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Polity, Vol. 33, No. 4. (Summer, 2001), pp. 527-546.

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Democracy, Globalization, and the Problem of the State

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Globalization's effects on democracy have received much attention recently, though there is little consensus about what precisely those effects are or how they should be addressed. Critics are almost evenly divided among those who propose cosmopolitan solutions and those who favor reinvigorating democracy at the state level. This article argues that we are not prepared to decide such issues because current analyses of the problem confuse globalization's effects on states with its effects on democracy and rest on problematic assumptions about the relationship between states and democracy. An alternative approach that uses globalization as a lens through which to focus on this relationship reveals that the problem is deeper and more complex than either of the existing accounts recognizes. A sound analysis of the problem must begin with a better understanding of the origins, nature, and implications of democracy's spatial and normative ties to the state and its entanglement with the modern discourse of sovereignty.

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The perception that globalization poses an imminent and serious threat to democracy is widespread. Impressionistic evidence of this threat is certainly powerful: transnational corporations (TNCs) seem ever more able to evade the reach of state regulation. The policies and activities of the World Trade Organization (WTO) and the International Monetary Fund (IMF) are frequently seen as interfering with the sovereignty and autonomy of states and promoting a global corporate agenda. Some critics even allege that these and other institutions are actively anti-democratic.¹ Recent financial turmoil in Southeast Asia and Latin America—attributed by many observers to speculative short-term capital flows and reckless private lending—and the devastating effects of IMF-backed structural adjustment programs

1. E.g., Ralph Nader and Lori Wallach, "Gatt, Nafta, and the Subversion of the Democratic Process," in *The Case against the Global Economy*, ed. Jerry Mander and Edward Goldsmith (San Francisco: Sierra Club Books, 1996).

(SAPs) in Africa and much of the rest of the developing world seem to confirm that the will of the people is increasingly subject to the whim of the market. Nowhere is this impression more firmly held, ironically, than in the rich countries of the West. Fears of capital flight and low-wage job competition, and of the declining standards of living, lax environmental protection, and curtailed social provision linked with them, fuel a backlash against freer trade and encourage growing hostility toward immigrants. The irony is that while much of the world sees globalization as the new face of Western capitalism and imperialism, citizens of the Western democracies nonetheless feel themselves terribly aggrieved by it.

While the view that globalization threatens democracy is widely shared, it has proven difficult to establish the nature and extent of the threat on firm empirical grounds. Much of the evidence is ambiguous or controversial; numerous scholars reject the entire debate as mere “globaloney” while others suspect that globalization is little more than rhetorical or ideological cover for a neo-liberal economic agenda. Even those critics who agree that something is going on cannot agree how new, how significant, or how permanent recent developments might be. The globalization controversy consists not so much in perceptions clashing with reality as in ambiguous reality supporting numerous and sometimes contradictory perceptions. This high degree of empirical uncertainty has led some prominent scholars of democracy to suggest that political theorists can probably contribute little of use to the debate on democracy and globalization.²

I am not convinced that this view is correct. My primary aim in this article is to suggest that a good deal of the confusion surrounding the problem of democracy and globalization arises because we are asking the wrong questions. The usual question—how does globalization affect democracy—emphasizes globalization. Answering it requires that we quantify globalization’s effects and measure them against some (invariably controversial) historical baseline. The problem quickly becomes a quantitative one. I shall argue here that a different question—*why* does globalization affect democracy—offers a more promising approach to resolving much of the confusion on these points.

I begin by looking at extant arguments about democracy and globalization; strangely, most of these are actually arguments about globalization’s effects on *states* rather than on democracy. This conceptual slippage reflects an unquestioned assumption that the state is the natural and appropriate container of democracy, that the two fit together unproblematically. The conflation of state and democracy, though seemingly warranted historically, leads to confusion and contradiction in many contemporary analyses. States and democracy are affected differently by globalization, a

2. John Dunn, “Democracy, Globalization, and Human Interests,” talk delivered at the international conference Democracy, Community, and Social Justice in an Era of Globalization, University of Denver, April 1998; John Dunn, “The Economic Limits to Modern Politics,” in *The Economic Limits to Modern Politics* (Cambridge: Cambridge University Press, 1990).

fact that becomes clear when we sort through the variety of arguments made about globalization's influence. The assumption that the state is the institutional face of democracy results in the conceptualization of globalization's importance in terms of a challenge to state-based democratic institutions. Typical responses call for institutional reform of one kind or another; deeper questions about democracy are left unasked. I conclude by arguing for an alternative approach to the problem of democracy and globalization that takes the origins and nature of democracy's entanglement with the state and with the modern discourse of sovereignty as its starting point.

I. How Does Globalization Affect Democracy?

There are probably as many definitions of globalization as there are students of it; the term "can refer to anything from the Internet to a hamburger."³ Scholars cannot even agree whether globalization exists, much less what it might mean or imply. Nonetheless, globalists and skeptics alike concentrate on a fairly small number of themes or commonplaces throughout the vast literature on the subject—while disagreeing about them adamantly.

Globalization is most frequently discussed in economic terms—although much has also been written on globalization as a *postmodern* development, a *socio-cultural* process, a *political* transformation, and an *ideology*. Seven trends or developments figure prominently in discussions of democracy and globalization:

1. *Market integration*: the integration and expansion of markets in goods and capital, sometimes described as interpenetration of markets. While trade has expanded tremendously, the opening of financial markets and the vast flows of capital it inaugurated are often described as new or unprecedented.

2. *Technological developments*: the rapid advances in technology, especially information and communications technology, that facilitate rapid movement of capital, people, and ideas. The Internet, satellite communications, financial and information technologies, and continuing innovations and efficiencies in transportation are often mentioned.

3. *Expanding power of TNCs and other non-state institutions of governance*: the growing prominence of TNCs both as economic entities eager to elude the direct control and regulation of states and as actors and agents in international governance. Many observers note the parallel expansion of other quasi-public and private institutions of governance.

4. *Declining policy and regulatory role of the state*: the diminishing policy autonomy of states and their inability to remain effective actors in international political and economic affairs. The claim is that markets constrain or dictate state

3. Susan Strange, *The Retreat of the State: The Diffusion of Power in the World Economy* (Cambridge: Cambridge University Press, 1996), xiii; cf. Paul Hirst and Grahame Thompson, *Globalization in Question: The International Economy and the Possibilities of Governance* (Cambridge: Polity Press, 1996), 1-2.

policy; rapid capital flows and speculation against currencies can destabilize and even wreck national economies.

