot tell us about. First, while there are patterns in the formation of states, the importance of their territorial foundations may be on the decline. Since the late nineteenth century, the European powers have replaced or supplemented their modes of control (Held et al., 2000: 43). They have moved towards transnational management, regulatory regimes and 'invisible government'. The perception of the spatial organization of the international system has been fundamentally challenged, and several authors have pointed to a new kind of sovereignty in terms of order, logic and structure. Hardt and Negri (2000) see a new 'empire' characterized by virtuality and absence of boundaries. Bio-political power (based on Michel Foucault's ideas on power and control) is seen as an essential part of the new empire. Also Martin Shaw has challenged traditional spatial thinking (2000), pointing to a mismatch between the traditional, territorially related concept of sovereignty and the power-political reality. These insights should obviously be included in future analyses of state formation: what kind of states are being formed? Is globalization producing a new hybrid form of the sovereign state like the European Union, as argued by Spruyt (1994)?

Second, while states still seem to form according to the patterns above, the patterns do not tell us about the types of states that are formed. They only hint at a growing number of states weak in relative capabilities. However, the crucial question is whether globalization is producing a different type of state, undermining the very form, or leading to co-existence of states and hybrids like the EU. Although the sovereign state is considered not to be in decline, it has been argued that the EU has developed significant areas of transnational sovereignty (Holton, 1998: 84), and it might become a new form distinct from the sovereign state and yield emulation (Spruyt, 1994: 191).

Third, nationalism may change and develop because of the globalization process, and it may play a stronger role in the formation of states. Holton has argued that nationalism cannot be seen as a reaction to globalization *per se*, if we look at the entities against which nationalist movements struggle (1998: 158). Neither is nationalism necessarily incompatible with

globalization (Holton, 1998), but nationalist movements may be assisted by the easy access to information, communication and travelling which globalization has provided.

Towards a Model

While the link between globalization and state formation is weak, the identification of patterns of state formation above pointed to another link, namely that between international systemic change and state formation.

As mentioned in the discussion of patterns of state formation, major changes in the relative distribution of aggregate international strength are conceptualized as systemic change in the neorealist theory. In other words, outcomes are expected when the number or composition of great powers changes (Waltz, 1979). One of the outcomes to be expected in the case of systemic change is change in the composition of states (Hansen, 2000); namely, the formation of new states, the disappearance of existing states (although a less likely outcome), re-unification and re-shaping.

The structural, neorealist explanation of how systemic change affects the composition of states relates to the changing relations of strength and to the following re-alignments. In the case of systemic change, some states may break down internally and be subjected to external occupation. Others may break down and perish owing to the loss of external support and alignment. Other losing states may be partitioned by the victors. On the other hand, some groups may benefit from the changing relations of strength and break away from their state if it was among the weakened parts (Hansen, 2000: 71). In some cases, parties merge in spite of differences because the alternatives are worse.

An example is the formation of the Kingdom of Yugoslavia after the First World War. After systemic change and the dissolution of the Ottoman Empire, the Slovenians feared Italy, the Croats feared Hungarian revanchism (A. Lane, 1996: 31–6), and Serbia at this particular time in history thus appeared as the lesser evil with the lesser ability of dominance.¹¹ The merger therefore became the favourable option because of the great powers' wish to see a strong Balkan state in order to balance Germany.

In the twentieth century, three cases of what is conceptualized here as systemic change took place: (1) In 1918, following the end of the First World War, the previous multipolar order was replaced by another multipolar order consisting of different great powers. (2) In 1945, following the end of the Second World War, the multipolar order was replaced by a bipolar order. (3) In 1989, following the end of the Cold War, the bipolar order was replaced by a unipolar order. These changes are quite obvious, but the different polarities may be of importance.

It would be overstating the point to claim that the number of state formations depends on the kind of polarity emerging, for three reasons. First, the number of cases is too small. Second, the changing polarities took place within the context of globalization, and it is too difficult to separate the pro-

cesses fully. Third, unipolarity has not come to an end, and therefore we don't know how state formation will develop in this context.

