Liberal Internationalism and the Decline of the State: A Comparative Analysis of the Thought of Richard Cobden, David Mitrany, and Kenichi Ohmae

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Submitted for the degree of Ph.D. in International Relations, 2003

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Declaration

In conformity with rule 6.3.7. of the University of London Regulations for the Degrees of MPhil and PhD, I swear that the work presented in the thesis entitled 'Liberal Internationalism and the Decline of the State: A Comparative Analysis of the Thought of Richard Cobden, David Mitrany, and Kenichi Ohmae' is my own.

Per A. Hammarlund

New York, NY, 21 March, 2003.

Abstract

The purpose of the thesis is to provide a critical analysis of the liberal idea of the decline of the state based on a historical comparison. It takes special note of the implications of state failure for international relations. The author identifies three acknowledged proponents of the theme. They are Richard Cobden (1804-1865), David Mitrany (1888-1975), and Kenichi Ohmae (b. 1943). The dissertation analyses how Cobden, Mitrany, and Ohmae view the state and its role in their respective periods. It elucidates similarities and differences between their conceptions with the aim of shedding light on the status of the state in their systems of political and economic thought. It also puts the three thinkers into context by exposing the influence of their historical and social environments. A supplementary objective is to infuse caution into future prophesies about the state's imminent decline.

The text is divided into three sections. The first analyses Cobden, Mitrany, and Ohmae's empirical claims. The second focuses on their normative judgements. Finally, the third directs the attention to their predictive assertions. The discussion is organised according to the distinction between the state as a country in its entirety, and the state as an institution of government separate from the society which it rules.

The central question of the dissertation asks what we can learn from a study of the history of the liberal idea of the decline of the state. The thesis emphasises, in particular, five lessons and concludes that Cobden, Mitrany, and Ohmae primarily propose normative arguments for less state involvement in economic and international relations, but conceal them partly in empirical and predictive assertions. The liberal idea of the decline of the state is more of an ideological statement in response to contemporary political, social, and economic trends than an objective observation of an empirically verifiable fact.

CONTENTS

ACKNOWLEDGEMENTS

While writing a Ph.D. thesis often seems like a lonely process, I could not have completed it without the helpful critique and thoughtful comments of my supervisor, Peter Wilson. I am very grateful for his encouragement and unwavering belief in the project. Several friends and colleagues have made significant contributions to this dissertation. Sarah Owen-Vandersluis, Bob Vandersluis, Nick Bisley, Paris Yeros, Harry Gelber, Anthony Howe, have provided invaluable comments on earlier drafts of chapters and sections of the thesis. I have also benefited immensely from discussions with Sanja Carolina, Karen Smith, Razeen Sally, Andrew Walter, Michi Ebata, Maria Lensu, Stefan Fritz, Anne Hammerstad, Adam Roberts, Paul Taylor, Christopher Hill, David MacDonald, Julius Sen, and Lauren Snyder, as well as all the participants in the International Political Theory, International Institutions, Foreign Policy, and International Political Economy workshops at the London School of Economics and Political Science (LSE). I would also like to thank Christer Jönsson and the Ph.D. candidates in the Department of Political Science for providing a forum for discussion of the thesis at Lund University, Sweden. Last but not least, I am very grateful to the examiners of the thesis, Lucian M. Ashworth and Jan Aart Scholte, for their detailed and incisive comments on the entire text. All remaining mistakes are, of course, entirely mine.

Two thirds of chapter 3 have previously appeared as 'Liberal Cosmopolitan Thought and the Decline of the State: A Historical Exposition' in *Politologiske Studier* (Vol. 4, No. 2, 2001), pp. 44-56. The article was substantially strengthened by the comments of one of the journal's anonymous reviewers, as well as the revisions suggested by its Editor, Rasmus Schjødt Pedersen.

The Royal Swedish Academy of Sciences, the Foundation in Memory of Lars Hierta, and the Carl Jönsson's Student Support Foundation have provided generous economic assistance to the research project.

However, I owe my greatest debt of gratitude to my wife, Julie Imus, who has helped me in innumerable ways ranging from moral to financial support. I dedicate this Ph.D. thesis to our families.

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INTRODUCTION

In recent years, an increasing number of voices have been raised about the decline of the state. Many follow a broadly liberal line of thought positing that the state flounders as the world economy and transnational contacts grow. According to these views, international markets are now too strong for states to regulate. Hedge-fund managers, currency speculators, and other global market actors cripple national governments' attempts at controlling their domestic markets and societies. Political leaders no longer have the power to steer the creation of wealth within their borders. The distinction between the international economy and national economies is breaking down. The two formerly separate spheres of economic and social interaction now form part of a global economy and community. The idea that global market actors are in charge of, and drive economic and political change — a result of economic growth and improving technologies allowing individuals and companies to circumvent state control and authority — is presented as almost conventional wisdom in newspapers and among the general public.[1]

Scholars of international studies, if often more cautious, point to the problems of governance resulting from the dichotomy between state sovereignty and an increasing number of cross-border activities. Discussions revolve around themes such as the declining power of the state to check international market forces flitting from one country to another as opportunities arise, and the inadequacy of the system of states to manage transnational problems such as environmental degradation and population migration. There are simply too many channels of interaction and communication for state authorities to control the increasing intercourse of companies, individuals, and organisations — all further strengthened by the increasing spread and quality of information. The globalisation of the world economy has reached a critical threshold. From now on, the state plays a diminishing role in economic growth and progress. It had its heyday during the first two-thirds of the twentieth century — the 'Keynesian era' — but now, the decline in its appeal and power have reached the point of no return.

1. For a comprehensive and interesting overview of this tendency, see *The Economist*, 'A Survey of the World Economy: Who's in the Driving Seat?', 7 October, 1995.

International organisations — global, regional, or functional, governmental or non-governmental — are better suited to govern the emerging global community.[2]

The hypothesis of state decline is multi-faceted and persuasive. However, some observers point in the opposite direction. Authors such as Harry G. Gelber, Paul Hirst and Grahame Thompson, Linda Weiss, Jan Aart Scholte, Janice E. Thomson and Stephen D. Krasner, and Paul Kennedy have conducted empirical critiques, bringing out facts showing that the state retains its fundamental powers of control, as well as its appeal to peoples' allegiance.[3] Public opinion still turns to national governments for action when economic recessions set in. Taxes (as a percentage of GDP) among OECD countries have increased in the last ten years, to say nothing of since the beginning of the last century.[4] People are still willing to die in wars to defend their country. Additionally, the number of states in the international system is still increasing. Even if 'tribalism' and 'fragmentation' allegedly are tearing asunder the nation-state, sovereign statehood continues to be the ultimate objective for freedom fighters and separatists all over the world. In stable democracies, individuals pay allegiance to their particular state by defining themselves as British, French, or American as the case may be in relation to people from other countries. In other words, only some academics and a small group of internationalists (mainly young people with parents from different countries and some business executives) find it difficult to determine to which state they are loyal and belong. Most individuals still regard the state as the only realistic and legitimate means of national survival and a people's right to self-determination. Finally, the global

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2. See, for example, John Gerard Ruggie, 'Territoriality and Beyond: Problematizing Modernity in International Relations', *International Organization* (Vol. 47, No. 1, 1993), pp. 139-74; James N. Rosenau, *Turbulence in World Politics: A Theory of Change and Continuity* (London: Harvester Wheatsheaf, 1990); Dani Rodrik, *Has Globalization Gone Too Far?* (Washington, DC: Institute for International Economics, 1997; Susan Strange, *The Retreat of the State: The Diffusion of Power in the World Economy* (Cambridge: Cambridge University Press, 1996); Jean Marie Guéhenno, *The End of the Nation-state*, Trans. Victoria Elliott (Minneapolis, MN: University of Minnesota Press, 1995 [originally published as *La fin de la démocratie*, 1993]); and Mathew Horsman and Andrew Marshall, *After the Nation-state: Citizens, Tribalism and the New World Disorder* (London: HarperCollins Publishers, 1994).

3. Harry G. Gelber, *Sovereignty Through Interdependence* (London: Kluwer Law International, 1997); Paul Hirst and Grahame Thompson, *Globalization in Question*, Second Edition (Cambridge: Polity Press, 1999 [first published 1996]); Linda Weiss, *The Myth of the Powerless State: Governing the Economy in a Global Era* (Cambridge: Polity Press, 1998); Jan Aart Scholte, 'Global Capitalism and the State', *International Affairs* (Vol. 73, No. 3, 1997), pp. 427-52; Janice E. Thomson and Stephen D. Krasner, 'Global Transactions and the Consolidation of Sovereignty', in Ernst-Otto Czempiel and James N. Rosenau (Eds.), *Global Changes and Theoretical Challenges: Approaches to World Politics for the 1990s* (Toronto: Lexington Books, 1989); and Paul Kennedy, *Preparing for the Twenty-first Century* (New York, NY: Vintage Books, 1994 [first published 1993]), pp. 122-34.

4. See, for example, *The Economist*, 'Globalisation and Its Critics: A Survey of Globalisation', 29 September, 2001, p. 14.

economy depends on states to provide for law, order, and security, as well as a propitious business climate by freeing international trade and investment. The apparent gulf between the two opposing accounts of the state is intriguing and important to explore.

The starting point of this study is the recognition that contemporary liberal hypotheses of state decline have a familiar ring to them. In fact, liberal thought contains a long-standing tradition of berating the state and describing ways in which it is becoming obsolete. One caveat should be mentioned immediately. Liberalism is far from a coherent philosophy. Some of its thinkers endorse the state in various forms and emphasise its continuing importance, as well as the positive role it may play in economic growth and national security. Indeed, Adam Smith does not wish to abolish the state, a fact acknowledged by, for example, John Hoffman, who therefore labels Smith along with F.A. Hayek and John Rawls not true liberals.[5] In contrast to Hoffman, the dissertation does not make the futile attempt to distinguish between true and untrue liberals according to whether they see the state as a contractual edifice established by man (and, thus, disposable) or as an innate outgrowth of community (thus, a 'natural' feature of all developed human societies). Nor is it within the thesis' scope to divide liberalism into any other arbitrary categories. It is limited to analysing and comparing only one aspect of liberal thinking, namely the decline of the state. A definition of liberalism — beyond an obvious broad, and instinctive, understanding of it — is here judiciously avoided, since such an attempt would require several chapters of its own.

Simply the long existence of the idea of state decline may prompt us to question its validity. But whether we accept counterclaims that the state retains its central place in both domestic and international life or not, the persistence of the hypothesis is intriguing. If early proponents of decline were correct, we need to understand why contemporary writers still feel a need to restate and reformulate the argument. If they

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5. John Hoffman, *Beyond the State: An Introductory Critique* (Cambridge: Polity Press, 1995), pp. 8 and 97-112. Smith's approval of the state is evident throughout *The Wealth of Nations*. For one example, see Adam Smith, *The Wealth of Nations* (London: David Campbell Publishers, 1991 [first published 1776]), p. 374. See also Andrew Wyatt Walter, 'Adam Smith and the Liberal Tradition in International Relations', in Ian Clark and Iver B. Neumann (eds.), *Classical Theories of International Relations* (London: Macmillan Press, 1996), pp. 142-72; F.A. Hayek, *The Constitution of Liberty* (London: Routledge & Kegan Paul, 1960), esp. Ch. 15; and John Rawls, *A Theory of Justice* (Cambridge, MA: Cambridge University Press, 1971). For a recent self-professed liberal supporting state regulation of markets, see, for example, Jan Tumlir, 'National Sovereignty, Power and Interest', *Ordo* (Band 31, 1980), pp. 1-26.

were wrong, we need to analyse their claims as they may reveal important insights about the strengths and weaknesses in contemporary thinkers' ideas. Since the present is a continuation of the past, to know history is essential in order to know the present, as well as what reasonably can be expected of the future. Hence the central question of the dissertation: what can we learn from a study of the history of the liberal idea of the decline of the state?

Purpose

The purpose of the dissertation is to provide a critical analysis of the liberal account of the decline of the state. In order to achieve this within a manageable scope, the author has identified three thinkers who are all recognised as prominent proponents of the theme. They are Richard Cobden (1804-1865), David Mitrany (1888-1975), and Kenichi Ohmae (b. 1943). The analysis focuses the attention on weaknesses in Cobden, Mitrany, and Ohmae's ideas about the decline of the state. The goal is to expose the limitations of their most coherent and developed arguments, not to explain the ways in which they are great men. As we will see in the following chapters, others have already written eulogies, notably some of Cobden's biographers, Mitrany's followers, and, in the case of Ohmae, people in the management consultancy industry. Additionally, the author has no pretensions to synthesise the views of Cobden, Mitrany, and Ohmae, or borrow elements of their thought in order to come up with new and presumably better descriptions of sovereignty, territoriality, and national government.[6] Instead of offering a radically different view of the state, the dissertation presents a new account of the liberal idea of state decline by outlining a history of this notion. It should also be mentioned that the upcoming analysis is an 'intra-paradigm', or friendly critique. The author does not reject the broad mental or ideological frameworks within which each thinker places his ideas. The question posed is, rather, how coherent are Cobden, Mitrany, and Ohmae's notions of state decline when examined in the context of their own understandings of politics and economics?

The dissertation sets itself the following tasks: to analyse how Cobden, Mitrany, and Ohmae regard the state and its role in their respective periods; to elucidate

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6. For a similar analysis of ideas and good justification thereof, see Stephen Hobden, *International Relations and Historical Sociology: Breaking Down Boundaries* (London: Routledge, 1998), esp., pp. 12-16. In contrast to this dissertation, however, Hobden's purpose is to synthesise the views of his chosen thinkers in order to generate a better understanding of the state and the international system.

similarities and differences between their conceptions; and to put Cobden, Mitrany, and Ohmae into context with the aim of exposing the influence of their historical and social environments. The aim of the comparison of our three thinkers is to shed light on the status and role of the state among some of its liberal critics. In addition, the dissertation seeks to infuse some caution into present and future prophesies about the state.

Cobden, Mitrany, and Ohmae are all prolific writers and speakers, and their works cover a wide variety of subjects. Thus, the critique focuses exclusively on those of their ideas which relate to the hypothesis of the decline of the state. Also, the dissertation does not describe the views of all proponents of the decline-of-the-state hypothesis since the mid-nineteenth century. Rather, by limiting the analysis to three thinkers, the text indicates some of the different forms the hypothesis has taken during the period under study. The thesis shows neither a linear progress of an argument, nor does it propose Cobden, Mitrany, and Ohmae form part of the same strict school of thought. The discussion of their ideas exposes three different forms of a common theme, that is, a liberal account of the decline of the state.

Thesis

While the main argument of the dissertation may be evident to anyone who reads closely Cobden, Mitrany, and Ohmae, it is deceptively simple. The liberal hypothesis of the decline of the state — as it is formulated by three of its most recognised proponents — is primarily a normative argument for less state, partly concealed by empirical and predictive assertions about its imminent decline. Despite sometimes describing and forecasting a weakening of the state, Cobden, Mitrany, and Ohmae are not so much scientists or prophets of demise (despite often interpreted as such) as they are priests of reduced state involvement and authority. The implications of this contention, however, are profound for our knowledge of liberal assertions about the imminent deterioration of the state. Some authors have noted that 'the most serious flaw in the decline of the state thesis ... [is] the constant mixing-up of "is" and "ought"'.[7] The problem with the hypothesis is not only that Cobden, Mitrany, and Ohmae tend to confuse 'is' and 'ought'. The dissertation demonstrates that our three thinkers' commitment to the idea

7. Spyros Economides and Peter Wilson, *The Economic Factor in International Relations: A Brief Introduction* (London: I.B. Tauris, 2001), p. 199. Economides and Wilson refer specifically to Ohmae. See also Inis L. Claude Jr., 'Myths About the State', *Review of International Studies* (Vol. 12, No. 1, 1986), p. 10.

of state decline is not consistent. Contrary to their anti-state rhetoric, all three endorse the state in various shapes and forms, a fact which has been widely ignored by their critics. The subsequent analysis problematises the debate about the state. It provides the disregarded background noise, so to speak, of a discussion that appears to have two distinct sides. While focussing primarily on one side of the exchange, it provides a more detailed and complicated picture of an ostensibly coherent argument than has been presented so far. It shows that the liberal notion of the decline of the state is primarily a preference, not a reference to a fact.