5. *Internationalization of regulatory capacities*: the growing power of international regulatory regimes in a variety of policy areas. Many critics assert that this expanded role comes at the expense of the power and authority of states.

6. *Advent of "hyper-modernity"*: the acceleration and intensification of various ties and transactions. Rapid dissemination of information and the ease of direct personal communication strengthen ties among tribal, familial, and ethnic groups scattered among several continents, deepen bonds among people working in business, government, and policy, and contribute to the growth of a transnational civil society. Physical distances shrink before these technologies and time speeds up, leading to a restructuring of political, social, economic, and cultural boundaries and institutions that makes them more fluid, open, and interconnected.

7. *Fragmentation or localization*: the trend toward ethnic revivalism, reinvigorated nationalism, religious fundamentalism, and other local patterns of identification and organization. Fragmentation is the flip-side of globalization in most accounts; terms like "fragemegration" or "glocalization" indicate this dialectical relationship. Localization might reflect increasing cultural assertiveness in societies emerging from the shadow of colonialism or stirrings of local resistance to the economic imperatives of globalization.

Claims about the importance of these trends and developments are commonly criticized on two counts. First, as Petrella and others observe, flows of people, capital, goods, and ideas among societies are as ancient as societies themselves.⁴ Similarly, as the examples of the great colonial monopolies like the Dutch and British East India Companies demonstrate, transfers of capital and resources among societies under corporate auspices are themselves centuries-old phenomena; powerful corporations are no newcomers to the sphere of governance. Moreover, technological innovation in transport and communication—from Roman highways to steam railways—has long fostered economic and social integration. When considered with the history of cooperation and coordination among political authorities in almost every imaginable area of political and economic policy and activity, the "changes" associated with globalization hardly seem new, much less revolutionary. Many critics of globalization reach precisely this conclusion, intimating that much of the uproar about globalization is hyperbole.

The second common criticism centers on what may be the most remarked-upon feature of globalization: increasing integration. Again, critics maintain that existing levels of integration (variously measured) are not unprecedented and may only now

4. Ricardo Petrella, "Globalization and Internationalization: The Dynamics of the Emerging World Order," in *States against Markets: The Limits of Globalization*, ed. Robert Boyer and Daniel Drache (London: Routledge, 1996).

be approaching levels seen at the beginning of the twentieth century.⁵ In particular, it is argued, the persistence and strength of states, including their active role in shaping and controlling emergent IGAs, demonstrates that claims about integration or the erosion of sovereignty are vastly exaggerated. On this view, commonly associated with the neo-realist school of international relations theory, the continued preeminence of states in international politics shows that no fundamental change has (yet) occurred.

Ongoing disagreement about what globalization is has not preempted a wide-ranging discussion of its effects on democracy; if anything, the disagreements have catalyzed a rapid multiplication of the literature on this subject. Among the specific threats to democracy most often cited are the loss of economic policy autonomy,⁶ the increased demand for policies to counter the effects of markets and of open trade, coupled with an increasing inability on the part of states to provide such a safety net; the erosion of sovereignty and the growing importance of various international and supranational regulatory agencies and quasi-governmental organizations; the decline in living standards and in the realization of social and economic rights; and, the growing ability of corporate capital, especially of international financial capital and of TNCs, to elude government control and regulation. (That many of these “effects” of globalization are nearly indistinguishable from the most common definitions of it attests to the high degree of analytic confusion reigning in the field.)

More broadly, these claims about globalization’s effects on democracy are often described in terms of disjunctures or democratic deficits. State institutions, it is argued, lack the reach to regulate or even influence many supranational activities and transactions, creating gaps (deficits or disjunctures) between state authority and supranational governance. There are really two distinct but closely related hypotheses here. First, there is a claim about the limited competence of the popular or democratic will as realized and executed through state-based democratic institutions; this is mainly a claim about the scope of supranational political issues relative to state jurisdiction. I prefer to use the term *disjunctures* exclusively for this kind of problem.

Held describes these disjunctures as occurring “between the idea of the state as in principle capable of determining its own future, and the world economy, international organization, regional and global institutions, international law, and military alliances which operate to shape and constrain the options of individual nation-states.”⁷ In short, supranational politics and state-based political institutions do not “match up,” and the resulting disjunctures represent areas in which states have incomplete or inadequate

5. Hirst and Thompson, *Globalization in Question*; Robert O. Keohane, “Power, Interdependence, and Globalization: Concepts and Questions,” talk delivered at the Northeast Political Science Association Annual Meeting, Philadelphia, PA, November 1999); Kenneth N. Waltz, “Globalization and Governance,” *PS: Political Science and Politics* 32 (December 1999).

6. There is a vigorous debate among international political economists over the veracity of claims about decreased policy autonomy.

7. David Held, *Democracy and the Global Order: From the Modern State to Cosmopolitan Governance* (Stanford: Stanford University Press, 1995), 99.

political control. Again, these disjunctures are significant, from a democratic perspective, because they limit the efficacy and reach of democratic decision-making.

The second claim concerns the increasing role of supranational actors, mainly IGAs and TNCs, which increasingly perform governance functions above or beyond the level of the state. I prefer to reserve the term *democratic deficit* for these cases where governance functions are carried out by agents or institutions that are not subject to traditional democratic controls.⁸ The worry here is that unaccountable institutions (or even ones, like the European Commission, deemed insufficiently accountable) make a larger and larger share of the important decisions that concern citizens of democratic states but violate the democratic norms of transparency, accountability, and representation. Democratic deficits, then, are shortcomings in existing supranational entities, while disjunctures are shortcomings in the capacity or competence of existing democratic institutions; the former is a criticism of global governance as undemocratic, while the latter is a statement of the limits of state-based democratic governance.

II. Democratic Solutions

Two types of solution have been proposed for the problem of democratic deficits and disjunctures: *state reinforcement* and *cosmopolitan democracy*. *State reinforcement* means essentially what its name suggests: democracy can best be preserved by strengthening and defending the state and re-articulating the democratic interest at the national level. The way to redress democratic deficits and disjunctures is to resist further integration, roll back globalization, and reassert the power of the state. These steps are required to preserve democratic decision-making and head off a catastrophic "race to the bottom" in which wages and standards of living spiral downward in a vicious cycle of competition that enriches the global capitalist class and impoverishes everyone else. Specific measures advocated by adherents of state reinforcement include: imposing capital controls; raising corporate and capital gains taxes (which is only economically feasible once capital controls have been re-instituted); using the revenues these taxes generate to restore and extend the guarantees of the welfare state; and, protecting high-wage manufacturing jobs through restrictions on "unfair" trade competition with low-wage, low-standards economies.