However, the point should not be completely ignored: unipolarity may create a comparatively open situation allowing for continuous formations because the unipole does not have to fear that one protagonist or more will ally with new states, and because many small states are favourable to the maintenance of its position — albeit difficult to deal with (Hansen, 2000). As we have not seen the end of unipolarity, and because of this potential openness, we cannot yet exclude that unipolarity is prone to a 'regular' formation of states.

Who's Next?

If we assume that the general trend in European state formation according to the model continues for at least the foreseeable future, it is worth while discussing the possibilities of future newcomers: what about the states-*in spe*, who will be next, and when?¹²

In Europe, there are currently active nationalist movements in Spain (most notably in the Basque region, but also in the Galician and Catalan provinces) and France (Corsica), the North Atlantic (Scotland, Northern Ireland, the Faroe Islands and, to a lesser extent, in Greenland) and in the Balkans (Kosovo and, less so, Montenegro; and secessionism among the Albanian population in FYRO Macedonia).

As argued above, the most important factor in the achievement of statehood for these movements will be another systemic change, although unipolarity may allow for continuous formation. The second important factor — whether the movements are located in the zones of defeat or at the borderline — is impossible to assess without knowing the specific protagonists of the systemic transformation. Does the next one — if it comes — turn the EU into a superpower? Will the US retreat? Will China or India rise alongside the US? Until this is known, the zones of defeat cannot be identified, and we cannot outline which category the candidates fall within. Therefore, great power acceptance is likewise impossible to predict, although as most of the candidates will probably be located in the political periphery, their success may well be tolerated.

Less important, but known, factors are the nationalist records and, possibly, a weakness in terms of relative capabilities. Many of the candidates seem to match with the expectations concerning these parameters, but two stand out: Scotland and the Faroe Islands. The 1990s saw an increase in nationalism in both places, and gains were achieved as well. In Scotland, the British policy of devolution resulted in a Scottish Parliament, and on the Faroe Islands autonomy was further consolidated.

James Kellas has pointed to the importance of nations having their own parliaments. In recent European history, nations that have had their own governments and parliaments within multinational states have often been able to use these to declare independence (Kellas, 1997: 2).

In some cases, the establishment of own parliaments has thus followed a

systemic transformation, which has provided not a state formation but greater autonomy — and better conditions for achieving statehood after the subsequent systemic transformation.

Conclusions

The globalization process influenced the spread of the sovereign state as a model, and contributed to the de-colonization process by changing the forms of political control and thereby to an increased number of states worldwide. However, the findings indicated neither coincidence between globalization and state formation in time nor any positive or negative correlation.

We saw that state formation in Europe between 1900 and 2000 took place in clusters following systemic change, and that it took place primarily within the zones of defeat. Nationalism, as a whole, strongly part of the post-First World War state formations, was barely represented in the post-Second World War formations, and only partly represented in the post-Cold War formations. Nationalism *per se*, therefore, was not decisive in the formations.

The main question, however, was about the effects of globalization. Globalization has been attributed to almost everything, but as Hirst and Thompson (1996) and Held et al. (2000) in different ways have shown, we should be careful not to exaggerate the extent of globalization, and to be aware of its different impacts on different dimensions of world politics. The formations did not correspond to fluctuations in the level of globalization.

From Held et al.'s analysis, we extracted three different hypotheses on the relationship between globalization and state formation. The first hypothesis, the hyperglobalist, states that globalization would lead to the disappearance of the sovereign state. The number of states has risen, and this occurred even when the level of globalization was peaking.

The second hypothesis, the sceptics' hypothesis, is that state formation would hardly be affected. The findings and patterns here lend strong support to this hypothesis. The general trend of more states, the lack of correspondence between the globalization level and state formations, and the continuity in what releases new states all support this hypothesis.

The third hypothesis, the transformationalists', points to the changing role of states and their interaction in a different international context caused by globalization. This hypothesis had little support in so far as none of the changes was reflected in the pattern of state formation. While the changing role and the different context may be relevant in other respects, they have not yet been strong enough to impact on state formation.

While state formation makes up only a small segment of what may be affected by globalization, the results should be added to the general debate on the three schools, as the schools have to be evaluated by empirical findings in the many segments which they address.