Methodology

In order to shed critical light on the liberal idea of the decline of the state, the dissertation advocates a history-of-ideas perspective and examines similarities and differences between Cobden, Mitrany, and Ohmae's thoughts on the topic. A potential criticism against putting Cobden, Mitrany, and Ohmae side by side is that they are located in fundamentally different historical epochs. The nineteenth-century state is not comparable to its twentieth-century incarnation. However, the author rejects any such notion of a fundamental break in the history of the state, which would make a comparison of ideas impracticable. Indeed, the analysis makes it abundantly clear that such a study is both possible and useful. Even if it were the case that the state is a completely different object now, the claim that it is impossible or fruitless to compare ideas about it is actually itself a judgment based on a comparison.

Writing a history of ideas brings to the fore the oscillation of certain themes over time or, as some would put it, the waxing and waning of intellectual trends and fashions.[8] Joseph A. Schumpeter mentions four reasons for conducting a history of science which may suffice as justification for the subsequent analysis. First, in order to understand our contemporary world we must know history. All accounts of the present are reactions to past events or propositions. Second, studying old thoughts may help formulate new ideas and insights. As Schumpeter puts it, a 'man's mind must be indeed sluggish if, standing back from the work of his time and beholding the wide mountain

8. For an interesting view of the role and worth of the study of intellectual history, see, for example, Arthur O. Lovejoy, 'Reflections on the History of Ideas', *Journal of the History of Ideas* (Vol. 1, No. 1, 1940), pp. 3-23.

ranges of past thought, he does not experience a widening of his own horizon'.[9] Third, as the activity of reasoning reveal the thought processes of its proponent, the history of ideas may also teach us how the human mind works. Finally, inventions in the mechanical sciences are passed on to posterity by being incorporated into pieces of equipment. In contrast, lessons learned in history stand a greater risk of being forgotten unless constantly repeated and re-evaluated against contemporary circumstances.[10] Nevertheless, one problem that we need to keep in mind when contrasting our three thinkers is that Cobden does not often use the terms 'the state' or 'the nation-state'. However, this does not mean that he does not have a conception of what we today associate with these words, namely government, sovereignty, territoriality, nationalism, national self-determination, country, and state institutions as supreme forces in domestic as well as international politics.

Additionally, the thesis also employs elements from the sociology of knowledge — as initially developed by Karl Mannheim — by assuming a relationship between a thinker's socio-cultural environment and his ideas about, in this case, the role of the state. Helen Merrell Lynd provides one example of such an assumption when she claims, '[a]ny period of major advance in material achievement tends to be deceptive to people living in it'.[11] As pointed out by Karl Popper, one problem with the sociology of knowledge is its potential determinism. Many people may have similar personal and cultural backgrounds and similar experiences with regard to work and academic contacts. However, despite having similar backgrounds they do not have similar views to Cobden, Mitrany, and Ohmae. Hypothetically, to claim that the unique life of, for example, Cobden prompted a critical view of British foreign politics would deprive him of any degree of free choice and individual cogitation. In spite of using elements of Mannheim's sociology of knowledge (who thinks that we can pass limited judgements about the validity of an argument by analysing its relationship with its social, historical, and political context), this dissertation does not draw any conclusion as to whether the state actually is declining or not. The author does not agree with Mannheim that we can make such an evaluation based on a sociology-of-knowledge analysis. Instead, the main

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9. Joseph A. Schumpeter, *History of Economic Analysis*, Ed. E.B. Schumpeter (New York, NY: Oxford University Press, 1963), p. 5.
10. *Ibid.*, pp. 4-6.
11. Helen Merrell Lynd, *England in the Eighteen-eighties: Toward a Social Basis for Freedom* (New York, NY: Oxford University Press, 1945), p. 23.

reason for adopting this approach is that it directs our attention to how the world around our three thinkers influences their ideas, which, in turn, deepens our understanding of their hypotheses.[12]

One key characteristic in Cobden, Mitrany, and Ohmae's arguments is the notion that they live in a unique historical situation. They each believe that they are witnessing the beginnings of a new age. Since they regard the problems facing state and society as unprecedented, all three tend to present their notions about the decline of the state as entirely novel. By implication, their ideas cannot be grouped together with formulations from previous historical eras, or so they are inclined to reason. They do not trace their ideas to previous thinkers and explicitly build their arguments on an existing body of thought. In other words, Cobden, Mitrany, and Ohmae do not acknowledge belonging to an established tradition of state denial, and the dissertation does not foist them into any recognised intellectual institution. Doing so would depend entirely on how we define 'intellectual tradition' and what kind of criteria we establish for 'recognised'. Instead, the analysis demonstrates parallels in their thought, which exist for everyone to see. Whether we call it a tradition or not is uninteresting. Of course, Cobden, Mitrany, and Ohmae are affected by earlier critiques of the state even if they do not openly admit it all the time, and where relevant this will be pointed out. As a result of our methodology, the sociology of knowledge, the dissertation emphasises the influence of personal and historical circumstances on the formation of the authors' views.

The criteria and justification for choosing to analyse the ideas of Cobden, Mitrany, and Ohmae are that they are widely acknowledged as outspoken liberal 'decline-of-the-state proponents'. They exist and people listen to their ideas and arguments. Therefore, to borrow the words of A.J.P. Taylor, 'they deserve to be put on record'.[13] In addition, being from different historical periods, they provide a good way of capturing the varying formulations of liberal international thought over time. Rather than presenting a long list of observers here who confirm Cobden, Mitrany, and

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12. For further discussion, see, for example, Karl Mannheim, *Ideology and Utopia: An Introduction to the Sociology of Knowledge* (London: Routledge and Kegan Paul, 1936); James E. Curtis and John W. Petras, 'Introduction', in James E. Curtis and John W. Petras (eds.), *The Sociology of Knowledge: A Reader* (London: Duckworth, 1970), p 12; Karl R. Popper, *The Poverty of Historicism*, Second Edition (London: Routledge and Kegan Paul, 1960), 154-56; and Karl R. Popper, *The Open Society and Its Enemies, Volume II*, Fifth Edition (London: Routledge and Kegan Paul, 1966), pp. 212-23, especially p. 222.

13. A.J.P. Taylor, *The Troublemakers: Dissent of Foreign Policy, 1792-1939* (London: Hamish Hamilton, 1957), p. 15.

Ohmae's credentials as some of the most significant proponents of the decline of the state, this will be done throughout the text as we analyse their ideas and how they have been interpreted.

It should also be mentioned that while the thesis uses both primary and secondary resources, it does not present any significant amount of previously unpublished information. The reason is twofold. First, it would simply not be feasible to include a discussion about how and why Cobden, Mitrany, and Ohmae's public pronouncements are different from their privately conveyed ideas. Such an analysis would fall outside the scope of the thesis. The aim of the thesis is to say something new about the liberal idea of the decline of the state, not necessarily to reveal previously unknown facts about Cobden, Mitrany, and Ohmae individually. Secondly, the choice of Cobden, Mitrany, and Ohmae rests on their reputations as outspoken proponents of state decline. The thesis implicitly asks the question whether Cobden, Mitrany, and Ohmae's opponents have interpreted their ideas correctly. Have their critics given them a fair reading? We do not have to (perhaps we should not) go to unpublished letters and papers to find several instances when the three fly in the face of their own decline-of-the-state hypotheses. Indeed, our argument that the complexity of the idea of the decline of the state has been generally overlooked or disregarded is strengthened by the fact that we do not have go to previously unpublished material.

Disposition

Not surprisingly, the hypothesis exhibits wide differences between Cobden, Mitrany, and Ohmae. Yet, despite these differences, three inextricably linked sets of elements run through their propositions regarding the state. These are (1) empirical observations or statements aimed at establishing facts (*e.g.*, the state is not able successfully to steer economic activities); succeeded by (2) normative judgements (*e.g.*, the state has no right unduly to restrict individual freedom of action, an attitude which implies that the state should scale back on its activities and attempts to control); and (3) predictive assertions (*e.g.*, as a result of increasing information about conditions in other countries, and increasing international activities, the state will lose significance).

According to Fred Halliday, 'the state' can be conceived generally in two ways: a) in its domestic appearance and role; and b) as a country in the international system. According to the first understanding, the state is a 'specific set of coercive and administrative institutions, distinct from the broader political, social and national

context in which it finds itself'.[14] This conceptualisation draws our attention to a number of distinctions between, on the one hand, the state, and, on the other, society, government, and nation. Even if it does not resolve once and for all the question of where the state ends and society begins at a given historical point, it highlights variations in the organisation of government over time and across different cultures.[15]

The state in the second form denotes a 'national-territorial totality' on political maps, '*viz.* the country as a whole and all that is within it: territory, government, people, society'.[16] In order to exemplify this unitary understanding of the state, Halliday uses F.S. Northedge's definition, who claims that the state 'is in reality a means of organizing people for the purpose of their participation in the international system'.[17] Essentially, the second concept of the state directs our attention to the ways in which the nation-state interacts with other nation-states as well as international non-state actors. Despite Halliday's assertions, Northedge's definition allows for an unbundling of the concept. Seeing the state as a 'means of organising people' separates the *means* from the *people*, with the state referring to the former and society to the latter. In short, Halliday's dualistic view of the state is not completely sustainable as the two concepts are not completely logically separable.[18] Nevertheless, even if the distinction is an abstraction it corresponds to our daily use of the term,[19] and it is useful for analytical and organisational purposes.[20] Except when analysing Cobden individually from Mitrany, and Ohmae, we will henceforth use the concept of 'the state' for government institutions, and 'the nation-state' for country, that is, a territorial mode of political organisation. The reason for excluding Cobden is that he and his contemporaries never make any consistent use of the term 'nation-state'. As we will discuss briefly in chapter

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14. Fred Halliday, 'State and Society in International Relations: A Second Agenda', *Millennium: Journal of International Studies* (Vol. 16, No. 2, 1987), p. 219. Reprinted in Fred Halliday, *Rethinking International Relations* (London: Macmillan Press, 1994), p. 79.

15. For a further discussion, see, for example, Timothy Mitchell, 'The Limits of the State: Beyond Statist Approaches and Their Critics', *American Political Science Review* (Vol. 85, No. 1, 1991), pp. 77-97.

16. Halliday, 'State and Society', p. 217.

17. F.S. Northedge, *The International Political System* (London: Faber & Faber, 1976), p. 15 in Halliday, 'State and Society', 217.

18. For a critical analysis on the relationship between Halliday's two concepts of the state, see Hidemi Suganami, 'Halliday's Two Concepts of State', *Millennium: Journal of International Studies* (Vol. 17, No. 1, 1988), pp. 71-76. See also Fred Halliday, 'States, Discourses, Classes: A Rejoinder to Suganami, Palan, Forbes', *Millennium: Journal of International Studies* (Vol. 17, No. 1, 1988), pp. 77-80.

19. Halliday, 'State and Society', p. 218.

20. For a version of the dualistic view of the state, see also Economides and Wilson, *The Economic Factor*, pp. 190-91.

five, it does not take hold in the English language until the second half of the nineteenth, and beginning of the twentieth centuries.

After a brief biographical chapter, the text is divided into three sections. The first and second sections are further divided into chapters analysing the state in its domestic and international appearance respectively. The first section analyses Cobden, Mitrany, and Ohmae's descriptive claims. Chapter three points out that they do not argue that the state is powerless strictly speaking. On the contrary, they tend to regard it as inadequate or inappropriate but still too powerful and interfering. Chapter four argues that their descriptions of a process of change, in which the nation-state is becoming obsolete, provide internally conflicting accounts regarding the stage of transformation. The second section focuses on Cobden, Mitrany, and Ohmae's prescriptions for state decline. Chapters five and six, concentrating on the domestic and the international dimensions respectively, contend that their anti-state rhetoric sits uneasily with their proposals for what governments should do to promote, for example, economic growth and what roles nation-states should have in international relations. There is a tension between their views about the inherent and fundamental flaws in the institution of the state, on the one hand, and their suggestions for the roles states should adopt in domestic, as well as international affairs, on the other hand. The third section directs the attention to Cobden, Mitrany, and Ohmae's prophesies of state decline. Chapter seven hones in on their tendency to base their predictions on the assumption that the state will have to decline or else wealth and international security will suffer. However, to predicate forecasts on the notion that people and their politicians will come to their senses and roll back the state is naïve and idealistic. Chapter eight provides a conclusion and brief recapitulation of the main lessons of our conceptual and historical analysis.

It should perhaps be clarified that many of the themes in the subsequent analysis can be identified with a broadly realist perspective in the academic discipline of International Relations. The main reason for discussing Cobden, Mitrany, and Ohmae's views on issues such as military power, nationalism, economic growth, interdependence, national security, sovereignty, war, and peace is that they, themselves, bring up these subjects when appraising the decline of the state. It should go without saying, however, that the manner in which these themes are examined and presented here, naturally, also reflects the author's thought process.

The ideas under investigation are like sand on a beach with neither any distinct beginning nor end. Cobden, Mitrany, and Ohmae's notions of the decline of the state

form part of their much wider concerns with economics, politics, and society in general. To them, the various subjects are inextricably interconnected not only through logical, but also through implicit and intuitive links. As with any academic writing within the social sciences, what follows is a personal interpretation of Cobden, Mitrany, and Ohmae. Naturally, the aim is nevertheless to provide a disquisition based on a close reading of their texts. I do not intend to provide a full account of all their activities and views during their lifetimes. My description of them is necessarily partial with an emphasis on their opinions regarding the state. However, even this picture will not be complete due to their prolific writing. Generalisations and simplifications are necessary, and my aim is to make these in a judicious and balanced manner. In short, what follows is my view regarding their written, as well as spoken output. It is not a full rehearsal of their opinions. The purpose is not for them to speak through me, but for me to advance an argument about the idea of the dwindling state. If the reader desires a full picture of the three, he or she can always go directly to Cobden, Mitrany, and Ohmae's publications. What follows is my interpretation and argument about the liberal idea of the decline of the state as it is presented by three of its most widely recognised proponents.

2

BRIEF BIOGRAPHIES

The purpose of this chapter is to provide the reader with a flavour of their varied and colourful lives as they dedicated them to international liberalism, world peace, and the promotion of economic development. An additional objective is to present a general picture of their historical and intellectual contexts.

Richard Cobden (1804-1865)

Richard Cobden's name and career was intimately connected with the rise of the principle of free trade in England and Europe during the nineteenth century. His name became almost synonymous with an era in English history. It was an age characterised by the ascendancy of the middle class, liberalism, and the minimal state. E.L. Woodward terms the period 1815-1870 'the age of reform' in English history.[1] Cobden lived through a time when scientific progress, economic growth, in addition to social reform transformed England into a modern industrial society. To him and many of his contemporaries, bills such as the Parliamentary Reform Act in 1832, the Poor Law Amendment Act of 1834, the Municipal Corporations Act of 1835, the Factory Acts of 1844 and 1847, and the Education Act of 1870 corroborated the view that the period since the end of the Napoleonic wars was truly a new era.[2] These bills increased the scope and power of local government. They enfranchised a wider electorate and they took some initial steps of protecting labour, primarily by curbing the use of children in coal mines.