Adherents of state reinforcement are divided in their beliefs about globalization. They hold either that integration and the weakening of states are real but reversible

8. The qualifier "traditional" is necessary because, as Hirst and Thompson note, it is strictly speaking incorrect to say that IGAs, at least, are democratically unaccountable in cases where participation in the regimes they administer and appointments to their staffs are made by democratically elected national leaders. States can and do manipulate the decisions of IGAs to placate powerful lobbies or influence electoral politics. Still, this level of "democratic control" seems negligible in terms of critics' concerns. See Hirst and Thompson, *Globalization in Question*; cf. Roland Axtmann, *Liberal Democracy into the Twenty-First Century: Globalization, Integration, and the Nation-State* (New York: Manchester University Press, 1996).

trends or that complaints about the limited capacity of states—especially in areas relating to economic management, enforcement of labor standards, maintenance of wages, and the like—are nothing more than empty rhetoric, ideological propaganda in the service of “global capital” or “neo-liberalism.” In both cases, the remedy is to recognize globalization as a threat to democracy and resist it by retaking and strengthening the state.⁹ The recent demonstrations against the WTO in Seattle are a classic example: organizers hoped to halt further globalization and, according to some, to begin its dismantling. As the ideas of retaking the state and resisting the ideology of globalization suggest, state reinforcement is popular on the political left; in its right-wing incarnation, the threat is characterized less in terms of the welfare state than of the growing control of “foreigners” over properly domestic policy matters. The impetus for state reinforcement from the political right is the need to protect citizens from this foreign threat—whether manifest in IGAs, in jobs competition, or in immigration.

The second democratic response to globalization, *cosmopolitan democracy*, is probably most familiar in the seminal work of David Held, one of the first (and still one of the few) democratic theorists to wrestle at any length with the problem of globalization. Held and those who have followed his lead argue that, for good or ill, globalization is here to stay. The trends toward political and economic integration, along with the transnational or global nature of a growing range of social, cultural, economic, political, and environmental issues and problems, require common, integrated structures for democratic action at the regional and global levels. Deficits and disjunctures are remedied by extending the reach of democracy through these new institutions and using them to subject existing governance structures to democratic norms and control; in effect, traditional democratic forms are expanded to the global level. This can take several forms: Held proposes a cosmopolitan democratic constitution for democratic states and institutions; Dryzek and others see more hope in the development of an international civil society in which individuals and nongovernmental organizations (NGOs) can influence public discourse and decisions about vital issues.¹⁰ Still others want to begin with the reform of the UN.¹¹

9. E.g., Ian R. Douglas, “Globalization and the End of the State?,” *New Political Economy* 2 (1997); Barry K. Gills, “‘Globalization’ and the ‘Politics of Resistance,’” *New Political Economy* 2 (1997); Leo Panitch, “Rethinking the Role of the State,” in *Globalization: Critical Perspectives*, ed. James H. Mittelman (Boulder, CO: Lynne-Rienner, 1996). As the language of “retaking” suggests, proponents of state reinforcement usually hold that the state has been captured by corporate or neo-liberal interests; this explains why it is that states have acquiesced in or even abetted globalization. Though I cannot properly elaborate the thought here, this idea of state capture is really a critique of the failings of existing democratic institutions within states—the inference being that if democracy were functioning properly in the first place globalization would never have gotten out of hand.

10. Held, *Democracy and the Global Order*; John S. Dryzek, “Transnational Democracy,” *Journal of Political Philosophy* 7 (March 1999); Ronnie D. Lipschutz, “Reconstructing World Politics: The Emergence of Global Civil Society,” *Millennium: Journal of International Studies* 21 (1992).

11. E.g., Daniele Archibugi, “From the United Nations to Cosmopolitan Democracy,” in *Cosmopolitan Democracy: An Agenda for a New World Order*, ed. Daniele Archibugi and David Held (Cambridge: Polity Press, 1995).

I group them together under the heading of cosmopolitan democracy because all acknowledge that some form of global political framework is an indispensable part of any democratic response to globalization.

Again, there is not necessarily any ideological unity within this camp: cosmopolitan democrats might see globalization as the cancerous spread of neo-liberal ideology, regard it as a complex and ambiguous development, or even embrace it wholeheartedly, all while accepting the need for global political structures subject to democratic control. What divides advocates of cosmopolitan democracy from adherents of state reinforcement is their assessment of the permanence of global integration (which bears on whether it can be reversed) and of the degree to which it is unprecedented (which bears on whether new solutions or approaches are needed).¹²

To recapitulate: scholars analyzing democracy and globalization typically concentrate on *how* globalization affects democracy. The usual answers include restrictions on policy autonomy, limits on sovereignty, destabilizing flows of transnational capital, and the activities of unaccountable corporations and governance agencies, among others. All of these claims are contestable and contested: whether and to what degree policy is really limited (or more limited than it has been historically) by international financial concerns, whether sovereignty really is eroding and what the mechanism of that erosion might be, how important and how unprecedented current flows of global capital are, how powerful and autonomous corporations and international agencies really are vis-à-vis states, and how permanent we should consider any recent trends and developments are all fiercely debated. The two principal democratic responses to globalization and its consequences, the state reinforcement and cosmopolitan democratic schools, reflect different assessments of these questions.

III. States of Confusion

These controversies aside, there is something odd about the entire debate, or at least, about the parameters within which the debate takes place. Of all the alleged effects of globalization on democracy, none clearly has anything directly to do with democracy. They are really claims about how globalization affects the state. Each of the threats discussed above concerns a diminution of states' authority or capacity, usually in respect of pressures imposed or exacerbated by a highly fluid and integrated world economy; it is taken to follow that these developments threaten democracy. Sometimes the gap between assertions about the various ills globalization visits upon states and the conclusions drawn about democracy is acknowledged in brief statements about constraints on democratic decision-making or violations of the social compact; more often the disconnect goes unaddressed or, one suspects, unnoticed.

12. So: state reinforcers tend to see globalization, contradictorily, as nothing new and as reversible; cosmopolitan democrats see it as new (in kind, in degree, or both) and as irreversible.