The basic finding is that globalization counts for less than systemic change in the explanation of state formation. If we generalize the results and give priority to the model for systemic change when explaining state

formation, the above analysis has two limitations: the time span and the geographical focus.

The analysis was limited to the twentieth century. It could have been extended backwards. The reason for limiting the time frame was in order to analyse a stable period in other respects, and a period characterized by consolidation of the sovereign state as well as being influenced by the globalization process. Yet a comprehensive analysis should be extended to the period since the end of the Thirty Years War in 1648, as the Peace of Westphalia marks the emergence of the European state system.

Another limitation in the analysis was the focus on European state formation. State formations in the Third World have taken place particularly after the Second World War. Basically, they were related to the decline and defeat of the European great powers, and the de-colonization process that emerged along with the rise of bipolarity. In spite of the emergence of the Cold War, the US and the Soviet Union had similar interests in limiting the influence of the former great powers and their colonial rule. This trend was also seen in the aftermath of the First World War, when the US promoted the principle of self-determination in the following peace negotiations.

However, the US and the Soviet Union were also interested in the build-up of alignments and their spheres of interests and therefore, in some cases, reluctant to put pressure on potential allies. For instance, British rule in the Middle East continued for quite some time.

The formations outside Europe in the twentieth century took place with a 'delay' compared to Europe; the timespan between the systemic changes and the formation was greater. It seems that the closer the area is to the centre of a systemic conflict line, the more powerful the impact of a systemic change will be, and consequently the quicker state formation will follow.

The above de-coupling of state formation from globalization as a triggering factor contributes to specifying the role of globalization and the extent of its impact. However, we should not exaggerate the de-coupling result. In the first place, globalization may affect the development of the EU, either in the international direction, which then decreases the status of the European sovereign states, or as a way of enacting political control, which in the long term will turn into a 'civilian' superpower because of globalization-compatible means of governance. Likewise, proliferation of the sovereign state as such within the Third World seems to be a basic effect of globalization which escapes attempts to establish narrow links in terms of correspondence in time.

An hypothesis which arises from the patterns above might deserve closer investigation. Apparently, it has become 'easier' to achieve a state, and the new — surviving — states tend to be comparatively weak measured in terms of such capabilities as size of the economy, territory and military.¹³ Globalization may thus facilitate and encourage the rise of comparatively weak states by the spread of easy communication, transportation and information: they do not need the same amount of resources as states did previously, and they are to some extent protected by the international norm of state sovereignty. This hypothesis contrasts with the views of the hyper-

globalist framework, namely that capital flows and mobility are weakening the autonomy and ability of would-be states to survive.

Concerning the question of state formation, it seems as if the explanation cannot be found by reference to the globalization process. Instead, it seems relevant to use a model with an emphasis on systemic change; secondary to include other factors such as increased probability within zones of defeat.

Perspectives: State Formation and Globalization in the Future

Robert Holton (1998) has pointed to the fact that, despite globalization, statehood is still the project of many nationalist movements. In the 1990s, following the dissolution of the Soviet Union, the resurgence of 'neo-nationalism' (McCrone, 1998) also led to political debates on how to deal with the phenomenon. Strobe Talbot, then deputy secretary of state in the Clinton administration, tried to argue against the nationalist claims¹⁴ saying that the best way for a state to protect itself against separatism was 'to protect the rights of minorities and far-flung communities' (2000: 159). This is definitely a sympathetic and promising argument. The question is whether it is enough.

Separatism is, for instance, seen in the Basque region, in the Faroe Islands (in a united kingdom with Denmark) and in Scotland. In all three cases, the rights have been supported, and substantial resources have been allocated to sustain further development, thus indicating how difficult it is to find the answer to nationalism: even protection of rights *and* resource allocation may not be enough. On the other hand, the EU Stability Pact for the former Eastern Europe appears to have been successful.

Another problem arises from the 'reverse wave of migration'. As Hirst and Thompson have shown, based on Segal (1993), global voluntary migrations have turned upside down from 1815–1914 to 1945–1980: in its former golden era, migration took place from Europe to the new and the Third World, whereas the latter era was characterized by migration from the Third World to Europe and North America. The reverse wave has created the challenge of dealing with 'double loyalty' among citizens in Western democracies.