But it was not only domestic improvements which convinced Cobden this was a new age. People in England were increasingly aware of colonial mismanagement and an increasing number of voices were calling for 'responsible government'. The growth of nationalism, as well as urbanisation and improvements in communications, brought people closer together both physically and psychologically into distinct communities. However, just when nationalism started to assert itself as a significant force, Europe

1. E.L. Woodward, *The Age of Reform, 1815-1870* (Oxford: Oxford University Press, 1938).
2. Cobden had already passed away by 1870. However, he was a strong advocate of universal education and was, throughout his life involved in debates regarding educational reform. See, for example, Peter Nelson Farrar, 'Richard Cobden, Educationist, Economist and Statesman' (University of Sheffield: Unpublished Ph.D. Thesis, 1987).

also experienced the development of internationalism through increasing trade and communication. It was a time when the belief in progress was more or less complete. Written in the wake of the Reform Act of 1832, the advertisement to Cobden's second pamphlet entitled 'Russia' states:

> If, as has lately been shown in England, at certain periods in the history of a nation, it becomes necessary to review its principles of domestic policy, for the purpose of adapting the government to the changing and improving condition of its people — it must be equally the part of a wise community to alter the maxims by which its foreign relations have, in past times, been regulated, in conformity with the changes that have taken place over the entire globe.[3]

During Cobden's lifetime the manufacturing classes grew in numbers, as well as wealth and power, as the cotton factories in Birmingham and Manchester and other provincial towns expanded. Industrialisation produced new groups in society with increasing political significance, a development which challenged the landed aristocracy in particular. Even though Cobden considered himself to be a spokesman of the middle classes, he believed that its interest in free trade would have beneficial effects on peace and prosperity all over the world and for all times.[4] Nevertheless, Cobden had a tendency to see national society as divided into classes. The main contenders were, on the one side, the artisans, 'the peasantry', 'the capitalists, merchants, manufacturers, and traders, who can reap no other fruits from hostilities but bankruptcy and ruin ... and all other classes of the community' (in favour of peace), and, on the other side, 'diplomatists', 'crowned heads', 'ambassadresses', and aristocrats inducing the government to act in accordance with the old principles of the balance of power.[5]

In his pamphlets and public speeches, despite seeing Britain as a great commercial nation, he constantly exhorted his fellow countrymen to treat other nationalities with respect, thus, establishing his reputation, in the words of J.A. Hobson, as 'the international man'.[6] Cobden's ideas had a huge influence both on his contemporaries (not only in Great Britain) but also on subsequent writers such as T.H. Green, J.A.

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3. Richard Cobden, 'Russia' (1836), in Richard Cobden, *The Political Writings of Richard Cobden, Vol. I*, of Two Volumes, Fourth Edition (London: T. Fisher Unwin, 1903 [first published 1867]), p. 122.
4. Unknown author, *Richard Cobden. The Man and His Policy*, Leaflets, New Series No. 48 (London: Jas. Truscott and Son, 1904), pp. 4 and 6.
5. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, pp. 253-54.
6. J.A. Hobson, *Richard Cobden: The International Man* (London: Ernest Benn Limited, 1968 [first published 1918])

Hobson, L.T. Hobhouse, and Norman Angell, as well as American Secretary of State, in the Roosevelt administration, Cordell Hull.[7]

Life, Personality, and General Concerns

Cobden was born in the hamlet of Heyshott, in West Sussex. He was the fourth child in a yeoman farmer's family of eleven children. Due to economic misfortunes at the end of the Napoleonic wars (or simply his father's bad financial judgement, according to some accounts), Cobden was, at the age of ten, sent to a school in Yorkshire. This was one of the notorious schools later exposed by Charles Dickens in *Nicholas Nickleby*. There he spent five years before his family realised the squalid conditions under which he lived and brought him to his uncle in London. Cobden started his working life as a clerk at his uncle's warehouse, but was later promoted to a travelling salesman in Ireland. In 1829, Cobden and two partners started their own business selling calico in London. Reductions of import duties on cotton cloth in the spring of 1831 helped as they expanded their business to printing calicoes at Sabden, near Blackburn. This brought Cobden to Manchester in the early 1830s where he first made his name in addition to a small fortune.

Cobden's moderate degree of financial independence allowed him gradually to go into politics — which he came to see as his main calling — initially by writing pamphlets, the first of which was 'England, Ireland, and America' in 1835 under the pseudonym 'A Manchester Manufacturer'. By his own admission, he took many of his

7. H. Donaldson Jordan, 'The Case of Richard Cobden', *Proceedings of the Massachusetts Historical Society* (Vol. 83, 1971), p. 45. See also Johan Norberg, *Den Svenska Liberalismens Historia* (Stockholm: Timbro, 1998), especially p. 123, and Jaan Pennar, 'Richard Cobden and Cordell Hull: A Comparative Study of the Commercial Policies of Nineteenth Century England and Contemporary United States' (Princeton University: Unpublished Ph.D. Thesis, 1953). For Cobden's wider impact, see Camille Palma Castorina, 'Richard Cobden and the Intellectual Development and Influence of the Manchester School of Economics' (Victoria University of Manchester: Unpublished Ph.D. Thesis, 1976). For some good biographies of Cobden, see, for example, John Morley, *The Life of Richard Cobden*, Fourteenth Edition (London: T. Fisher Unwin Ltd., 1920 [first published 1879 in two volumes]); Nicholas C. Edsall, *Richard Cobden, Independent Radical* (Cambridge, MA: Harvard University Press, 1986); Wendy Hinde, *Richard Cobden: A Victorian Outsider* (New Haven: Yale University Press, 1987); Hobson, *Cobden: The International Man*. Hobson makes some interpretations of Cobden in his book, but to a large extent it consists of letters written by Cobden, many of them previously not published. See also Lionel James Carter, 'The Development of Cobden's Thought on International Relations, Particularly with Reference to his Rôle in the Mid-nineteenth Century Peace Movement' (Sidney Sussex College: Unpublished Ph.D. Thesis, 1970), and Farrar, 'Cobden, Educationist, Economist and Statesman'.

political cues from Adam Smith, Benjamin Franklin, Edmund Burke, and David Hume.[8] Cobden's second pamphlet, entitled 'Russia' first published in 1836, made him quite famous, but he rose to prominence primarily through his leadership of the Anti-Corn Law League. He was a Member of Parliament first between 1841 and 1857 (for Stockport 1841-1847, West Riding 1847-1857), and then from 1859 to his death in 1865 (for Rochdale). There is, for example, a statue of Cobden in Camden Town, and a street in Vienna which is named after him. Cobden's main political successes were the Repeal of the Corn Laws in 1846 and the negotiation of the Anglo-French Commercial Treaty concluded in 1861.[9]

Cobden made several journeys throughout his life both in his capacity as a travelling salesman, out of interest, but also later in life because his weak health required him to spend winters away from the English climate. For example, after the repeal of the Corn Laws, in June 1846, Cobden entered upon a Continental tour together with his wife lasting from August 1846 to October the following year. On this journey, he met with, among others, Prince Metternich, King Louis Philippe, and the Pope. He made two journeys to America in addition to several shorter trips all over Europe, as well as one to Egypt in late 1836 and early 1837. During his travels, he saw himself as a representative of the people of England, rather than their government.

Cobden was an avid reader and an autodidact. Robert Peel, in his paean to Cobden after the Repeal of the Corn Laws in 1846, commended him for having unmatched knowledge of relevant facts regarding those issues which he discussed. However, according to the historian John Vincent, Cobden was '[n]o master of the Victorian cultural apparatus, he was unable to pass on his vision even to sympathizers, and in general he earned the hearty contempt of the educated'.[10] This is a contempt that he shares with Kenichi Ohmae. However, judgements about Cobden differ widely. John McGilchrist describes him as a patriotic and philanthropic statesman and as 'the great apostle of kindliness and conciliation in international relations'.[11] Another author argues that Cobden held that 'each man, weak or strong, should fight for his own hand. He had

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8. See, for example, Richard Cobden, London, 1 May, 1844, speech on free trade, in Richard Cobden, *Speeches on Questions of Public Policy, Vol. 1*, of Two Volumes, Eds. John Bright and James E. Thorold Rogers (London: Macmillan and Co., 1870), p. 180.

9. Jordan, 'The Case of Richard Cobden', pp. 34-45, especially, p. 34.

10. John Vincent, *The Formation of the British Liberal Party, 1857-1868* (Harmondsworth: Penguin Books, 1972 [first published 1966]), p. 72.

11. John McGilchrist, *Richard Cobden, The Apostle of Free Trade, His Political Career and Public Services. A Biography* (London: Lockwood and Co., 1865), p. 255.

no sympathy for the weak'.[12] Whatever the case may have been, 150 years on, Cobden still provokes thought and disagreement.[13]

His principal political concerns can be summed up in the motto of the Cobden Club formed after his death: 'free trade, peace, and goodwill'.[14] First, the principle of free trade took its clearest expression during the anti-corn law campaign. To Cobden, import duties on corn deprived people of affordable food and sustained an old order of feudal interests. Duties, in general, also retarded the growth of industry and civilisation. Secondly, according to Cobden, free trade was intimately linked with peace. Just as merchants did not have anything to gain by using physical force against each other, so nations who embarked on the road of commerce did not have to fear war at every corner. The world had changed dramatically since the end of the Napoleonic wars in 1814. Previously, war and military prowess decided a nation's standing in the international order. With industrialisation a new commercial era had arrived, according to him. War was the greatest enemy of the people because not only did their soldiers die (often in vain) in faraway lands, but they were taxed exorbitant rates which crippled economic growth and prosperity. War and protectionism were two sides of the same coin of misgovernment. It kept the lower and middle classes ignorant of their true interests in commerce, an interest which they shared with all other civilised nations. Thirdly, many of Cobden's objections to English politics rested on utilitarian grounds. Cobden preferred to use arguments appealing to people's material and pecuniary interests. He tended to flatter them by describing them as magnanimous and moral persons, but when he wanted them to support an issue or change their behaviour, he referred to the financial gains which were supposed to come from an adoption of his proposals. However, he also held very strong Christian moral principles and he constantly promoted an international outlook by arguing in favour of goodwill and an increased understanding of other nations. Woven into these three tenets are his ideals of individual freedom, responsibility, and enterprise.

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12. Unknown author, *Cobden. The Man and His Policy*, p. 8. For an indictment (albeit more because of a personal grievance), see Alexander Somerville, *Cobdenic Policy: The Internal Enemy of England* (London: Robert Hardwicke, 1854).

13. See, for example, Andrew Marrison (ed.), *Free Trade and Its Reception 1815-1960, Volume I, Freedom and Trade* (London: Routledge, 1998).

14. Jordan, 'The Case of Richard Cobden', p. 34, and Anthony Howe, *Free Trade and Liberal England, 1846-1946* (Oxford: Clarendon Press, 1997), p. vii.

Already, in his first two pamphlets, Cobden saw international free trade as panacea for the creation of a peaceful international system. According to him, commerce was 'the very root of civilization'.[15] However, it was not until the autumn of 1848 that he became significantly involved in the peace movement, and the Quaker-dominated Peace Society. The general and profound war weariness after 1814 in addition to the relative peace in Europe until the First World War provided a propitious climate for the development of ideas of world peace. The Napoleonic Wars had sustained conservatism and protectionist policies in favour of agrarian interests. As Guido de Ruggiero notes, 'To the conservative position the war gave the highest patriotic sanction'.[16] However, the tide of change was working in Cobden's favour. With the end of the war any remaining arguments in favour of protectionism for national security were gradually undermined. The limited nature of the wars in Europe during the nineteenth century seems to have contributed to the conviction that wars could be dealt with through rational calculation and open deliberation concerning just and unjust claims.

Needless to say, perhaps, but public opinion during the period was not uniformly benign to the work for international peace. Initially, the Crimean War was very popular in England. Cobden even lost his seat in Parliament for opposing it. Nevertheless, with international congresses in, for example, Paris (1849) and Frankfurt (1850), as well as with the Peace Society's strong presence at the Great Exhibition in 1851, the peace movement was one of the most notable transnational movements of the nineteenth century. Some of the more orthodox elements in the Peace Society supported pacifism and unconditional non-resistance, but Cobden, who accepted war in self defence, was convinced that such schemes were politically unobtainable, and that they ran the risk of impeding the attainment of other more modest steps towards lasting peace. Nevertheless, it should be emphasised that Cobden drew much of his inspiration and arguments about a feasible international order from debates emanating within the peace movement, especially after his Continental tour of 1846-47.

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15. Richard Cobden, 'England, Ireland, and America' (1835), in Cobden, *The Political Writings, Vol. I*, p. 41.
16. Guido de Ruggiero, *The History of European Liberalism*, Trans. R.G. Collingwood (Oxford: Oxford University Press, 1927), p. 93.

David Mitrany (1888-1975)

Mitrany saw the world as being caught in a contradictory and impossible situation: between social and economic international interdependence on the one hand, and the efforts by nations to establish sovereign statehood on the other. This perception was confirmed by both the first and the second world wars. After all, Serbian nationalism and clamour for self-determination ignited, if not caused, war in 1914. Additionally, extreme nationalism in the forms of Nazism and fascism, in combination with the failure of the states system to arrange for international government, were responsible for the Second World War.

One reason why World War I was such a shock to its generation was that it occurred despite a growing number of international institutions. That is to say, the expansion of international life had brought about a recognition of the need to manage and regulate, for example, transport and communications between countries. Nation-states had set up (or allowed) international norms and organisations (such as the International Union of Railways, the International Transport Office of the Berne Convention, the General Postal Union, and the Union Télégraphique Universelle) in order to increase the efficiency and facilitate interaction across different regulatory systems. In addition, with the Navigation Laws from 1856, the first Geneva Convention of 1864, arms agreements in St. Petersburg in 1868, and the Hague Conferences in 1899 and 1907 governments attempted to limit the extent and destructiveness of war. In addition to being an arms limitation agreement, the Hague system was an attempt to improve (by recognising the equal rights of small states) or perhaps even replace a European Congress System, based on the balance-of-power idea, and upheld by the Great Powers. The Hague system laid down norms for international arbitration in an attempt to provide a rational and progressive system for good and peaceful relations between states on a voluntary basis.[17] Importantly, the failure of any of these international institutions, organisations, or agreements to curb state sovereignty was widely blamed for WWI. In the inter-war period and early years of the World War II, the notion of the decline of the nation-state was associated with its inability to prevent war. Mitrany shared the view expressed by W. Friedmann that the Peace Treaties of

17. See, for example, A.J.R Groom, 'The Advent of International Institutions', in Paul Taylor and A.J.R. Groom (eds.), *International Organisation: A Conceptual Approach* (London: Frances Pinter, 1978), p. 19-24.

1919 were 'an heroic failure to solve the political problem of Europe by a settlement based on sovereign States formed according to principles of national self-determination'.[18] Despite international institutions, economic interdependence, norms for the peaceful settlement of international disputes, and a sense of growing humanism through recognition of the need to limit the amount of armaments as well as their destructiveness, 'Europe in 1914 was a continent of naked nationalism'.[19] Since people of different countries had become interdependent, Mitrany, along with other thinkers such as Leonard Woolf, argued that the answer to unbridled expressions of state sovereignty was somehow to govern inter-state relations. And, only some form of *world* government could work adequately to accommodate the needs of the world community.

It would be simplistic to point only to economic interdependence and more nation-states as the only characteristic features of the first half of the twentieth century. Since the 1880s, it was becoming increasingly clear that a new form of nation-state was emerging in conjunction with a new social ideal.[20] Increasing government involvement through legislation, regulation, and control of core aspects of domestic life were producing a new service state. This development went hand in hand with the ascendancy of notions that individuals in isolation can achieve neither material welfare nor positive freedom, and that the role of governments is actively to promote a social basis for these goals.[21] In Mitrany's words, 'Security, economic and social development, all require under present conditions, whatever the unit of organization, centralized planning and control'.[22] The inter-war period witnessed a further spread of this ideological shift from liberalism to forms of collectivism, that is, the move from the rights of individuals to the precedence of the group and community.[23]

Given the fluidity of social and economic relations, a new order, according to Mitrany, could not be based on rigid written constitutions, as federalists would have it,

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18. See, for example, W. Friedmann, *The Crisis of the National State* (London: Macmillan & Co., 1943), p. 4.
19. John Keegan, *The First World War* (New York, NY: Vintage Books, 2000 [first published 1998]), p. 17.
20. See, for example, Helen Merrell Lynd, *England in the Eighteen-eighties: Toward a Social Basis for Freedom* (New York, NY: Oxford University Press, 1945).
21. *Ibid.*, p. 155.
22. David Mitrany, *A Working Peace System: An Argument for the Functional Development of International Organization*, Fourth Edition (London: National Peace Council, 1946 [first published 1943]), p. 26.
23. See, for example, Mauricio Rojas, *The Rise and Fall of the Swedish Model*, Trans. Roger Tanner (London: The Social Market Foundation, 1998 [first published in Swedish by Timbro 1996]), p. 154.

or political dogma as represented by the tenacious appeals to sovereignty, state equality, and national independence. Instead, as evidenced by domestic economic management, as well as international cooperation during WWI, it had to be flexible and adaptable in response to changing needs and circumstances.