Indeed, arguments about democracy's dependence upon and imbrication with the modern state get elided in most discussions of globalization. The oversight reflects an assumption that the relation between states and democracy is too obvious to mention. The reader reflexively completes the syllogism that explains the apparent non-sequitur: globalization affects the state; democracy is embedded in the state; thus, globalization affects democracy (through the state). The assumption undoubtedly contains an important element of truth about the close historical and theoretical links between states and democracy (more below). My concern is that, despite its formal adequacy, the logical interpolation of the state between globalization and democracy obscures more than it clarifies. Specifically, at least five analytic biases or confusions result from efforts to understand globalization's effects on democracy mediately through the state:

1. *Our analytic focus tends to slip from democracy to globalization.* In the standard account, how globalization affects democracy is a function of how and to what extent it influences the state, so a great deal of effort gets channeled into quantifying trends, measuring integration, comparing statistics, contesting definitions and indicators, and assessing the novelty of various patterns of interaction. Since reliable conclusions about the fate of states and, indirectly, democracy are contingent upon reliable evaluations of globalization, the tremendous complexity and uncertainty surrounding globalization itself rattles our faith in the resulting prognostications. So long as our focus remains on globalization, various suggestions for reforming or strengthening democracy will stand or fall with the credibility of the accounts of globalization informing them. None of this is to suggest that understanding globalization is unimportant; rather, the point is that this task is so vast and so difficult as to sideline altogether important inquiries into more pressing questions about democracy.

2. *It is unclear how we should assess the vitality of democracy.* This problem harkens back to the old debates between normative and empirical theorists of democracy.¹³ By any empirical measure, there can be little doubt that globalization is correlated with a rapid spread in liberal-democratic forms and procedures: on some counts there were as many as 117 democracies in the world in the late 1990s, an increase from 39 in 1974; this recent figure represents over 60 percent of all states. Diamond argues that this trend "can only be described as an unprecedented democratic breakthrough."¹⁴ Yet, as we have seen, critics worry that globalization is undermining democracy, and fears are growing that the liberal model of democracy exported to the developing world as part of the process of globalization is more

13. I refer to the debate current in the 1960s and 1970s between "empirical" and "normative" or "utopian" theorists of democracy. For the main outlines of this controversy, see Graeme Duncan and Steven Lukes, "Democracy Restated," in *Frontiers of Democratic Theory*, ed. Henry Kariel (New York: Random House, 1970); Carole Pateman, *Participation and Democratic Theory* (Cambridge: Cambridge University Press, 1970).

14. Larry Diamond, "Is the Third Wave Over?," *Journal of Democracy* 7 (July 1996): 20, 26.

formal than real.¹⁵ Moreover, the alleged adverse effects of globalization on states undermine our confidence in the normative benefits we would otherwise certainly ascribe to the empirical trend of greater democracy. If globalization decreases the capacities of states and limits their sovereignty and autonomy in ways that undercut the effectiveness of democratic institutions, the proliferation of formal democracy might mask a secular decline in its efficacy and value.

Some critics argue that the paradox of democracy's simultaneous success and crisis arises from a contradiction between democratization and globalization: although the formal elements of liberal democracy are proliferating, the argument goes, huge increases in social inequality and the erosion of welfare states are destroying the material foundation of political equality on which democracy depends.¹⁶ This view leaves commentators in the odd position of opposing globalization because it promotes and extends liberal democracy and because it undermines liberal democracy. The contradiction arises because of the focus on states: more states are democratic, but states themselves are said to be less able to enact or protect the popular will. It is hard to decide whether globalization fortifies or eviscerates democracy, harder to account for the fact that it seems to do both.

3. *What is good for states might not be good for democracy.* Both state reinforcement theorists and proponents of cosmopolitan democracy accept implicitly that how democracy fares depends directly upon the fortunes of the state. The conventional wisdom seems to be that what is good for the state is good for democracy. If states are eroding, weakening, or even dying, democracy is directly threatened. (As we have seen, one might conclude either that the appropriate response is to fortify states or that global democratic institutions are required to realize democracy at all levels.) Inversely, if states are strong and resilient, this logic suggests, democracy must likewise be robust.

It appears to follow that since fears about democracy continue to grow, states must be getting weaker. Does the evidence support this claim? Collectively, states have adapted to recent economic and political developments by creating a wide range of cooperation and coordination capacities that allow them to assert collective control in global affairs. Individual states are rapidly adopting forms of economic and political organization ("the competition state") that have proven particularly successful in

15. This exportation occurs through conditions attached to various forms of aid and to requirements to membership in elite clubs like NATO and the EU. The winning of the Cold War has emboldened the Western democracies to use "conditionality" much more aggressively. Not surprisingly, states seeking political or economic favor (and favors) with the West are eager to adopt democratic forms to placate Western critics. Thus the correlation of globalization with democratization might reflect a confounding variable (the relative strength of Western powers, the collapse of Soviet communism). In other words, what the correlation indicates about the causes of the recent wave of democratization is itself debatable.

16. It is unclear in Gill's and other accounts why the lack of material inequality within and among states is considered new [Stephen Gill, "Globalization, Democratization, and the Politics of Indifference," in *Globalization: Critical Perspectives*, ed. James H. Mittelman (Boulder, CO: Lynne-Rienner, 1996)].

recent years.¹⁷ Further, “deregulation” and privatization, while associated with *laissez-faire* economics, actually require states strong enough to reshape markets and redistribute wealth on a comprehensive scale (and many democrats would worry, in the wrong direction). Technology heightens states’ internal regulatory and monitoring capacities, as exemplified in police and border control activities. Still, the perception that democracy is under siege persists. How can this be if states remain strong?¹⁸

The conventional wisdom obfuscates that what is good for states might not be good for democracy. Let us consider an example. A great deal of attention has been given to the growing and changing role of international regimes or IGAs; many scholars see in their rise a direct threat to state autonomy and sovereignty, and thus to democracy. But others emphasize that international regimes are the creatures of states struggling to retain some measure of control in issue domains where complex global economic forces diminish the utility of unilateral action. These regimes “are political creations set up to overcome perceived problems arising from inadequately regulated or insufficiently coordinated national action.”¹⁹ The passive voice sometimes disguises the vital role of states here; international regimes are set up *by states* to address a complex range of phenomena. The institutions and organizations to which states have allegedly lost sovereignty and autonomy (say, the WTO) can also be understood as a means by which sovereign states (especially the most powerful ones) find political solutions to long-term supranational problems.²⁰ This is why Cerny describes globalization as “a process of political *structuration*”; states create new political institutions to meet their changing needs.²¹ The thickening web of supranational institutions is not some trap waiting to ensnare unsuspecting states; states themselves spin its threads. The web is designed to catch, through collective action, issues that elude unilateral competence.