The trend towards multicultural societies and the reverse wave of migration can be seen as an impact of globalization, and a dimension that supports the transformationalist hypothesis.

National or sovereign states have never been equated with nation-states. Charles Tilly wrote that the term national state 'does not necessarily mean nation-state, a state whose people share a strong linguistic, religious, and symbolic identity' (Tilly, 1995: 3). Indeed, he pointed to the fact that 'very few European national states have ever qualified as nation-states'. A similar challenge to the notion of the sovereign nation-state was posed by Holton (1998: 84): 'absolute sovereignty never existed'. Both insights are important with respect to the reverse wave of migration. New minorities with particular cultural and foreign policy preferences alongside democratic expectations and resources challenge several of the European states

of the twenty-first century. The states have to deal with this challenge at a time when they have improved their ability to deal with classic minority problems; not least after the 1995 introduction of the EU Stability Pact. In respect of this and the dealing with nationalism, the transformationalist perspective may be the best explanatory framework.

Notes

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1. The extent to which the globalization process affects the organization, functioning and sovereignty of the modern state has been comprehensively examined and debated (see Hirst and Thompson, 1999; Holton, 1998; Held et al. 2000; Shaw, 2000; Scholte, 2000). Likewise, the impact of a range of specific issues in the ongoing debate on what to blame or to credit to globalization. Specific issues have been examined ranging from globalization's influence on citizenship, nationalism, fragmentation, law and campaign financing; see, e.g., Rosenau (1992), Smith (1995), Clark (1997), Allott (2000) and Bussey (2000).

2. Europe is thus demarcated by the Arctic Ocean in the North, the Atlantic Ocean west of the British Isles to the West, the Mediterranean and the Black Sea (and River Kuma) in the South and South East, and the Urals and River Emba and the Caspian Sea to the East (cf. *Encyclopedia Britannica*).

3. More than half of Kazakhstan is beyond the geographic scope of Europe, and — in contrast to Russia — the thinly populated state has no obvious European centre.

4. The 1945 cluster is much smaller than the 1918 and 1989 clusters.

5. The introduction of nuclear weapons has been seen as reducing the probability for war between great powers (Waltz, 1981), because of their character. Non-nuclear states are still able to wage war, and likewise warfare between nuclear and non-nuclear powers is still an 'option'.

6. Also in the Norwegian state formation of 1905, nationalism was strongly present.

7. Some Czech and less Slovakian nationalism were — unsuccessfully — present.

8. For example, South Tyrol did not become a state in the 1918 cluster; neither did Estonia, Latvia and Lithuania, who presented strong nationalism up to the 1945 cluster. In the 1989 cluster, the Kosovars and the Kurds in Turkey did not achieve statehood despite nationalist movements.

9. However, it seems as if the presence of nationalism, combined with failure to achieve statehood in relation to a systemic change, improves the probability of achieving statehood in relation to the next systemic change. It is difficult to generalize, though, as there are few cases and lots of interfering variables. Another thing is that when looking at the 1989 cluster, the new states created with the presence of strong nationalism have had a better start at the state-building processes than those without. Those lacking nationalism (or being torn between competing nationalist projects) have been facing major problems: Ukraine, Belarus and Bosnia and Herzegovina. Finally, nationalism may contribute to a systemic change: one of the weakenings of the Soviet Union was caused by nationalism among ethnic minorities (d'Encausse, 1990).

10. This is not surprising, since empires typically are much larger than states, and they are less coherent.

11. An additional neorealist hypothesis is that units tend to ally with the weaker part among the options (Waltz, 1979; Walt, 1987).

12. If we look outside Europe, Palestine might be the next state to come into being: the process was initiated by the signing of the 1993 Declaration of Principles.

13. Capabilities according to Kenneth Waltz (1979): relative international score on size of territory, population, economy, military, resource endowment, political stability and political competence.

14. For an analysis of the neo-nationalist wave, see McCrone (1998).

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