Life, Personality, and General Concerns

Mitrany came, after early military service in his native Romania, and three years in Hamburg, to London and the London School of Economics in 1912 to study Sociology under L.T. Hobhouse and Political Science under Graham Wallas. His tutors at the LSE exposed him to English Pluralism, Fabian thinking, and guild socialism, and both of them had a strong influence on his intellectual development.[24] In time, Mitrany's intention was, as he says, to 'find my work in the social field', but the First World War intervened and changed his 'outlook and purpose violently'.[25] Instead, Mitrany dedicated his working life to international relations, with a special interest in international organisations and the role of small states, and Balkan politics. Mitrany agrees with historians who see August 1914 as 'the end of that nineteenth century outlook and expectations'.[26] To say the least, Mitrany led a very interesting professional life. During the First World War, he did intelligence-related work on south-eastern Europe for the British Foreign Office and the War Office.[27] After obtaining his BSc(Econ.) from the LSE in 1918, he served in the Labour Party's Advisory Committee on International Affairs until 1931, during which time he also completed a Ph.D. in 1929 and a DSc in Economics in 1931, also at the LSE. Additionally, between 1919 and 1922, he worked for the *Manchester Guardian* as a foreign correspondent and assistant foreign editor.

After leaving the *Guardian* and unsuccessfully applying for an academic post at the LSE, Mitrany came into contact with the American Professor James Shotwell, who asked him to become the Assistant European Editor of the Carnegie Endowment's 'Economic and Social History of the First World War'. This job lasted until 1929, by which time Mitrany went to the USA where he felt he had a unique chance to experience, first hand, the development of a functional approach to government in

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24. David Mitrany, *The Functional Theory of Politics* (London: Martin Robertson, 1975), p. 16.
25. *Ibid.*, p. 4.
26. *Ibid.*, p. 5.
27. *Ibid.*, pp. 5-6.

Roosevelt's New Deal and, in particular, the establishment of the Tennessee Valley Authority (TVA). After a visiting lectureship at Harvard and giving the prestigious Dodge Lectures at Yale, Mitrany became in 1933, after being recruited by Abraham Flexner, one of the first permanent members of the newly founded Institute for Advanced Studies at Princeton, where he formed a friendship with, among others, Dr. Albert Einstein.

As with many other members of the Institute, Mitrany was elsewhere during the Second World War, when he instead worked for the Foreign Office's Foreign Research and Press Service (FRPS) under the aegis of the Royal Institute of International Affairs and its director Arnold Toynbee. It was during his time at the RIIA that Mitrany developed the functional approach to world organisation which he had started to formulate in his Yale lectures, published as *The Progress of International Government.*[28] Despite some subsequent friction between Flexner and Mitrany, Mitrany did not give up his professorship at Princeton until 1950.[29] Between 1944 and his retirement in 1960, he also served as part-time advisor on international affairs for Unilever Limited, receiving vital insights into the role of business in international politics.[30] Despite his long-lasting appointment in Princeton, Mitrany kept close ties with Britain and considered Kingston Blount, in Oxfordshire, his home. Mitrany kept writing on international organisation, Balkan politics, as well as on domestic affairs until his death in 1975. Mitrany married the author Ena Limebeer in 1923.

Mitrany made little of his Jewish origins.[31] He saw himself (and accepted others' views of him) as a 'left Liberal' or 'a fairly left-of-centre professor' not favouring or furthering 'the standpoint or ... the interest of any one country or people', but trying to write 'only about common problems in the interest of the prospect of a common international order'.[32] He tried to maintain a 'self-imposed political purdah', being an uncommitted observer and analyst searching for 'the relation of things'.[33] Mitrany

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28. David Mitrany, *The Progress of International Government* (New Haven, CT: Yale University Press, 1933).
29. Cornelia Navari, 'David Mitrany and International Functionalism', in David Long and Peter Wilson (eds.), *Thinkers of the Twenty Years' Crisis: Inter-war Idealism Reassessed* (Oxford: Clarendon Press, 1995), p. 216, and Dorothy Anderson, 'David Mitrany (1888-1975): An Appreciation of His Life and Work', *Review of International Studies* (Vol. 24, No. 4, 1998), p. 581.
30. For a fuller account of Mitrany's life, see Mitrany, *The Functional Theory*, pp. 3-82; Navari, 'Mitrany and International Functionalism', pp. 214-46; and Anderson, 'Mitrany: An Appreciation', pp. 577-92.
31. Navari, 'Mitrany and International Functionalism', p. 217.
32. Mitrany, *The Functional Theory*, pp. 70, 31, and, for the last two quotations, p. 8.
33. *Ibid.*, p. 8.

preserved his independence by not becoming a member of any political party — despite serving on the Labour Party's Advisory Committee on International Affairs between 1918 and 1931 — instead keeping his writing and advice 'in the best tradition of English Liberalism'.[34] When asked how he had come to adopt his functional approach, he answered that 'it had not come in a flash of revelation on a mountain peak' or as an attempt to formulate (out of 'paradigms' and 'systemic' propositions) 'the ultimate scientific key to how international politics work'.[35] Rather, he attributes the growth of the functional approach to personal curiosity in the world around him. Mitrany tried to discover 'the relation of things' without prejudice (*i.e.*, with as little political, ideological, or religious allegiance as possible), letting theory be 'simply a matter of growth ... out of a student's interest and observed experience'.[36] Nevertheless, he acknowledged that he was influenced by his surroundings, not least by the 'pragmatism of English politics'.[37]

Sensitive to the power of governments to indoctrinate public opinion, Mitrany loathed inflexible ideologies and dogmas. However, even while criticising others, such as Harold Laski, for 'dogmatism',[38] Mitrany does not fully see the beam in his own eye. His approach is replete with ideals — no less ideological — that were fashionable in the first half of the twentieth century. The functional approach grew out of Mitrany's experience of the two world wars and the problems during the inter-war period. It has its intellectual roots in English pluralism and the left-of-centre current of political thought prominent in early- to mid-twentieth-century Britain, in general, and LSE, in particular.

It is difficult to overestimate the impact of the First World War on international thought in the 1920s and 1930s, but I think Mitrany undervalues the significance of economic depressions in the late nineteenth century such as the one of 1867. In addition, particularly the stock market crash in New York on 24 October 1929 and the ensuing Great Depression of the 1930s left post-war tendencies — tendencies such as attempts at a return to liberalism, faith in the roles of entrepreneurs and corporations in progress, and internationalisation through a return to the gold standard and increasing trade — in ruins. In attempts to alleviate the depression, states reintroduced protectionism and

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34. *Ibid.*, p. 66. Original quotation from James T. Shotwell, *Autobiography*, 1961, pp. 143-44.
35. Mitrany, *The Functional Theory*, p. 3.
36. *Ibid.* Mitrany refers to how he merely searched for 'the relation of things' at various instances in his 'Memoir' in Mitrany, *The Functional Theory*, for example, pp. 16, 17, 18, 36-37, and 64-65..
37. *Ibid.*, p. 48.
38. *Ibid.*, p. 17.

control (in the event exacerbating the crisis). Failing firms and rapidly increasing numbers of unemployed gave most people the impression that capitalism itself was in a crisis. Many started to look for alternatives to western liberalism. At the same time as the USA lost its position as the ideal state, the totalitarian states were perceived to be handling economic crises relatively well. Mitrany wrote during a period in history when governments and scholars looked with an envious eye to the rise of the Soviet Union and Germany and the role of economic planning in their success.

Functionalism as a socio-political project, summed up the spirit of the new age.[39] It was an era of social Fordism. It was thought that with rational planning and design, independent units could, through specialisation in particular fields or tasks, work efficiently as a whole. Mitrany never made an explicit connection between functional industrial design and his international organisations. However, the link between functional social planning and the new rational factory systems was evident in the 1930s.[40] As Paul Taylor points out, the main tenets in the functional approach are that the benefits of international cooperation may garner the loyalty of citizens, which would dilute the otherwise exclusive loyalty to the nation-state. Mitrany also believed that international cooperation in functional organisations would increase the welfare of the nations involved. By setting up cross-border administrations (organised in line with the demands of their tasks) people would develop international allegiances pressing for further integration of government. The hope was that this would in the long run amount to something close to an international 'socio-psychological community' stressing 'superordinate' common goals instead of state autonomy and national self-determination. While state governments would initiate these arrangements, the functional approach, in Taylor's words, 'could eventually enmesh national governments in a dense network of interlocking co-operative ventures'.[41]

Broadly speaking, the problems of the age were, according to Mitrany, those of rising nationalism and other extreme ideologies, clamour for national self-determination, state sovereignty, minority rights, and economic crises. Mitrany saw the

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39. Rojas, *The Swedish Model*, p. 51.
40. *Ibid.*, pp. 51-52.
41. Paul Taylor, 'Introduction', in Mitrany, *The Functional Theory*, p. x. For good and comprehensive summaries of Mitrany's thought, see, for example, Paul Taylor, 'Functionalism: The Theory of David Mitrany', in Taylor and Groom, *International Organisation*, pp. 236-52; and David Long and Lucian M. Ashworth, 'Working for Peace: The Functional Approach, Functionalism and Beyond', in Lucian M. Ashworth and David Long (eds.), *New Perspectives on International Functionalism* (London: Macmillan Press, 1999), pp. 1-26.

nation-state as an exclusive territorial manifestation of nationalism bequeathed by the nineteenth century.[42] It was a display of political divisions exacerbated by the ideology of nationalism and dogmatic adherence to the principle of state sovereignty. Most of the difficulties presented by these questions were related. Nevertheless, he did not pretend to have a panacea or a pre-defined programme which would solve them all. In contrast, the piecemeal method which he suggests would respond to felt needs and requirements of the specific issue area. Mitrany's primary objective was to devise a modus operandi for a peaceful international order.

Kenichi Ohmae (b. 1943)

One reason why Ohmae directs much of his invective at the state is that he has worked within the corporate sector. In times when companies see favourable prospects for expansion through international trade, investments, mergers and acquisitions, government regulations are often obstacles to be overcome. However, there are other significant factors to take into consideration. The 1970s and 1980s witnessed extensive political debates concerning the welfare state and the large planning state. The Soviet and East European examples were no longer the paragons of success. Indeed, they had been declining for some time already. Their complete failure in providing economic growth was becoming increasingly apparent. Parallel to this development was the recognition among many of the OECD countries that their own swelling public sectors and nationalised industries were slowing economic growth and causing crises in public finances. Discussions in the media and public opinion were heavily influenced by US President Ronald Reagan and British Prime Minister Margaret Thatcher's notions of smaller but more efficient states. The trend during the 1980s and early 1990s was to 'roll back the state', reducing regulations of economic and social activities in a wide range of spheres, especially the financial sphere but also in international trade. In Japan, questions were being raised about whether the state and its powerful Ministry of International Trade and Industry (MITI) had become a virtue or a vice for the economy. In the 1980s and even more so in the 1990s, the debate about globalisation, its causes, scope, and significance raged in political as well as scholarly circles. Globalisation is one of those concepts that captures the mood of a generation, and is constantly invoked to explain a wide variety of phenomena. To be an authority on globalisation in the

42. Mitrany, *A Working Peace System* (1946), p. 5.

1980s and 1990s was highly fashionable, as well as profitable, and Ohmae caught a surging wave of interest in the ways it was alleged to change the balance of power between the worlds of politics and economics. At present, he charges approximately US$ 50,000 for a speaking engagement.

Another source of Ohmae's attitude towards states and politicians is the hostile language between the USA and Japan regarding Japan's trade surplus in the 1980s and early 1990s. As a result of pressures from special interest groups, fanned by jingoistic and sensationalist journalists, US government officials pressured Japan to open up its economy to imports and capital investments. The situation was compounded by voters' concern over high unemployment in the USA and the supposed role of a Japanese 'invasion' of overseas markets, and protectionism at home, in preventing it from coming down. However, to Ohmae, government bombasts over US-Japanese trade relations rested on misperceptions of the nature of the new world economy. Japan was not as closed as the USA made it out to be. According to Ohmae, American misunderstandings came from companies which had failed in Japan, due not to Japan being closed but to bad planning and implementation of business strategies. Ohmae admits that Japan needs to open up some of its sectors more, especially its rice and beef industries. But he also emphatically emphasises that there is no such thing as 'Japan Inc.'. Japanese companies make their own decisions, not because MITI tells them, but because of fierce internal competition in Japan.

In contrast to the kind of misperceptions flourishing in government circles, the business world knows that Japanese investments in the USA provide jobs for American workers. Companies know how intricately linked are the economic fates of the two peoples and their nation-states, and how profitable linkages in, not least, the car industry have been to both American and Japanese auto makers. Part of the problem is that no successful company is willing to reveal the key to its success and no unsuccessful company is willing to acknowledge its own shortcomings. They would rather blame Japanese cultural exclusivity, government regulation, and protectionism. Ohmae acknowledges that conflicts may occur even in situations where interests overlap. However, he exposes a rather naïve view of conflict when he argues that these conflicts may be resolved simply by looking more rationally and dispassionately on a situation.

> I believe that the basic interests of Japan and the United States coincide and that friction occurs for precisely this reason. U.S. imports of Japanese goods grow because the majority of Americans like Japanese products. Likewise,

> American companies succeed in Japan because the majority of Japanese receive American products well.
> The problem is the special interest groups.[43]

This brings us to his personal background as a Japanese, natural scientist (with, in part, an American education), businessman-turned-politician-turned-businessman, and author.

Life, Personality, and General Concerns

Compared to Cobden and Mitrany, there is not much written about Ohmae and his life. Ohmae was born in Japan in 1943. He lives in Tokyo with his American wife and two children. He holds a BSc in applied chemistry from Waseda University and an MSc in nuclear engineering from Tokyo Institute of Technology. In addition, Ohmae wrote a Ph.D. in nuclear engineering at the Massachusetts Institute of Technology (MIT) before starting to work for Hitachi as a senior design engineer on a Japanese prototype fast breeder reactor. According to himself, he decided to leave nuclear engineering when his curriculum vitae 'Very accidentally ... came to the attention of a headhunter' who was recruiting people for McKinsey & Co.'s newly opened office in Tokyo.[44] When he left McKinsey in 1994 (after 23 years) to form his own consulting firm, Ohmae & Associates, he had become a partner and Managing Director of its Japanese office.

Ohmae is a prolific writer with over 60 books published, mostly concerning Japan and business management. He has also written numerous articles in journals such as *Electronic Business*, *Wall Street Journal*, and *Harvard Business Review*. He continues to act as consultant to both businesses and political figures, including the prime minister of Malaysia. At the same time he is a member and/or part-time consultant to several boards of directors, including MIT Corporation, Nike, the Yokohama Consulting Group, and the Sei Center for Advanced Studies in Management at Wharton Business School, University of Pennsylvania.[45] Ohmae is well recognised within management consulting and was during 1996-97 appointed Chancellor's Professor of International

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43. Kenichi Ohmae, *Fact and Friction: Kenichi Ohmae on U.S.-Japan Relations*, Eds. Ann Gregory and Sam Waite (Tokyo: The Japan Times, 1990), p. 33.
44. Interview with Kenichi Ohmae in Mariam Naficy, *The Fast Track: The Insider's Guide to Winning Jobs in Management Consulting, Investment Banking, and Securities Trading* (New York, NY: Broadway Books, 1997), p. 16.
45. See *http://nikepark.simplenet.com/brains.html*, and *http://www.marketing.wharton.upenn.edu/SEIcenter/ board2.html*

Policy at the University of California at Los Angeles (UCLA). There he taught a course with Allen J. Scott entitled 'The Emergence of Region States: The Coming Shape of Global Production, Competition and Political Order'. He also holds a number of patents to his name.