International regimes do not weaken states,²² but it does not follow that they are

17. Phillip G. Cerny, “Paradoxes of the Competition State: The Dynamics of Political Globalization,” *Government and Opposition* 32 (Spring 1997); John W. Meyer et al., “World Society and the Nation-State,” *American Journal of Sociology* 103 (July 1997); Waltz, “Globalization and Governance.”

18. Not all states are equally strong, of course, though what entails a strong and a weak state is itself poorly understood—many states deemed too weak to achieve social, economic, and political liberalization are strong enough to commit massive human rights violations in the pursuit of wealth and power for the ruling elite. Cf. Adamantia Pollis, “Cultural Relativism Revisited: Through a State Prism,” *Human Rights Quarterly* 18 (1996).

19. Jack Donnelly, *Human Rights in Theory and Practice* (Ithaca, NY: Cornell University Press, 1989), 210. Donnelly is writing about human rights regimes, but this excellent definition captures the nature of international policy and regulatory regimes generally.

20. Peter Malanczuk, *Akehurst’s Modern Introduction to International Law*, seventh revised ed. (New York: Routledge, 1997), 17ff.

21. Cerny, “Paradoxes of the Competition State”; cf. Saskia Sassen, “The Spatial Organization of Information Industries: Implications for the Role of the State,” in *Globalization: Critical Perspectives*, ed. James H. Mittelman (Boulder, CO: Lynne-Rienner, 1996).

22. Of course, these regimes do not necessarily strengthen states either; they provide alternative ways for states to carry out their traditional functions. Within any particular regime, we would expect to see pow-

good for democracy. Most can hardly be called democratic, except in the trivial sense that some governments involved in establishing these institutions are elected.²³ Typically international regimes are staffed by technocrats appointed by powerful nations. They hold few if any public discussions of their policies or programs, are unaccountable (except in some measure to the national leaders who appoint them), and often operate in tightly-guarded secrecy.²⁴ This points to another paradox: while measures needed to strengthen states can adversely affect democracy, these same measures, on the conventional wisdom that democracy requires a strong, capable state, seem necessary to democracy. It is unlikely that the changes spurring the growth and development of IGAs can be reversed. While it might be possible to restrict trade and restore capital controls, the need for ongoing multilateral action on a host of global issues including trade, health, security, migration, the economy, and the environment seems unlikely to diminish. Terrorism, epidemics, pollution, trade, and the Internet all cry out for global political coordination.²⁵

In sum, we cannot simply assume that what is good for states is good for democracy; matters are much more complicated. It is difficult even to say what is good for democracy: the weakening of the state is considered a serious threat, yet the measures states take to increase their power and efficacy in an interdependent world also seem to undermine democracy.

4. *Processes that affect all states similarly do not necessarily affect democracy within states similarly.* Take as an example here that, as we just noted, changes in the global political economy are leading many states to adopt policies designed to increase the competitiveness of national enterprises; firms must be leaner, the thinking goes, government debts and corporate taxes lower, market regulation less intrusive and more effective. The resulting convergence around the model of the “competition state” is reinforced by strict conditions on IMF monies made available to countries in crisis and by SAPs required by other international lending and development agencies as well as by individual donor governments. The competition state is widely touted as the one-size-fits-all model for states coping with the pressures of economic integration.²⁶

erful states dominate. See Robert O. Keohane and Joseph S. Nye, *Power and Interdependence: World Politics in Transition* (Boston: Little, Brown, and Company, 1977). Much also depends on the location of a state in the geopolitical order; cf. Andrew Hurrell and Ngaire Woods, “Globalization and Inequality,” *Millennium: Journal of International Studies* 24 (Winter 1995).

23. Axtmann, *Liberal Democracy into the Twenty-First Century*; Hirst and Thompson, *Globalization in Question*.

24. For instance, secret negotiations on the Multilateral Agreement on Investment (MAI), which would essentially have given corporations the power to sue states, caused quite an outcry upon their discovery.

25. Besides, strict national control in these areas would require a level of global cooperation—not to mention intensive monitoring and policing—that would itself constitute a wholly new global order; Panitch, “Rethinking the Role of the State.”

26. This was particularly clear in the Western gloating that marked the early phases of the recent South-east Asian economic crisis. Before the West realized how much money it would lose, its leaders and eco-

Certainly the movement toward the competition state has entailed paring back welfare states in the West, and to the extent that generous social provisions are considered a vital part of the social contract in contemporary liberal-democratic states, this represents an assault on democracy. Three points, however, demand attention: first, many democratically elected governments—first those in the Thatcherite mold, more recently those of the (erstwhile?) left—have actively promoted this transition. And it is hard to deny that widespread dissatisfaction with welfare in the American sense and a strong dose of “tax revolt” have been powerful popular stimulants of such reforms.²⁷ This disruption may also be linked to growing resentment directed against immigrants and minorities who are suspected of being the disproportionate beneficiaries of social security programs. In some respects, then, the post-war social-democratic consensus seems to be breaking down, no doubt in part because of perceptions of pressures deriving from the global economy, but not solely because of them, and not solely because of the nefarious machinations of sinister global capitalist forces.

The second point to keep in mind is that for some societies the move toward a competition state and the pressures brought to bear by the global economy can initiate improvements in political or economic conditions that can in turn enable or enhance democracy (though there is no guarantee). Certainly it is hard to imagine that Suharto would have been deposed so easily were it not for the economic collapse brought on by the Asian financial crisis and the accompanying anger and resentment it unleashed. States hoping to gain admission to the European Union (EU) have undertaken a number of important political as well as economic reforms in pursuit of that goal, some of which—greater transparency, government accountability, guarantees for the rights of minorities—must certainly be seen as enhancing democracy. Moreover, theorists on the left and the right have argued that market society brings a certain degree of respect for some rights and freedoms and for the rule of law that is necessary for democracy to flourish.²⁸ Most basically, economic growth—whatever its drawbacks or injustices—can lift many people in developing countries around the world out of poverty. The point is not that convergence is *inherently* good or bad for democracy but that a lot depends on where one is converging from and how the process is managed politically, facts easy to overlook from the perspective of developed countries.

conomic policy-makers touted the troubles as proof that “crony capitalism” was inferior to the Western model, quite a contrast with the fears of Japan, Inc. and the Asian Tigers in the 1980s. The singular faith in this model among IMF and U.S. Treasury officials is also clear in their hostile treatment of unorthodox alternatives, for instance, Russia’s interest in using inflationary monetary policies and other interventionist measures and Malaysia’s decision to impose capital controls in the wake of the 1997 financial collapse.