Over the years, from being mostly concerned with management issues, Ohmae developed an interest in trying to influence politics, primarily in Japan, and became a political figure by founding and chairing 'The Citizen's Forum to Achieve Reform of Heisei' in 1992 — or simply 'The Reform of Heisei' — and by establishing the Heisei Research Institute. The Reform of Heisei was 'a citizen's political movement' with over 35,000 members in the mid-1990s, and had as 'one of its chief goals the fundamental reform of the Japanese political and administrative systems'.[46] Ohmae has by now withdrawn from his involvement in The Reform of Heisei. But at the time of his strongest influence the group pushed for the formation of a new political party and the devolution of political power in Japan to 11 autonomous regions.[47] Ohmae has also made an attempt at getting elected to public office. In 1995, he stood as a candidate for the governorship of Tokyo. The main pledges of The Reform of Heisei in the 1998 local elections, '[s]overeign power for the average citizen' and '[r]ecovery of employment by efficient administration', bear witness of Ohmae's political conviction.[48] So far he has not been successful in winning any seat, but he is recognised as an influential leader of public opinion. In Japan, he is generally regarded as slightly outlandish as a result of his attacks on the powerful rice and beef lobbies and calls for land reform.[49] Nevertheless, Ohmae continues to act as consultant and advisor to political leaders, for example, in Malaysia, Singapore, and Ireland.

Today, Ohmae runs a series of educational businesses programmes over the Internet with a focus on executive-level management training. According to Prabhu Guptara of the *Financial Times*, his e-learning scheme is 'one of the first [but] ... still probably the most effective' system on offer.[50] In addition, Ohmae is putting his

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46. Kenichi Ohmae, *The End of the Nation State: The Rise of Regional Economies* (London: HarperCollins, 1995), 213. For additional information about The Reform of Heisei, see *http://www.infosnow.ne.jp/ishin/ index.html*
47. *The Economist*, 'Global Citizen Ken', 22 October, 1994, p. 99.
48. See *http://www.tv-tokyo.co.jp/senkyo/hirei/e_hir_14.html*
49. Kenichi Ohmae, *The Borderless World: Power and Strategy in the Global Marketplace* (London: HarperCollins, 1990), p. 223.
50. Prabhu Guptara, 'Drawing a Map of the New World', Book Review, *Financial Times*, 7 September, 2000.

entrepreneurial spirit and energy into e-commerce. The umbrella Ohmae and Associates includes ventures such as Jasdick, a software development house; Plat Home, an internet-based home shopping interface; and @work, a franchised chain of convenience outlets supplying home businesses. Ohmae also works with TV, where he directs (and co-owns) Business Breakthrough, a management-training channel which runs 24 hours a day over satellite.[51]

One legacy of Ohmae's time at McKinsey is that he sees nation-states almost like corporate units. Hence, he uses the same advice of increased productivity, labour improvement, and reduction of costs when he advises political leaders as when he addresses business managers. Ohmae does not lose time on lengthy research, as he believes that it might actually hamper originality. Only when you do not find a solution on your own should you consult other sources.[52] This attitude towards writing may be part of the reason why some find him original while others pour scorn on him for writing 'airport literature'. *The Economist* notes that Ohmae 'repeats himself too indiscriminately, and goes off at wild tangents' and treats 'his readers to mind-numbing lectures on America's trade accounting and the global foreign exchange market'.[53] Ohmae has a very effective way of communicating his main message. Often, he announces a pithy punch line or a statement (*i.e.*, a sound bite) that he expounds and repeats throughout his text in different ways. He 'paints' broad-brushed descriptions of how he sees the world, often using aphorisms and metaphors, such as 'the invisible continent', which is the title of his latest book. He has adopted an impressionistic writing style because, he claims, it is the Japanese way of presenting original and inspirational ideas. Nevertheless, his books reveal a wide knowledge of international business, as well as domestic and world politics.

As we will see in the following analysis, Ohmae often contradicts himself. In addition, he allows (more or less deliberately) quite an extensive latitude of ambiguity in some of his central concepts. For example, 'the borderless world' does not refer to the entire world of human interaction and organisation (even if Ohmae sometimes implies this). It represents the limited 'world' in which business activities and consumer

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51. Richard Donkin, 'Japan's Next Hope Is Still in the Garage: Interview Kenichi Ohmae: Richard Donkin on the Entrepreneur Looking to a Younger Generation to Help in His Country's Revival', *Financial Times*, 20 July, 1999.
52. Ohmae, *The Borderless World*, pp. 80-81.
53. *The Economist*, 'Global Citizen Ken', p. 99.

demands interact. Another example is his notion of a 'region state'. It is not a 'state' in the traditional sense of the term, that is, with a parliament and/or government, territory, and citizens. 'Region states' refers to concentrations of economic activities and they are only vaguely or secondarily related to a nebulous geographical area. According to Ohmae, 'They may lie entirely within or across the borders of a nation state. This does not matter'.[54] In any event, his relentless desire to be noticed and to have a positive influence on the world around him in combination with his seemingly infinite energy and self-confidence allow him to pursue a wide variety of projects. Mariam Naficy calls Ohmae 'a modern "Renaissance man"' because of his wide-ranging interests and professional experiences.[55] Hobbies include scuba diving, motorcycling, gardening, and playing the clarinet. The resulting diversity, wide perspective, and acute mind make him, like Cobden and Mitrany, very interesting to analyse.

To the question of where all his interests come from, Ohmae answers that he has a 'strange obsession with death'.[56] He implies that he wants to leave a legacy of engagement and commitment to improving the world. He wants to have no regrets, no missed opportunities, when he dies. Every year in January, he asks himself to what issue he wants to devote himself. For example, the reason he left McKinsey is that he wanted to give his undivided attention to improving Japan. More recently, education and educational reform have become pet concerns.[57] The parallels to Cobden are almost uncanny.

54. Ohmae, *The End of the Nation State*, p. 5.
55. Naficy, *The Fast Track*, p. 15.
56. *Ibid.*, p. 19.
57. *Ibid.*, pp. 19-21.

3

THE DECLINE OF THE STATE: THE EMPIRICAL CLAIM

This chapter analyses Cobden, Mitrany, and Ohmae's accounts of the nature and extent of the decline of the state domestically. Their empirical claims often emanate from their rather sophisticated theories of how economics and politics work. However, just as often, they ground their claims in 'common sense' logic and daily experiences. When approaching the question of the ways in which the state has declined domestically, the author thought he would find claims along the lines of 'the state has lost its power to influence economic and social life due to various national as well as international trends and changes'. He expected to encounter assertions pertaining to the fact that the state has lost its power, capability, or influence over economy and society; that the state as a 'specific set of coercive and administrative institutions' is not the all-encompassing, all-powerful unitary force it once used to be. It emanated from the author's association of state capacity with the hypothesis of decline. It also derived from counter-arguments to the decline of the state hypothesis claiming to expose the 'myth of the powerless state'.[1]

However, Cobden, Mitrany, and Ohmae do not put forward an unequivocal argument that the state has lost its capabilities. Instead, in several instances, they argue that the state retains its power and a very substantial influence on economy and society. Given Cobden, Mitrany, and Ohmae's reputation for being proponents of the decline of the state, this finding is certainly unexpected. The following analysis provides a reinterpretation of Cobden, Mitrany, and Ohmae's views of the state, and argues that their versions of the decline-of-the-state hypothesis do not really hypostasise a decline of state power per se. Rather they describe a decline in appropriateness and adequacy of the state when it comes to addressing problems of economic growth, social welfare, and military security. In order to understand Cobden, Mitrany, and Ohmae we need to be sensitive to the fact that they do not perceive the state as powerless. On the contrary, one of the main reasons for their engagement in debates on the state is that they see national governments and their means of control as too powerful, restrictive, and intrusive. In the age of interdependence and a growing reliance on economic as opposed

1. See, for example, Linda Weiss, *The Myth of the Powerless State: Governing the Economy in a Global Era* (Cambridge: Polity Press, 1998), and *The Economist*, 'A Survey of the World Economy: Who's in the Driving Seat?', 7 October, 1995.

to military power, states (represented by the actions and regulations of governments) are powerful, they claim, but unsuitable for the effective management of economic and social activities of societies within their borders.

Before going on to the analysis, one comment needs to be made here. Just as much as this chapter turns against interpretations of the decline-of-the-state hypothesis, it also criticises Cobden, Mitrany, and Ohmae for sometimes saying or implying that the state has lost much of its power. While their views of the state as too forceful shine through as a general theme in their ideas, their rhetoric of decline nevertheless includes comments which feed the myth of state powerlessness.

Richard Cobden and the New Age

In a letter to John Bright from 1859, shortly before embarking on the negotiations of the Anglo-French Commercial Treaty (also known as the Cobden-Chevalier Free Trade Treaty), Cobden laments that governments, 'as a rule', are 'standing conspiracies to rob and bamboozle', and, he continues, 'The more I see of the rulers of the world ... the less wisdom or greatness do I find necessary for the government of mankind'.[2] Cobden quotes approvingly an address by the committee of manufacturers of cotton in the US Congress, 13 February, 1816, 'that governments, like individuals, are apt "to feel power and forget right!"'[3] Cobden's reputation for holding a strongly suspicious and negative view of state governments is well deserved. According to an undisclosed author in *The Pall Mall Gazette*,

> The State, indeed, appears to have been regarded by Cobden as a corrupt organization of noblemen and soldiers, formed with the view of levying taxes unfairly or in excessive amount, and of expending them on unnecessary offices and wicked wars.[4]

Subsequent writers confirm Cobden's 'anti-statist' attitude. According to Anthony Howe, the notion of a Cobdenic state was one with a small army and navy, and cheap

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2. John, Viscount Morley, O.M., *The Life of Richard Cobden*, Fourteenth Edition (London: T. Fisher Unwin Ltd., 1920 [first published 1879 in two volumes]), p. 705. See also John MacCunn, *Six Radical Thinkers: Bentham, J.S. Mill, Cobden, Carlyle, Mazzini, T.H. Green* (London: Edward Arnold, 1910), p. 124.

3. Richard Cobden, 'Russia' (1836), in Richard Cobden, *The Political Writings of Richard Cobden, Vol. I*, of Two Volumes, Fourth Edition (London: T. Fisher Unwin, 1903 [first published 1867]), p. 232.

4. Unsigned, *The Pall Mall Gazette: An Evening Newspaper and Review*, 'The Church of Cobden' (Vol. 15, No. 2155, 1872), p. 121.

government with only a few revenue-raising duties. Additionally, Cobden — in the 1840s — entertained the idea of abolishing customhouses in the distant future, as well as the idea of a Europe without nation-states. In December 1860 after having concluded the Anglo-French commercial treaty, he wrote to Count de Persigny, then Home Minister of France, urging him to abolish the use of passports for English citizens travelling to, or taking up abode in, France.[5] One letter might seem as anecdotal evidence. However, it reveals a vision of a Europe where state borders have less significance. Even though it is unclear what impact this letter had, France abolished the requirement for British subjects to travel with their passports one week later. In order to capture Cobden's view about the ways in which the state has declined as an organisation (and organiser) of national government, we need to analyse his criticism of contemporary domestic politics, which include a number of claims about the actual state of the state.

The Rise of the Middle Class

Cobden believed — for good reasons — that he lived in an age of unprecedented improvement. The 'industrial revolution' was going on in England since the late eighteenth century, but it was only one aspect of the new age. A few years after the Napoleon wars, Huskisson's reduction in tariffs for products such as linen, cotton, and paper between 1823 and 1825 initiated a commercial revolution, according to Cobden. He entertained the idea that this particular revolution was having more far-reaching effects on society than many of those political revolutions to which historians pay so much attention. However, duties on corn remained high — largely because of the political influence of the landed aristocracy — and continued to be very politically sensitive until the Repeal of the Corn Laws in 1846. An attempt by Canning, in 1827, to lower tariffs on foreign corn was defeated in the House of Lords, an event which helped jolt the 'Iron Duke' of Wellington to the post of Prime Minister. Wellington introduced a restrictive corn law in 1828, which Cobden and the Anti-Corn Law League subsequently fought.[6] Even after the Repeal, the unfinished business of reform with regard to the lowering of tariffs on imports remained a pertinent element in Cobden's writing. The rise to power of an aristocratic military man with allegedly little

5. Morley, *The Life of Richard Cobden*, p. 791.
6. *Ibid.*, pp. 162-66.

understanding of the needs of the rising new commercial society was much to Cobden's chagrin and a reason for him to mistrust government.

Following Huskisson's tariff reductions, Britain experienced a period of strong economic growth and development. The expansion did not, of course, proceed without problems. Social tensions erupted in conflict, as machines were seen as capitalists' substitute for labour. The explosive growth of the population and rapid urbanisation caused problems of hygiene and sanitation in factory towns in northern England. Famines caused by swings in the economic growth cycle were common. Unskilled workers and their children suffered appalling conditions in cotton mills, coal pits, and steel factories.

According to Cobden, many of the ills are caused by import duties on food (the Corn Laws) and excessive government spending on the army and navy. The depressed working conditions and poor standards of living must be rectified by an improved and mandatory education for all. Industrialisation and the concomitant growth of the middle class, obvious signs of a relentless improvements in the manufacturing industries, and extraordinary growth in commerce indicate the start of a new age. The new order of things requires new ideas and methods of national policy. The proof is that there are certain 'wants and interests of the age' represented primarily by the trading and industrious classes.[7] Even though it stops short of universal enfranchisement, Cobden welcomes the adoption of the Reform Act of 1832, as it extends suffrage to a larger part of British society and, hence, goes some way to accommodate the interests of the middle class. The Reform Act is also Cobden's starting point when he, in 'Russia', calls for a change in British foreign policy, and criticises the balance-of-power idea. Such a change in domestic politics is proof of the need to change foreign relations as well.[8]

Until the Crimean War, which started in 1854, Cobden places a large part of his faith in public opinion to press for thrifty economic government, reform of feudal state institutions, and international peace. With the coming of the new commercial age, more and better information is becoming available, and the public needs to be educated in the affairs of governments. After meeting with Prince Metternich during his continental tour

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7. Cobden to W. Hargreaves, 31 October, 1860, Cobden Papers in the British Library Add. MS 43655, quoted in Anthony Howe, *Free Trade and Liberal England 1846-1946* (Oxford: Clarendon Press, 1997), p. 96.

8. Cobden, *The Political Writings, Vol. I*, especially, p. 122. See also William Harbutt Dawson, *Richard Cobden and Foreign Policy: A Critical Exposition, with Special Reference to our Day and its Problems* (London: George Allen and Unwin, 1926), p. 62.