27. Thanks to Michael Mann for pointing this out to me.

28. E.g., David Beetham, “Market Economy and Democratic Polity,” *Democratization* 4 (Spring 1997); David Beetham, “Four Theorems About the Market and Democracy,” *European Journal of Political Research* 23 (1993); Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962).

Third, in tension with the last point, the process of convergence itself must be seen as more or less democratic depending in part upon the position of a given state in the global economic and political order. If the US or UK undertakes liberal market reforms, it must answer to its electorate; developing countries answer first to rich donor countries and their institutional proxies at the IMF and World Bank.²⁹ Even though reform might strengthen democracy or prospects for democracy, the process of reform is often fundamentally undemocratic, both with respect to the international system and with respect to internal politics.³⁰ It is far too simplistic to assume, as most analyses do, that similar trends in states have similar implications for democracy.

5. *What is good for democracy in some states may hurt it in others.* Conflating state and democracy leads to the presumption that processes strengthening (weakening) democracy in one state will strengthen (weaken) it in all states. This confusion is clear in much of the literature on globalization, which, while purporting to describe global or worldwide processes, really reflects Western parochialism. Many perceived threats to democracy and the state are actually relevant only to developed nations. The notorious “race to the bottom” is an excellent case: many people in developed countries worry that low-wage competition brought on by increased trade with poorer countries forebodes a precipitous drop in real earnings. Because wages and workplace and environmental standards are lower in many developing countries, critics argue, competitive pressures resulting from freer trade will undermine equality and standards of living and threaten democracy. From the vantage-point of developing countries, though, the higher wages, growth, and standards of living associated with increasing trade are crucial to stability and can in fact strengthen democracy.³¹ The dissatisfaction of many developing-world trade ministers with the present WTO regime is often cited—without elaboration—by WTO opponents in the West as an example of class solidarity against a corporate agenda; the truth is that most developing-world critics of the trade regime argue that it is not open enough (in agricultural goods and textiles especially) and that the system favors rich countries and transnational—that is, Western—corporations.³² Rather than opposing free trade *per se*, many object that it is not free enough.

29. This puts new or transitional democratic governments between a rock and a hard place; much of their appeal lies in a promise to deliver economic reform, and with it growth and improvements in the standard of living; doing so requires aid conditioned upon reform. Yet the pain of SAPs and other neo-liberal reforms often afflicts and alienates citizens and compromises the legitimacy of governments seen to be more concerned with the interests of bankers and corporate elites than with those of the voters.

30. A fact that has itself been poorly incorporated into analyses of democratic transitions.

31. Oscar Arias Sanchez, “Economic and Social Rights,” talk delivered at Hunter College, City University of New York, April 1999. These comments are meant neither to applaud current trade and wage policies nor to downplay the devastating impact of growing inequality in established and emerging democracies but merely to emphasize the difference perspective makes.

32. There are of course exceptions—for instance, Caribbean economies ruined by the recent opening of the banana market. Also, workers in highly protected or state-run sectors will typically be opposed to

Similarly, the erosion of the welfare state brought on by increased international competition can hardly seem undemocratic to poorer countries long chafed by a global system of inequality and domination in which generous social provisions (built on the backbone of conquest and empire) are seen as democratic entitlements only for citizens of wealthy Western states. If one abandons the perspective of rich, established democracies and adopts that of developing countries and emerging democracies, it becomes unclear exactly who it is that is racing to the bottom, whose prosperity is being threatened, whose rights and welfare imperiled, whose ox otherwise gored. One of the signal failures of contemporary Western democratic thinking about globalization has been its inability (or unwillingness) to address the rather awkward problem of inequalities in the global distribution of and entitlement to wealth and social justice. Specifically, there is an almost hypocritical silence about how measures needed to protect Western levels of benefit and standards of living ("democracy") conflict with steps crucial for improving conditions in the developing world ("race to the bottom"). Again, the point is not that globalization is unambiguously good for developing countries (it is not) but that existing inequalities among states make it dangerous and misleading to generalize about democracy from the experience of Western democracies.³³

The literature on how globalization affects democracy focuses more on the state than on democracy itself. This anomaly stems from a ubiquitous (though often tacit) assumption of a natural and proper "fit" between democracy and the state. Lumping them together, however, forestalls any inquiry into the nature and implications of the relationship between them; by accepting this link uncritically, we rule out the possibility of discovering anything of interest in it.³⁴ There is much to be discovered.

greater liberalization; see Jeffrey A. Frieden and Ronald Rogowski, "The Impact of the International Economy on National Policies: An Analytical Overview," in *Internationalization and Domestic Politics*, ed. Robert O. Keohane and Helen V. Milner (New York: Cambridge University Press, 1996); Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (Princeton: Princeton University Press).

33. This problem is particularly difficult because some of the opposition to globalization in the West is based on arguments about its adverse effects in the developing world (SAPs, destruction of traditional communities, etc.). Globalization is rejected out of hand, without consideration of what the negative effects of lower trade and less international attention to human rights standards in many countries might mean. Lost in the middle is the wide range of crucially important policies needed to *reform* globalization, a subject I cannot take up here.

34. Questions about the nature of globalization and how it can be quantified are giving way to questions about the nature of the political world and how it can be studied. As Philip Cerny writes, the new social-scientific discourse of globalization "challenges the significance of the nation-state as a paradigm of scholarly research, suggesting that nation-state-based 'normal science' in history and the social sciences—sometimes referred to as 'methodological nationalism'—has been sufficiently undermined by new challenges and findings at a range of different analytical levels that its usefulness in constituting a *prima facie* scholarly agenda is rapidly being lost. A reshaping is taking place of the theoretical questions which have dominated 'modern' political philosophy and they are being reformulated in a more complex global context"; Cerny, "Paradoxes of the Competition State," 254. According to Taylor, "The three orthodox social sciences (politics, economics, sociology) have been largely caught out by globalization. Their spatial ontology has been so severely undermined that reform, even where seriously attempted, is unable to cope with con-