(1846-1847), Cobden notes that the prince is probably the last of those statesmen who has not realised the implications of the new social order, in which fundamental reform is necessary in order to improve the condition of the people. 'This order of statesmanship will pass away with him because too much light has been shed upon the laboratory of Governments to allow them to impose upon mankind with the old formulas'.[9] Cobden uses a similar argument about Palmerston in 1839, who, he argues, represents 'the ideas of the Dark Ages'. 'He [Palmerston] is under the delusion that he is living in 1808, and as long as he lives you will not rescue him from that delusion'.[10] In order to remedy such misconceptions, Cobden pushes relentlessly for social reform and a system of education for all. He also seeks to inform the public, as well as politicians and civil servants with his pamphlets and speeches. As information is becoming more readily available through increasing commerce (both domestic and international) and improving communications (*e.g.*, the train and the telegraph), the task is to impart it to the people, which he tries to do by taking part in the establishment of schools for commercial men, factory workers, and their children.[11]

The Crimean War and the temporary loss of his seat in the Commons bear out to Cobden how easily public opinion can be excited and manipulated in favour of war. Despite some dents in his faith in the middle class as a result, he never ceases to believe that pressure for change are to be found among the middle classes and their commercial interests. They are the only groups with sufficient economic potential to counter-balance the landed aristocracy who represents the anachronistic feudal interests of England.[12] Before all social groups are educated, the mercantile and commercial classes represent the true interests of the entire nation, that is, peace, the promotion of commerce through unilateral free trade, and provident government, which bring greater economic wealth and happiness not only to England, but to the world.

The increasingly strong interests represented by the middle class are indicative of other changes in the nature of national societies. The world has changed from one in which a country's power and wealth are measured by military might and territorial extension to a world in which commerce and innovation determine which nation is at a

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9. Dawson, *Cobden and Foreign Policy*, p. 35.
10. *Ibid.*, pp. 52-53.
11. See, for example, Peter Nelson Farrar, 'Richard Cobden, Educationist, Economist and Statesman' (Unpublished Ph.D. Thesis: University of Sheffield, 1987) pp. 7 and 16.
12. Morley, *The Life of Richard Cobden*, p. 860.

more advanced stage of civilisation. This is a widespread belief in nineteenth-century England. Indeed, Cobden shares this conviction with one of his main political *bêtes noires*, Lord Palmerston, who maintains

> It is the peculiar character of the days in which we live that the merits and advantages of commerce are duly appreciated by all. In the earlier stages of civilisation, men look [*sic*] with admiration to the exercise of power — power employed in conquering and subjugating their unoffending neighbours; but in proportion as intelligence has been diffused, and as civilisation has advanced, men have been led to think that the increase of commercial enterprise, the advance of commercial prosperity, is one of the objects most deserving of the attention and of the care of mankind. Men are now well satisfied that the glory of a country consists not in overthrowing the liberties of their neighbours, but in diffusing those principles of commercial intercourse which are the great foundation of international peace. Men are satisfied that commerce is the great foundation of peace, and that peace affords the surest and only protection to commerce.[13]

Referring to America, Cobden exclaims that the contest for mastery is not 'a struggle for conquest, in which the victor will acquire territorial dominion — the fight is for commercial supremacy, and the battle will be won by the cheapest!'[14] Military men (most of whom come from the aristocracy) wage colonial wars (as well as wars in Europe) for the purpose of conquering treasures and upholding the fictitious balance of power. Another objective is to force the conquered to buy goods at dictated prices. In line with this view, Cobden distinguishes between states in the new commercial age and states in previous eras.

> But how changed is all this at the present time! An invading army instead of finding governments with a stock of bullion to tempt their cupidity, or a good balance at their banker's, would encounter nothing but debt and embarrassment, which the first shock of war would convert into bankruptcy and ruin; they would find church lands and government domains parcelled among the people; and as any attempt to levy contributions must bring the invaders at once into collision with the mass of the population, it would be found far cheaper and wiser to pay their own expenses than attempt to raise the money by a process which would convert hostilities between governments into a crusade against individuals, where every house would be

13. Lord Palmerston quoted in Salis Schwabe, *Reminiscences of Richard Cobden* (London: T. Fisher Unwin, 1895), pp. 65-66. Extract taken from the *Morning Chronicle*, 14 May, 1847.
14. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 222.

the battle-ground in defence of the most cherished rights of home, family, and property.[15]

National wealth was once measured by the amount of gold controlled by a government. Now, on the contrary, states are debt-ridden and national prosperity depends on the inventiveness of the manufacturing classes and increasing labour productivity. The state with its ostentatious symbols of military power are out of touch with the requirements of the new commercial age. However, another difference Cobden points to is the improvement in securing and defining private property. Cobden implies that the establishment of individual freedom and responsibility — under which framework man is entitled to ownership and to sell his labour, or the produce thereof — strengthens the nation against foreign governments. While the state finds its usual means of extending its influence overcome, the nation is thriving as a result of scientific, technological, economic, and moral progress. In a nutshell, Cobden captures the effects from the combination of nationalism, industrialisation, and capitalism, a world in which war had lost most of its previous function and reason but not its incidence.

Taxes, Tariffs, and Expenditure

Cobden often draws inspiration from Adam Smith. He relies on Smith particularly when he argues for economical government. Since the only way nations can compete in the new age is by producing and selling new, better, and cheaper products, governments are required to rule their countries with 'as much wisdom as goes to the successful management of a private business'.[16] For Cobden, this means that government expenditure needs to be kept low, which is the only way in which tariffs can be kept low. In turn, low tariffs mean that people can better afford to buy food, clothes, and material needed for production. Additionally, Cobden argues out of experience from his voyages that instead of bringing higher income to governments, high tariffs encourages smuggling and monopolistic agrarians as well as industrialists.[17] Another reason for

15. Richard Cobden, '1793 and 1853, in Three Letters' (1853), in Richard Cobden, *The Political Writings of Richard Cobden, Volume II*, of Two Volumes, Fourth Edition (London: T. Fisher Unwin, 1903 [first published 1867]), p. 354. The letters, written between December 1852 and January 1853, are addressed to the Reverend Sir Henry Richards.

16. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 230, in footnote.

17. See, for example, Howe, *Free Trade and Liberal England*, p. 75, and Nicholas C. Edsall, *Richard Cobden, Independent Radical* (Cambridge, MA: Harvard University Press, 1986), p. 184.

small government is that high spending forces up tax rates, which in turn put excessive burdens on commerce and production. In accordance with a Smithian economic logic, Cobden argues that excessive taxes, tariffs on imports and exports, and government interference stifle private business initiative and hamper economic growth. Only under free trade and commerce can nations prosper.[18] He provides one example of this line of reasoning when he notes that in order for the navy to attract sailors they raise wages. However, this creates problems for the private sector, as they need to increase what they pay as well. Cobden complains that first the government extracts taxes from merchants and then it forces further outlays on them in their competition for manpower. In reaction to the Crimean War, he writes,

> But war, although the greatest of consumers, not only produces nothing in return, but, by abstracting labour from productive employment and interrupting the course of trade, it impedes, in a variety of indirect ways, the creation of wealth; and, should hostilities be continued for a series of years, each successive war-loan will be felt in our commercial and manufacturing districts with an augmented pressure.[19]

Not only does high government expenditure on armaments 'crowd out' private enterprise, a large standing army and navy can do nothing to promote British trading interests. If a country is forced to import goods from Britain through military pressure, as soon as the threat is withdrawn, trade will follow its natural course. That is, countries will buy the best and cheapest products. Thus, in the incipient commercial age '*The only mode by which the Government can protect and extend our commerce, is by retrenchment, and a reduction of the duties and taxes upon the ingredients of our manufactures and the food of our artisans.*'[20] Retrenchment is a key concern for Cobden since governments, most of the time, have shown themselves to be notoriously bad at managing national affairs,[21] in comparison to the prudence and efficiency exhibited by private commercial actors. However, we need to raise two points here. First, while Cobden describes the effects of a reduction in import duties and taxes as facts, retrenchment remains an unfulfilled desire. The state has neither lost its power to

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18. See, for example, Richard Cobden, 'What Next — and Next?' (1856), in Cobden, *The Political Writings, Vol. II*, pp. 471-72.
19. *Ibid.*, p. 525.
20. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 239, in footnote, emphasis in original.
21. See, for example, Richard Cobden, 'The Three Panics: An Historical Episode' (1862), in Cobden, *The Political Writings, Vol. II*, p. 697.

exact levies, nor has it yet given up this exclusive privilege. Secondly, since Cobden spends so much time arguing — and with so much ardour — in favour of more economical government, we must conclude that he believes that it constitutes a powerful element in economic growth. Thus, Cobden implicitly admits the state continues to play a significant role in the creation of national fortunes.

Cobden does not only use economic logic when he objects to taxes, and tariffs on imports and exports. Duties hinder the civilising force of international trade and contribute to sustaining the old order of the aristocratic military establishment. Through the tax system and increased spending on armaments, the government — instead of making the produce of civilisation available for the enjoyment of life — is 'making the art of peace and the discoveries of science contribute to the barbarism of the age'.[22]

Cobden refers to previous forms of state as feudal with oligarchic governments only interested in their personal gain and continuing hold on power. Under such conditions, rulers extract taxes and tariffs as they see fit. They readily mislead their populations and excite them to go to war under false pretences. The aristocracy engages their people in wars because it serves the interests of the nobility, or they do it simply to flaunt their chivalry. The feudal order is characterised by servile peasants who are tied to the land on which they work and wholly dependent on the whims of their landlords. All these characteristics form part of an old order that may have been suitable in previous dark times. However, in the new commercial age, they are anachronisms or atavisms, no longer apposite in a society with an informed public and where people own the right to sell their labour and the produce of their land.

David Mitrany and 'The Trend of Our Time'

Mitrany, too, is renowned for his anti-state attitude. Inis L. Claude, Jr., for example, claims the temperament of the functional approach 'is one characterized by an essential negative attitude toward the state, nationalism, power, and politics'.[23] Many interpret his functional approach as describing a state system increasingly overlaid by dense webs of international activities, and a transnational socio-psychological community in which

22. Richard Cobden, House of Commons, 12 June, 1849, *Speeches on Questions of Public Policy, Volume II*, of Two Volumes, Eds. John Bright and James E. Thorold Rogers (London: Macmillan and Co., 1870), pp. 168-69.
23. Inis L. Claude, Jr., *Swords into Plowshares: The Problems and Progress of International Organization*, Fourth Edition (New York, NY: Random House, 1971), p. 390.

only parts of people's loyalty are ascribed to the nation-state.[24] In addition to belonging to a nationality (a culturally and biologically definable group), individuals and groups develop a sense of allegiance to common, international functional organisations which provide an increasing number of services and satisfy an increasing number of needs. The basic idea in Mitrany's functional approach is that the state relinquishes portions of its authority over domestic jurisdiction to international functional organisations. One example includes the allocation and use of radio wavelengths. Under a functional scheme, an individual state no longer exercises the sole and exclusive sovereignty over which wavelengths its domestic radio stations utilise. This is done by a functional organisation in cooperation with radio producers and consumers from other countries in the interest of world broadcasting. Hence:

> Functionalism marks a significant adjustment in the size of the units which are appropriate to the provision of welfare. The extended family gave way to the state because of the inadequacies of the former in terms of economic efficiency ... the state must now give way to inter- and cross-national organisations which ... are more closely related to changing economic conditions and welfare needs.[25]

Mitrany mentions that the outbreak of the First World War prompted him to write for the purpose of international peace.[26] His attempts at devising a working peace system includes strong aversions against state authority, which he shares with contemporary English pluralist writers such as G.D.H. Cole, N.J. Figgis, and Harold Laski. Also, coming from Eastern Europe and a Jewish background, he is particularly sensitive to the ways in which governments can use state apparatuses to breed and exploit divisions between different national and religious groups. While Cole, Figgis, and Laski are concerned primarily with the state in its domestic appearance, Mitrany marries the pluralist critique of the ascendancy of the state with internationalism in the liberal tradition, 'in the event extending both traditions'.[27] However, in order to understand his views and criticism of the state, we need to take into account that

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24. For a recent analysis, see Lucian M. Ashworth and David Long (eds.), *New Perspectives on International Functionalism* (Houndsmill: Macmillan Press, 1999).
25. Paul Taylor and A.J.R. Groom, 'Introduction: Functionalism and International Relations', in A.J.R Groom and Paul Taylor (eds.), *Functionalism: Theory and Practice in International Relations* (New York, NY: Crane, Russak & Company, 1975), p. 4.
26. David Mitrany, *The Functional Theory of Politics* (London: Robertson, 1975), p. 4.
27. Justin D. Cooper, 'Organizing for Peace: Science, Politics and Conflict in the Functional Approach', in Ashworth and Long, *New Perspectives*, pp. 28-29.

Mitrany accepts aspects of an additional current of thought in his approach to politics, that is, socialism. He is critical of the socialist movement for not being true to its internationalist intentions,[28] but Mitrany does not reject planning and government (*i.e.*, the governing of social and economic life) *per se*, only when it is done within a framework of territorially exclusive states.[29]

'The Comprehensive State'[30]

By 'The Trend of Our Time' Mitrany captures what he sees as a transformation of state government from its nineteenth century role as protector and guarantor of individual rights against arbitrary uses of power to its twentieth-century incarnation as provider and organiser of social services.[31] The nineteenth-century state was about the division of power between individuals and authorities — a division in which government and the state were kept to a minimum in order to ensure maximum individual liberty. This was a sound improvement on previous feudal conditions. Federal states, according to Mitrany, laid down personal rights and protected them in some form of written constitutions on a national basis. The twentieth-century state, on the contrary, is not about the protection of the private sphere, but the integration of functions performed by governments through the use of administrative law and public administration.[32] The functions governments perform evolve in response to growing public pressure — which, in turn, is strengthened by universal suffrage — for social services and protection against economic depressions. The organisation of the executive branch of the state is also changing. Corporatism, in which interest groups become increasingly involved both in the formulation and implementation of state policies, is an element in all modern states only with variations in degrees. The expansion of the role of government is achieved by circumventing states' rigid laws and/or constitutions, which are intended to prevent

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28. See, especially, David Mitrany, 'International Consequences of National Planning', *The Yale Review* (Vol. 37, No. 1, 1947), pp. 18-31.

29. David Mitrany as one of the main speakers in the plenary session 'Problems of World Citizenship and Good Group Relations', in International Congress on Mental Health London 1948, *Proceedings of the International Conference on Mental Hygiene, 16th – 21st August, Volume IV*, Ed. J.C. Flugel (London: H.K. Lewis, 1948), pp. 71-85, hereafter Mitrany, Mental Health Address, p. 78.

30. David Mitrany, 'A Political Theory for the New Society', in Groom and Taylor, *Functionalism*, p. 27.

31. David Long and Lucian M. Ashworth, 'Working for Peace: The Functional Approach, Functionalism and Beyond', in Ashworth and Long, *New Perspectives*, p. 4.

32. David Mitrany, 'The Functional Approach to World Organization', *International Affairs* (Vol. 24, No. 3, 1948), p. 358. International functional arrangements are supposed to be the extension internationally of governments administration of domestic affairs.

encroachments on individual liberties.[33] In any case, the new service state is a living proof that planning and public action are necessary and that the old passive liberal state no longer exists, nor is it desirable, let alone possible in a working peace system.[34] However, even as the transformation results from an expressed public desire, and as such is a functional evolution of government, it causes grave problems for society and its economic life, because

> The modern state is socially such an artificial organism, and at the same time politically so all-demanding, that it depends for its working and survival on comprehensive compulsive loyalties and the unquestioning response of its members.[35]

According to Mitrany, in order to provide both military and social security the 'actual position is that government now tends to be omnipresent and, where present, almost omnipotent if we accept, as we must, Sir Ernest Barker's definition that government authority "is the sum of its functions"'.[36] The problem is that the new search for social security, even if it is a policy to increase material welfare, requires a conformity of individuals and groups which threatens to undermine individuality and spiritual well-being. Due to administrative demands for uniform principles and treatment, state-based social security schemes may work so as to 'collectivise' people. The aim of equalisation and conformity runs the risk of producing something akin to a police state, not for sinister reasons but because social security needs individuals to submit to conformity, according to Mitrany.[37] Most observers at the time agree with Mitrany that governments are increasing the range and depth of issues under their authority, and that this process originates already from before the First World War. Extensive state control and planning of economy and society during the war prove that government involvement is compatible with the appropriate (if not always efficient) allocation of resources and production. Liberals have long doubted the benefits of social policies and heavy government involvement to promote economic growth, but with the

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33. *Ibid.*, p. 354.
34. David Mitrany, *A Working Peace System: An Argument for the Functional Development of International Organization*, Fourth Edition (London: National Peace Council, 1946 [first published 1943]), pp. 39, 50, and 52.
35. Mitrany, Mental Health Address, p. 78
36. David Mitrany, 'Parliamentary Democracy and Poll Democracy', *Parliamentary Affairs* (Vol. 9, No. 1, 1955-56), p. 17.
37. Mitrany, Mental Health Address, p. 79.

rise in prominence of socialist thinking during the inter-war period public debates take on a heightened intensity.

One of Mitrany's primary gripes with exclusive planning on a nation-state basis is that it is discordant with social and economic life, which have moved towards world unity since the early days of the nineteenth century. Domestically, three main objections to the excessive state can be discerned in Mitrany's writing: (1) it creates a democratic deficit; (2) it homogenises diverse communities; and (3) it has a tendency to deceive and thereby mislead people into inimical ideologies of nationality (*i.e.*, nationalism, in Mitrany's conceptual framework).

Democratic Deficit

Mitrany describes the organic evolution of the new service state almost as an increase of government by stealth. The expansion of its responsibilities occurs despite (or even because of) states' constitutions.[38] A constitutional change (for example, that governments would ensure the fulfilment of all citizens' principal needs) is virtually impossible, Mitrany argues. Even minute changes to a state's constitution evoke unyielding opposition and endless bickering. As a consequence, governments — not only in democratic states — now provide, for example, health care services and other social services on an *ad hoc* basis. This is so prevalent that they also legitimate their rule through provision of such services.[39]

In order to formulate appropriate policies and execute political decision more effectively, a government divides up its activities in separate functional departments or agencies. These departments, in turn, consult panels of private advisors and experts in preparing legislation. However, this system is not transparent, as the individual departments are not aware of the extent to which these panels are being used by other departments. The system runs the risk of having a few civil servants in key positions with an undue influence over public policy. Since there are no established rules or conventions on how to select committee members and consultants, and since this takes place outside the purview of popularly elected Parliaments (in many states the only institution directly responsible to the electorate), Mitrany detects a flaw in democracy:[40]

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38. Mitrany, 'The Functional Approach to World Organization', p. 354.
39. Mitrany, 'A Political Theory', pp. 31-32.
40. Mitrany, *The Functional Theory*, p. 82.

> the more it becomes politically government 'by the people', through the extension of the electorate, and socially government 'for the people', with the extension of economic and social planning, the more the representative element is squeezed out of the making and control of policy.[41]

Extended suffrage leads to increasing demands for government-provided welfare services. But, Mitrany argues, increasing government for the people also means decreasing government by the people, as governments, in order to implement their policies efficiently, control social and economic life ever closer.

Community and Nationality

The new planned state, according to Mitrany, requires its citizens to submit and conform to the requirements for providing welfare. Thus, by providing social welfare and using new mass-communication technologies to spread its nationalist ideology, the state moulds previously varied communities into one homogenous national community. Additionally, since states procure different ideological 'nationalisms' this has important implications, as it creates and sustains unnatural international divisions, according to Mitrany.[42]

At a mental health conference in London (in 1948) for psychologists and psychiatrists, Mitrany argues that requirements of modern warfare command societies to mobilise all their economic and physical efforts to wage war and defend themselves. This forces governments to push nations and states into an almost symbiotic relationship. The state and the cohesiveness of the nation have come to be regarded as prerequisites for survival. Western democracies are no different from other states. As evidence of his negative attitude towards the state, we may quote his complaint that

> Totalitarian regimes are merely an extreme case; under modern conditions of organisation for defence and war, and in the absence of a world authority, all states are driven to assume continuous and widening control of all aspects of economic and social life, including communications and freedom of expression — of all that free movement in ideas and men and goods which have made Western society as we know it. The state is almost becoming an organisation for the prevention of free international intercourse and the growth of a normal human society. In order to make this possible

41. Mitrany, 'Parliamentary Democracy and Poll Democracy', pp. 19-20.
42. Mitrany, Mental Health Address, p. 72.

> and acceptable the state has to resort to the intense 'conditioning' of individuals and groups, breeding and living on national prejudice.[43]

Even though this quotation contains both domestic and international consequences, it captures clearly Mitrany's aversion against what he perceives as states obliterating a plurality of cultural expressions domestically.

Inimical Nationalisms

The political representative's loss of control over policy formulation and implementation is probably Mitrany's most important objection to the domestic manifestation of the modern state. It is not a uniform decline of the state, but rather a deterioration of one element of it, that is, the role and power of parliament. However, another worry emanating from the widening role of governments in society is their potential to stir up hostile emotions among the masses as state institutions reach into every corner of civil life. New technologies — above all the radio when Mitrany writes in 1948 — are supposed to increase and facilitate participation in democratic processes. However, they also make possible propaganda, indoctrination, and misinformation. Additionally, through their participation in democratic government, people now feel strong loyalties towards state institutions even if they sever natural links with surrounding communities. Exclusive loyalties to the state pervert the essence of society because they turn potentially cooperative contacts with neighbouring nations into their opposites by depicting others as outsiders and potential military enemies. At the same mental health conference, Mitrany argues that

> we cannot neglect the fact that through such means individuals and groups are induced to behave in particular ways, [through] insinuation rather than overt statement, by the deliberate manipulation of feelings of fear and guilt and by the deliberate breeding and propagation of prejudice. This process of perversion, sometimes used for party or sectional purposes, is now an almost universal practice for national purposes, merely with variations in degree and manner.[44]

Partly, Mitrany exposes the duality of technological advances. On the one hand, people make use of them for their individual purposes. On the other hand, governments

43. *Ibid.*, p. 80.
44. *Ibid.*, p. 75.

also use the same technology. Since propaganda can be used more efficiently and subtly as it reaches further into everyday life than any time before, the result of its misuse could be devastating. Mitrany exhibits a strong disbelief in state authorities, including democratic ones, when he laments 'we are all exposed to continuous and deliberate fostering and use of prejudice. Prejudice has almost become an instrument of national policy'.[45] He seems to suggest that governments, by exploiting people's need for security, forge exclusive national communities on false, inaccurate, or misleading information. They tear people away from more parochial (*i.e.*, sub-national) loyalties, and produce misconceptions of other nations on which, subsequently, security come to rest. It is a security of sticking together and shutting out strangers on an artificially created and unnatural national basis.

State Decline

The representative's loss of control over policy formulation, the homogenisation of diverse communities, and the potentially adverse effects of propaganda have worked together to pervert the nineteenth-century liberal rationale of the state, that is, to protect individuals and secure their freedom of interaction with people both within and between communities. At present, Mitrany remarks, 'all social life is subordinated to and risked for the defence of the state. The preservation of the building has come to matter more than the preservation of the people and of the life within it; the instrument has become the end'.[46]

In old age Mitrany changes his view somewhat, seeing community shaping the state rather than the other way round. Following Montesquieu, Mitrany maintains that originally social and civil life depended largely on the particular form of government. Now, however,

> The relationship has been wholly reversed. No form of government, no constitutional or traditional claim is now immutably set: in the last resort the form of government and its laws and institutions are shaped and reshaped by the restless flux of the community's social pressures. 'Government' is no longer the guardian of a set social order, but the servant and instrument of social change.[47]

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45. *Ibid.*, p. 77.
46. *Ibid.*, p. 78.
47. Mitrany, 'A Political Theory', p. 27.

However, the difference is not as large as one might think at a first glance. Already in his early writings, from the thirties and forties, Mitrany points out public opinion demands of governments to provide for welfare needs. The public willingly and even enthusiastically surrender their freedom and control over the execution of social and economic policies. Accordingly, the pressure for government services, at the beginning of the century, comes from public opinion just as it does in the 1970s. The problem, which Mitrany identifies throughout his career, is on the one hand that these demands put state government 'in danger of breaking down under the functions pressed upon it by the community which it serves'.[48] On the other hand, they provide governments with all but total control over society.

> Constitutional rights and the freedoms of the individual, rights of property and the bond of contract — what government now deems itself bound by them if they are supposed to stand in the way of full employment or social security? These are the facts. They are distressing, but they are in the nature of things.[49]

Mitrany's description of the ways in which the state (*i.e.*, the 'specific set of coercive and administrative institutions, distinct from the broader political, social and national context', to borrow again the words of Fred Halliday) is, in fact, declining is somewhat contradictory. He perceives a process by which state governments garner all but total power to manage their nations. However, he also claims that state governments run the risk of breaking down as a result of their increasing responsibilities. Another aspect of Mitrany's empirical claim regarding the decline of the state is that the democratic process is deteriorating. Both parliament and government increasingly, and without adequate guidelines, formulate and implement policies through cooperation with special interest groups. The various departments of the state rely on information and feedback on policy from organisations who are directly affected by their decisions within a particular area. The problem is that no one knows if the representative element properly hears the true and general interests of society when consulting these interest groups. Empirically, the state is not losing its power as much is it being overburdened by the number and range of functions it is tasked to perform. Parliament no longer has the time to discuss all matters of public policy. Instead, many decisions are taken in

48. Mitrany, *The Functional Theory*, p. 86.
49. Mitrany, 'Parliamentary Democracy and Poll Democracy', p. 22.

committees in direct consultation with special interest groups. In Mitrany's view, National governments are not powerless but all too powerful even if they also have their share of problems.

Kenichi Ohmae, 'Bureautatorships', and Central Governments[50]

Kenichi Ohmae is one of the most well known decline-of-the-state prophets of the 1980s and 1990s. He is frequently referred to as a 'hyper-globalist'. With books entitled *The End of the Nation State* and *The Borderless World* this is not difficult to understand. Ian Clark refers to Kenichi Ohmae as one of 'the high priests of globalization at century's end', questioning 'the relevance — and effectiveness — of nation states as meaningful aggregations in terms of what to think about, much less manage, economic activity'.[51] Linda Weiss describes Ohmae as an 'orthodox globalist' (and 'a global neo-classicist') who proposes the view of 'strong globalization' and 'state power erosion'. She cites Ohmae as arguing that nation-states 'have become unnatural — even dysfunctional — as actors in a global economy ... [They] are no longer meaningful units in which to think about economic activity'.[52] Similarly, Harry Gelber acknowledges Ohmae as one of the 'better known contemporary observers', arguing that 'sovereignty was indeed being eroded'.[53] His books and articles on management and international politics in English have given him a reputation of being a truly 'global citizen'. However, even if he has a global aura about him, he is very much like Cobden, a patriot engrossed in one country's particular political and economic situation. In Ohmae's case it is Japan.[54] In his own words, 'I felt my American education (at MIT),

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50. For the term 'bureautatorship', see Kenichi Ohmae, *Heisei kanry¯oron* [my translation: *Theory of the Heisei Bureaucracy*. Subtitle provided on dust jacket: 'Japan's bureaucracy is now turning out to be like the dictatorship of the pre-WW II days ... we are entering into the era of bureautatorship'] (Tokyo: Shogakkan, 1994).

51. Ian Clark, *Globalization and Fragmentation: International Relations in the Twentieth Century* (Oxford: Oxford University Press, 1997), p. 183.

52. Weiss, *The Myth of the Powerless State*, pp. 225, 169, and 1.

53. Harry G. Gelber, *Sovereignty through Interdependence* (London: Kluwer Law International, 1997), p. 267.

54. See, for example, *The Economist*, 'Global Citizen Ken', 22 October, 1994, p. 99. For an example of his involvement in Japanese politics, see 'No Thanks to Government: It's a Delusion to Think that Japan's Current Prosperity is due to Tokyo's Guiding Hand', *Newsweek*, 6 March, 1989, and Ohmae, *Heisei kanry¯oron*. Ohmae's participation in domestic Japanese political debates has provoked critical responses with similar titles to some of Cobden's opponents. Compare, for example, Alexander Somerville, *Cobdenic Policy: The Internal Enemy of England* (London: Robert Hardwicke, 1854) with Ry¯u ¯Ota, *'Yudaya no tesaki' 'kokuzoku' ¯Omae Ken'ichi o kiru* [my translation: 'Servant [or Dog] of Judaism' 'Unpatriotic': A Critical Dissection of Kenichi Ohmae] (Tokyo: Tairy¯usha, 1993). 'Yudaya' is

and marriage to an American woman, and my travels and work for over a decade as a partner in a truly multinational organization, gave me a unique perspective worth conveying to my countrymen'.[55]

One reason why he is frequently cited is that he has a penchant for strong exaggerated, almost simplistic, statements, which he uses to bring across a point. One example is:

> The nation state has become an unnatural, even dysfunctional, unit for organizing human activity and managing economic endeavor in a borderless world. It represents no genuine, shared community of economic interests; it defines no meaningful flows of economic activity. In fact, it overlooks the true linkages and synergies that exist among often disparate populations by combining important measures of human activity at the wrong level of analysis.[56]

Another example of his confident statements is 'the modern state itself — that artifact of the 18th and 19th centuries — has begun to crumble'.[57] These assertions make him useful, but also vulnerable to critics of the idea of the decline of the state. He says in rather unequivocal terms what IR 'realists' want to hear from their opponents, and provides them with a relatively easy target. As many of his critics are quick to point out, Ohmae's descriptive claims include statements such as states 'have much less to contribute' and 'much less freedom to make contributions' to economic well-being, since 'global capital markets dwarf their ability to control their exchange rates or protect their currency'.[58] However, as *The Economist* notes, Ohmae contradicts himself, sometimes arguing state borders are all but irrelevant while at other times arguing tariffs can be huge obstacles to trade.[59] This section shows he does not only contradict himself regarding the effects of political borders. Similarly to Cobden and Mitrany, Ohmae's descriptions of government, state bureaucracies, and influence of market actors do not always support his version of the state in decline.

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the word for Judaism and, in this case, implies the anti-Semitic ideas of conspiracy and of Jews as pedlars and usurers. 'kiru' means to cut by wielding a sword.

55. Kenichi Ohmae, *Beyond National Borders: Reflections on Japan and the World* (Homewood, IL: Dow Jones-Irwin, 1987), p. vii.

56. Kenichi Ohmae, 'The Rise of the Region State', *Foreign Affairs* (Vol. 72, No. 2, 1993), p. 78.

57. Kenichi Ohmae, *The End of the Nation State: The Rise of Regional Economies* (London: Harper Collins, 1995), p. 7.

58. Ohmae, *The End of the Nation State*, pp. 11 and 12.

59. *The Economist*, 'Global Citizen Ken', p. 99.

Ohmae draws some of his odium of the state from his experiences as a consultant at McKinsey and Co. At a time when corporations see favourable prospects for expansion — through trade, or through investments, or by introducing new products into a market — government regulations, in the form of bureaucratic rules and procedures or ambiguous product performance standards, are obstacles to overcome. In addition, governments sometimes scupper acquisitions and mergers, or prevent imports of cheap rice, beef, steel, ships, and clothing, *etc.*, *not* for rational economic reasons, but because they are influenced by powerful special interest groups, or by false notions of national interest. Such policies force companies to forego potentially propitious business opportunities. Without anticipating our argument, we may note that Ohmae perceives such policies as harmful, which reveals a view of the state not as powerless, but potentially influential on the economic fortunes of nations.

The political scientist John Herz claimed in 1957 that the territorial state was becoming obsolete because of the spread of nuclear weapons. The state could no longer provide for the security of its citizens for which it was created in the first place.[60] Come the economic turmoil of the 1970s and the discussion switches its focus from military to economic security. Ohmae writes in the context of the 1980s and early 1990s, a time when many governments abandon capital controls in financial markets and reduce duties on international trade. As a result of greater freedom to move money and goods across borders, as well as technological innovations in communications, the last two decades of the twentieth century witness an acceleration in the growth of the world economy going on since 1945. One of the most noted effects is the growth in short-term international capital flows, which manage to cause havoc in countries ranging from developed economies, such as Great Britain and Sweden, to less developed ones, such as South Korea, Mexico, and Brazil. Even if we are beginning to see reactions to the growing global economy in the form of anti-globalisation movements and political suggestions such as the Tobin tax, many observers draw the conclusion that governments no longer can shape their respective countries' economic policies by, for example, independently setting interest rates. Instead, they are obliged to follow the

60. John H. Herz, 'The Rise and Demise of the Territorial State', *World Politics* (Vol. 9, No. 4, 1957), pp. 473-93

dictates by market forces represented by an increasing number of literally adolescent traders in multinational banks, and by funds of individual financiers such as George Soros. As the dissertation shows, these discourses and trends in economic activities heavily influence Ohmae. However, he also plays a significant role in shaping this debate in the 1990s.