IV. Reassessing the Problem

We noted earlier that the tendency to conflate states with democracy reflects strong, if often unstated, assumptions about the deep historical, theoretical, and institutional ties between them. Modern political thought has taken for granted—indeed, it has defined—the sovereign, autonomous, territorially-exclusive state as the site of politics. In particular, the state is seen as the natural and appropriate site of or vehicle for democracy.³⁵ Although democratic principles do not specify the framework in which they should operate,³⁶ many theorists nonetheless hold that democracy is probably impossible without the state, which defines the political community and supplies the institutional apparatus through which democracy operates.³⁷ This dependency appears to have firm empirical confirmation: democratic accountability isn't guaranteed by state sovereignty, but it has only been achieved within the framework of sovereignty.³⁸

Today many scholars recognize the connection between states and democracy as problematic; that globalization's effects on democracy are characterized in terms of deficits and disjunctures implies a spatial incompatibility between global politics (broadly understood) and state-based democracy. The spatial problem is seen in institutional terms, as a question of institutional scale or reach or fit; accordingly, proposed solutions aim to close the gap. This is evident in the case of cosmopolitan democrats, who develop a variety of proposals for institutional construction and reform at regional and global levels, yet it is also implicit in the state reinforcement approach. Rolling back or resisting globalization—that is, making politics primarily national again—is an essential component of the broader strategy of restoring the centrality of the state in democratic politics. State reinforcers, then, continue to see the connection between states and democracy as natural and appropriate and seek to strengthen it, while cosmopolitan democrats see the connection as obsolete or anachronistic and seek to transform it.

Unfortunately, this institutional emphasis continues to confuse states and democracy and to direct our critical attention toward globalization. The question

temporary social change"; P. J. Taylor, "Embedded Statism and the Social Sciences: Opening up to New Spaces," *Environment and Planning A* (1966): 1925.

35. Charles R. Beitz, "Sovereignty and Morality in International Affairs," in *Political Theory Today*, ed. David Held (Stanford: Stanford University Press, 1991); 236-42; Held, *Democracy and the Global Order*, 23. Numerous theorists have sought to work out the requirements or implications of democracy at various sites within the national framework: the workplace, schools, communities, civil associations, even families. Still, such arguments presuppose a democratic polity; usually, democracy at the state level is held to require or justify further democratization within the state.

36. Pierre Manent, "Democracy without Nations?" *Journal of Democracy* 8 (April 1997): 94-96; cf. Robert Dahl, *Democracy and Its Critics* (New Haven: Yale University Press, 1989), 207.

37. Manent, "Democracy without Nations?"; Michael Walzer, *Spheres of Justice: A Defense of Pluralism and Equality* (New York: Basic Books, 1983).

38. Robert O. Keohane, "Sovereignty, Interdependence, and International Institutions," in *Center for Social Theory and Comparative History Colloquium Series* (Los Angeles: 1991), 25.

about the proper scope of politics and institutions of governance quickly reverts to the familiar pattern of debates about whether the political shift toward “global politics” is real or apparent, familiar or unprecedented, permanent or reversible. Democracy’s connection with the state gets conceived in purely instrumental terms, as a matter of proper or adequate institutional reach and scale. Certainly institutions are vitally important to democracy; they are not ends in themselves, however, but means to realizing democratic principles.³⁹ The problem with reducing the spatial aspect of democracy to an institutional one is that it preempts questions about whether and how the specific spatial configuration of modern democracy (including its institutional configuration) bears on the realization of its core principles. Put differently, the question is not—or is not adequately understood as—simply a matter of institutional efficacy or ideological preference. The question is whether and how democracy’s historical entanglement with the state and with the modern discourse of sovereignty affects its legitimacy, its justification, its scope and reach.

In the limited space remaining, I want to sketch the outlines of an alternative approach to understanding democracy and its prospects in an era of globalization. I propose using globalization as a lens through which to focus upon how the sovereign state contains and constrains democracy. We can begin by setting out a simple definition of globalization that helps us isolate the important spatial dimension of our problem. Michael Mann has argued that social activity, in the broadest sense, can be analyzed at five levels: local, national, international, transnational, and global (I shall refer hereafter to the latter three levels together as *supranational*).⁴⁰ I propose thinking of globalization in terms of the shift of social activity and interaction from the first two to the last three levels—that is, from the local and the national to the supranational (international, transnational, and global). Globalization, then, can be understood as *supranationalization* or universalization;⁴¹ it signifies a trend in social relations—including politics, culture, and economics—toward the supranational.⁴² Globalization can also refer to the process(es) by which social relations become more global or more encompassing.⁴³

39. David Beetham, *Democracy and Human Rights* (Cambridge: Polity Press, 1999), ch. 1.

40. Michael Mann, “Has Globalization Ended the Rise and Rise of the Nation-State?,” *Review of International Political Economy* 4 (Autumn 1997); Michael Mann, “Neither Nation-State nor Globalism,” *Environment and Planning A* (1996).

41. I shall prefer universalization as perhaps the less unlovely of these two unlovely words.

42. As used here, universalization simply signifies this trend or trajectory. I do not take it to mean, as some cultural critics have feared, that we are witnessing the triumph of one all-encompassing, homogenized culture. It does not mean that the world has become, or is likely anytime soon to become, an undifferentiated space or that space has been annihilated. It does not mean that differences among peoples are losing their (often bloody) salience. It most emphatically does not entail the triumph of some sort of enlightened rationality—it is not, that is, the end of history.

43. The relevant baseline here is patterns of social activity or interaction. Political borders and other boundaries are a useful guide to understanding these interactions—they reflect and condition them. We are less interested in particular borders or the size of the units they enclose, however, than in the logic or ordering principles they represent. The process can work in reverse: patterns of social interaction can at times

On this view there is nothing particularly new about globalization; the same processes that initiate and extend ties among clans, tribes, villages, and city-states—war, love, trade, greed, power, music, religion, curiosity, technology, happenstance—continue to impel social relations upward or outward toward the supranational.⁴⁴ These forces are undeniably ancient, though they have almost certainly intensified recently (in large part, as they always have, through new means of communication aided by technology); truly global interactions may be of fairly recent vintage.⁴⁵

This proposed definition is obviously broad and conceptual. It is not meant to be comprehensive but is instead designed to capture something very basic about globalization, its tendency to push, stretch, transcend, penetrate, or just overrun all kinds of established conceptual and institutional boundaries. As Rosenau puts it, “any technological, psychological, social, economic, or political developments that foster the expansion of interests and practices beyond established boundaries are both sources and expressions of the processes of globalization.”⁴⁶ This universalizing tendency is fundamental to globalization, is its most basic and distinctive attribute. The definition simply identifies a trend; one need not be sanguine about globalization or its effects to accept this characterization.

On this definition, the answer to the question of *how* globalization affects democracy is as straightforward as it is uninteresting: by affecting the state. This response is unenlightening largely because it merely reflects what most observers have anyway always taken for granted: that there is a natural and appropriate fit between democracy and the sovereign state. The point is that we need to understand *why* globalization’s impact on the state influences democracy as it does, why democracy should *in principle* be affected by this shift in social relations to levels above or outside the state. It is not clear why globalization’s universalizing dynamic should have any adverse effect whatsoever on democracy because democracy itself is usually conceived in universalistic terms—rights, equality, moral standing, deliberative competence, ability to labor or function or communicate, whatever. By

tend toward the local. (This should not be confused with the idea of fragmentation discussed above, which is a response to or facet of globalization.) Whether, for instance, the break-up of colonial empires in the mid-twentieth century or, more recently, the Soviet Union or Yugoslavia indicates supranationalization or fragmentation is a difficult question that cannot be answered simply by counting the number of states before and after or comparing the amount of territory the various political units comprise.

44. This same definition could apply to almost any era of globalization, though in earlier ones the shift might be most pronounced from the local to the national level.

45. Mann, “Neither Nation-State nor Globalism.” Mann himself is fairly skeptical of most claims about globalization; his own view emphasizes that constantly shifting networks of social power and interaction have always made concepts like state and society deeply problematic. In other words, I have superimposed my own view of globalization onto Mann’s framework in a way he might not wholly endorse; cf. Taylor, “Embedded Statism,” who adopts a similar position with regard to Mann’s framework. I agree with Mann’s skepticism about the practical difficulties with the idea of sovereign states, though I think this idea played a crucial role in the development of modern democratic theory.

46. James N. Rosenau, “The Complexities and Contradictions of Globalization,” *Current History* 96 (November 1997): 361.

asking *why* globalization affects democracy, we bring the relationship between the state and democracy into critical focus. Framing the issue in this way transforms the main questions into conceptual ones and shifts the focus on the inquiry back onto democracy, putting the political theorist on more familiar ground.

Although a comprehensive analysis is beyond the scope of this article, some general propositions about a potentially more fruitful approach to our main problem can be briefly set out.⁴⁷ By challenging the familiar boundaries of modern politics and political thinking, globalization upsets the conventional wisdom regarding democracy's natural fit with the sovereign state. This conventional wisdom, upon further scrutiny, appears to rest on two closely interrelated assumptions—one spatial, one normative. The spatial assumption, as we have seen, is that the state contains politics, and thus democracy as well. This assumption, taken alone, is primarily empirical; it is a statement about where politics takes place.

Globalization increasingly belies this assumption. The shift in social relations and interactions toward the supranational level generates an increasing demand for governance at that level. This demand is reflected in the notion of democratic disjunctures, shortfalls in the reach of democratic political institutions. Democratic deficits arise when non-democratic governance agencies—IGAs, TNCs, etc.—exercise authority in the spaces created by these disjunctures. It would appear, on this view, that cosmopolitan democrats are right; what is needed is the extension of democratic procedures and institutions to the proper scale, to eliminate disjunctures and the deficits arising out of them.

There is also, however, a normative assumption underlying the conventional wisdom on states and democracy—the assumption that the state is the natural and appropriate container of and vehicle for democracy. On this view, democratic deficits necessarily exist whenever there is supranational governance because legitimate *democratic* governance can only transpire at the level of the state. Here, it seems, the state reinforcers are correct; what is needed is the reversal of globalization (or its unmasking) and the invigoration of democracy at the state level.

Both approaches pay insufficient attention to the interdependence of these two assumptions. Democratic governance at the supranational level is not simply a problem of scale and reach; it is also a problem of legitimacy. In modern democracy, legitimacy flows from both of these assumptions jointly: the rightful democratic political community is the state, and the state is the location or site of politics. The validity of the normative claim about the rightfulness of the state as a democratic unit is predicated upon the validity of the empirical claim about the level at which social relations and interactions and governance occur. We cannot simply extend democratic institutions to the global level without understanding whether and how their legitimacy depends upon their conceptual relationship with the polit-

47. I am presently completing a monograph on this subject.

ical units in which they originally evolved; nor can we simply attempt to strengthen existing democratic institutions at the state level when the empirical assumption underpinning their legitimacy is increasingly suspect.

It follows that we need to investigate the origins and significance of democracy's relationship with the sovereign state. The definition of globalization proposed here—social relations pushing beyond the familiar boundaries of democracy—suggests that we might profitably conceive this relationship in terms of limits. How do the spatial and conceptual limits of the sovereign state affect the realization of democracy? How do these limits shape the accepted meanings of democracy? How do they operate? Could democracy work apart from these limits? How? These questions, I am arguing, are crucial to our understanding of the nature and extent of the threat globalization poses to democracy.

If this analysis is correct, it has significant implications for the study of democracy and globalization. First, this study, rather than focusing on contemporary economic or technological developments, should be primarily historical and conceptual. It should be concerned with understanding how democracy operates in and through the sovereign state and whether that relationship is necessary or contingent for democracy. Second, this study should adopt a critical, provisional stance toward modern democracy itself. It should be concerned with uncovering the beneficial and detrimental aspects of democracy's imbrication with the sovereign state. The aim must be to determine what is essential to democracy and how it can be realized, not to defend a predetermined notion of democracy against perceived threats. Put differently, we should not begin by understanding globalization as a threat to democracy but should instead treat it as an impetus for the critical reevaluation of democracy; to do otherwise is to predetermine some of the central points at issue. Finally, any conclusions or proposals for democracy in the context of globalization must be evaluated with attention to the normative and empirical claims on which they rest and the validity of the proposed relationship between them. At this stage—and not before—we need to incorporate the best available empirical analyses of what is going on with our historical and conceptual insights in formulating democratic responses to globalization.

Whether, after careful consideration of these issues, we find the connection between sovereignty and democracy beneficial or detrimental to the realization of basic democratic principles, necessary or contingent to democratic legitimacy, separable or inseparable from its institutional configuration, remains to be seen. My point is neither that the state reinforcers are wrong to conclude that the connection must be defended nor that cosmopolitan democrats are wrong to assume that it can be relaxed, transformed, or abandoned. Rather, I am arguing that unless and until we better understand the normative aspects of democracy's spatial and sovereign dimensions, we shall have no sound basis for deciding the matter.