According to Ohmae, states used to contain or encircle both a national (and a political) community as well as an economic system. These two spheres of life were previously more or less coterminous. At present, concentrations of economic activity have a much looser relationship with state policies and nation-state borders. In other words, there is a discrepancy between with whom you interact economically (and upon whom you are dependent) and who belongs to your political community. As a result of expanding international and global economic activities and people's dependence on this growth, Ohmae believes economic issues are replacing military security issues as the all-defining concern in people's lives. What matters in today's world is the ability of domestic business actors to plug into the global economy, in which the sources of wealth and prosperity reside. Markets are becoming increasingly important and economic relations, developments, and growth are coming to overshadow other aspects of people's life, such as nationality. As Ohmae puts it,

> Not that long ago, in the 'preconsumer' era, 'country' was synonymous with a sovereign, isolated island within which its government determined what made most sense to the people who lived there. A government's role was to represent its people's interest, serve their purposes, and protect them from threat of foreigners and foreign corporations. When a country's commercial interests spread outside of its sovereignty, the military was there to back them up. ... This is no longer the case. People have become more informed and clever, as a real consequence of living in a truly global information era. And now governments have become the major obstacle for people to have the best and the cheapest from anywhere in the world.[61]

Governments do not fully understand the implications and importance of the global economy. They still act as if they themselves can generate economic growth by protecting certain industries and subsidising others, and providing compensation for lost opportunities. Such actions are only costly to the taxpayers, as they encourage the creation of monopolies, inert bureaucracies, and inefficient producers. However, Ohmae

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61. Kenichi Ohmae, *The Borderless World: Power and Strategy in the Global Market Place* (London: Harper Collins, 1990), p. 11.

does not blame government exclusively for such tendencies. Electoral policies also bear some of the blame. No party would win any elections by pledging to end all protective measures. Politicians are more or less forced to exploit expectations of protection and compensation in order to get re-elected. This leads to the entrenchment of special interest groups in political life through direct representation in bureaucracies and government agencies. Additionally, people accept such policies because they are used to certain levels of economic restrictions and higher prices under the pretext of a need to preserve a national culture or national security. This is particularly true for food production.

Ladder of Development

In what Ohmae refers to as the 'ladder of development', governments play a diminishing role the further up along the rungs of economic growth a community finds itself. A second aspect of the ladder is that people demand different products at different stages of economic development. Accordingly, consumers require being — and unless governments want to jeopardise further progress, they also need to be — more closely involved with the global economy as their purchasing power increases.

Ohmae sees a diminishing role of government as causally connected to increases in domestic production. When GDP per capita is about US$5,000 a year, even though consumers start to demand products such as 'quality automobiles' and even though the symbol of achievement seems to be to host the Olympics, 'governments can still control the flow of information and mislead their people'.[62] Disregarding the strength of religion and size of government spending in countries as diverse as Saudi Arabia and the USA, he further claims that 'When GNP gets up to around $10,000 a year, religion becomes a declining industry. So does government.'[63] Ohmae explains Taiwan and Hong Kong's rapid growth between $5,000 and $10,000 GNP per capita as a result of aggressive deregulation of their foreign exchange markets as well as 'many other markets', presumably financial markets.[64] Even though there are exceptions (and Japan is one) the 'evidence is clear: what a government does at $5,000 makes a huge difference to how quickly — and how well — it can join the $10,000 club'.[65] At a GNP

62. Ohmae, *The Borderless World*, p. 20.
63. *Ibid.*
64. Ohmae, *The End of the Nation State*, p. 23.
65. *Ibid.* See also Ohmae, *The Borderless World*, pp. 187-92.

of $26,000 a year, where Japan was in 1990, people are becoming truly global in their tastes and in the products they demand. People can afford to travel, to buy TV sets and satellite dishes, and to demand products advertised on Music Television (MTV). Even though the positions of the rungs are rather 'fluid', Ohmae concludes strong government and bureaucratic involvement are not compatible with an economy at $30,000 GNP per capita.

Hand in hand with economic growth goes better and more information about products. Consumers make better informed choices. The information they need is made available through global media such as the Internet and cable TV. The products and lifestyles they desire come from the borderless (world) economy, which is the primary engine of growth in the modern world. The ladder applies equally to all developing economies notwithstanding culture or political system.[66]

In relation to his notion of a ladder of development, Ohmae argues that Japan has reached its high level of GDP per capita as a result of 'pure, dumb luck'.[67] In other words, he believes the Japanese economy prospered despite heavy government involvement, not because of it. It is not possible to tell whether Ohmae is joking when he also ascribes luck to Japanese car manufacturers' success in the USA. In 1973, more fuel-efficient Japanese cars just happened to be in California (because they were being test driven there) when the oil crisis struck. The collapse of the Bretton Woods system also helped the Japanese economy by forcing Japan to open up its currency market. The Plaza Agreement in 1985 depreciated the value of the dollar, thus boosting Japan's GDP eventually close to 'the US $30,000 level'. '[W]e broke through to new GNP thresholds not so much because of anything we had done as because of events over which we had no control ... Our yen-based income has not risen appreciably since the Plaza accord'.[68] As a result of these fortuitous events, Ohmae argues, Japan has a prosperous economy but 'government mind-set — and skill level — better suited to a nation on the verge of cracking the $10,000 ceiling'.[69] Again, while contending that states play a decreasing role (this time as GDP grows), he nevertheless implies governments have not lost their power *per se*. Instead, policies suitable at lower levels of GDP need to be exchanged for

66. Ohmae, *The End of the Nation State*, p. 24.
67. *Ibid.*, p. 23.
68. *Ibid*, p. 24.
69. *Ibid.*, and Ohmae, *The Borderless World*, p. 187.

those suitable for a higher. But this is no longer a description of state decline. It is a normative argument for what he believes is appropriate government.

States as Economic Units

Before concluding this chapter, we need to analyse one further aspect in Ohmae's description of the decline of the state. He contends governments are having to rethink their strategies because the nation-state is changing its characteristic features. This discussion could have appeared in the next chapter because Ohmae does not always distinguish between the state and the nation-state. The discussion also straddles between Ohmae's descriptions and prescriptions. In any case, evidence of Ohmae's view of the state as staunchly obstructive can be found in the following quotation.

> So long as nation states continue to view themselves as the essential prime movers in economic affairs, so long as they resist — in the name of national interest — any erosion of central control as a threat to sovereignty, neither they nor their people will be able to harness the full resources of the global economy. This is not the road to prosperity and improved quality of life. It is an admission that the cancer of protection, subsidy, and the civil minimum has grown so large and spread so widely that it has become inoperable.[70]

Ohmae sees the idea of the nation-state as a homogenous community of like people within an integrated and exclusive geographical area as 'increasingly a nostalgic fiction'.[71] Thus, governments acting to boost, harness, and control economic activities and growth through uniform national policies are only shooting themselves in the foot. Countries such as Italy, Russia, and China are composed of regions with vastly different, tastes, needs, and abilities to contribute to economic life. Governments need to look at how corporations act in the global economy. Faced with these differences between districts within nation-states, for a business manager to act on a government provided statistical national averages would be a delusion. Under present circumstances it makes more sense for corporations to think of regions of economic activity like, for example, around Hong Kong, Singapore, or over the Pacific Ocean between Japan, Taiwan, and Hawaii and the US West Coast.

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70. Ohmae, *The End of the Nation State*, p. 136.
71. *Ibid.*, for example, pp. 12 and 16.

Ohmae admits that it may still be a political necessity to think in terms of nation states. However, as the locus of effective wealth creation and distribution is shifting from governments to the global economy, politicians must face up to the new conditions. In connection with the idea that national averages are political fictions of the past, Ohmae proposes the 'proof' that it is in reality impossible to tell whether a company or a product is American or Japanese. Referring to Robert B. Reich's articles, 'Who Is Us?' and 'Who Is Them', Ohmae argues that companies with production and investments in various countries are breaking down the old familiar distinction between who is foreign and who is not.[72] Referring specifically to concerns about US and Japanese trade figures, Ohmae argues that cross-ownership, varying locations of production, and the practice of assigning dollar values to world imports and exports are making nation-state statistics misleading. The United States is underestimating the value 'its' and 'others'' companies are bringing to its population. To improve economic conditions in one country entails improving conditions for companies from other countries. Thus, national economic interest has lost much of its meaning.

When Ohmae contends that nation-states are no longer meaningful economic units he combines this with the idea that governments can no longer sustain its present high levels of social spending. It is not a question of a 'race to the bottom', as worried mercantilists would have it. Instead, his judgement is consistent with a neo-classical economic perspective, which sees the excessive welfare state as crowding out private entrepreneurs and hampering economic growth. However, Ohmae also puts his own twist on it.[73] As mentioned earlier, when GDP per capita starts to climb over $5,000, people begin to demand more products produced outside their particular country. If the government in question refuses to relinquish any state sovereignty, but wishes for its economy to grow, then it will have to start providing for an increasing number of services in order to 'buy off' its population. However, there seem to be three problems with this approach according to Ohmae. First, as the economy grows, governments cannot uphold their monopoly of information. So even if governments try to keep out imports and information they nevertheless will seep through and add to pressures for yet

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72. Robert B. Reich, 'Who Is Us?', and Robert B. Reich, 'Who Is Them?', in Kenichi Ohmae (ed.), *The Evolving Global Economy: Making Sense of the New World Order* (Boston, MA: Harvard Business School Press, 1995), pp 141-60, and 161-81.

73. In Ohmae's terminology, providing for 'the civil minimum' is another word for social spending. Ohmae, *The End of the Nation State*, pp. 41-57.

more. Second, for governments to control economic growth (as they did at low levels of GDP per capita) and supply social services is to start down a slippery slope of ever increasing demands for more compensatory measures. The third argument is more relevant for highly developed economies with extensive external links. Interdependence makes 'old-style' fiscal and monetary policies aimed at boosting a national economy ineffective, since only a small fraction of such inducements benefit the country of origin. An increase in demand in one country entails an increase in production in another.[74]

The End of the State

One of Ohmae's pet subjects for criticism is state bureaucracy. He attacks what can be labelled Japanese corporativism (*i.e.*, the practice of formulating and implementing industrial policy in close cooperation with large companies in a particular sector), but also the infamous conservative power bureaucrats are able to wield over political reformists. Evidence of the strength of Japan's civil servants can be found in the case of Foreign Minister Makiko Tanaka, who was sacked by Prime Minsiter Junichiro Koizumi in 2002 after trying to take on the bureaucrats in the Foreign Ministry. Even the hugely popular and reform-minded Koizumi faces stiff opposition. Despite economic recession and strong public support, Koizumi is finding it difficult to implement his reform plans, which, as Howard W. French points out, centre 'on selling off debt-ridden government-owned corporations, curtailing huge highway construction projects and cleaning up the country's deeply troubled banking industry'.[75] In the past, such projects have been seen as confirming the image of success of 'Japan Inc.' Now, on the contrary, they are seen as the main culprits of the Japanese's government's huge debt, which is the largest of any developed country at circa 140 per cent of GDP. There are two main reasons for the opposition against reform. First, the bureaucracy has a vested interest in sustaining current levels of spending and economic regulations. It created and still runs the large public corporations (which, *e.g.*, provide housing and explore ocean oil reserves), because they give senior bureaucrats excellent opportunities to secure a prosperous life after retirement. Secondly, government involvement in

74. See, especially, *ibid.*
75. Howard W. French, 'Reformist Premier Finds Japan Difficult to Change', *The New York Times*, 17 November, 2001.

corporate Japan (whether by consulting through the MITI, or by appointing high-ranking bureaucrats to high posts in public corporations) also provide individual Liberal Democratic Party (LDP) members with political power, which they are unwilling to give up. While these issues only now are being recognised as problems by western news media, Ohmae has been fighting state profligacy, the conservative nature of the LDP, and the power of lobbying groups since the 1980s.

Particularly in Japan, where policy is decided to a relatively large extent by tradition, bureaucrats, who do not change with every new administration, wield enormous power. However, Ohmae contends, they do not represent the general interest of the population. Instead they further the special interest of, for example, inefficient fishing industries or rice producers at the expense of society at large. In combination with protectionist measures, state bureaucracies are particularly prone to corruption.[76] State bureaucracies in general, and Japanese ministries in particular, 'do not serve the people, and particularly not consumers. They serve themselves, the industries, and the special-interest groups'.[77] As a result of electoral demands and bureaucratic structures, in contrast to region states, states tend to redistribute money from prosperous regions to backwards regions. In Ohmae's words, central governments have the propensity to 'support distant regions or to prop up distressed industries elsewhere in the name of national interest or sovereignty'.[78] Thus, radical changes in the ways in which states operate are necessary. Effective governance should follow the same principles used to run companies effectively, he argues à la Cobden. 'As for companies, the prosperity of countries depends on their ability to *create value* through their people, and not by husbanding resources and technologies'.[79]

The preceding analysis lets Ohmae to a large extent talk for himself, but this fulfils an important purpose. It contrasts his confident exclamations about the end of the nation-state and the crumbling power of states to contribute to economic growth with his more measured assessments of the impact of bureaucratic practices and government policies. The contrast reveals Ohmae does not view the state as powerless. On the contrary, governments and state institutions can be huge obstacles. The state is not yet in tune with the requirements of the economic growth going on in the global economy.

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76. Ohmae, *The Borderless World*, p. 178.
77. *Ibid.*, p. 188.
78. Ohmae, 'The Rise of the Region State', p. 83.
79. Ohmae, *The Borderless World*, p. 12, emphasis in original.

The problem is not powerlessness, according to Ohmae, but that governments use inappropriately the powers of control over economic activities vested in the state.

Concluding Comments

This chapter does three things. First, it provides a preliminary critical account of Cobden, Mitrany, and Ohmae's descriptions of state decline. At the heart of the analysis lies the discovery that the three thinkers — despite occasionally claiming or implying that governments no longer have the capability to influence the behaviour of market actors — do not generally speak of a decline in power. Instead, they tend to point to the increasing unsuitability of states' traditional tools of economic policy. A source of confusion and, thus, weakness in their thinking on state decline is that, on the one hand, they claim national governments no longer have control over economic growth. Such claims lead the audience to assume this involves a loss of economic clout. However, on the other hand, Cobden, Mitrany, and Ohmae address issues of economic policy because they believe the wrong choices have strongly negative effects on economic growth and development. In other words, one primary reason why they engage in debates over economic governance is they find the state to be too involved in private and corporate business. Thus, the chapter concludes, for Cobden, Mitrany, and Ohmae state decline does not primarily involve a loss of power, but a demise in appropriateness.

Secondly, directly following from the first, this chapter serves to redress the myth of the powerless state. It reminds critics of the decline-of-the-state hypothesis that their focus on the state's alleged loss of power is not completely on the mark. The myth of the powerless state is, indeed, a myth even if both sides of the debate sometimes treat it as a fact. It seems to serve the interests of both critics and supporters to treat state powerlessness as an empirical reality, because it gives the debate legitimacy and heightened importance. Naturally, reduced appropriateness can be interpreted as a decline in power. Governments are no longer able positively to influence prosperity. Hence states have lost the power to do so. However, since Cobden, Mitrany, and Ohmae tend to believe that by abstaining from old-style economic policies, states can still improve an economy's performance, it is misleading to talk about a loss of power. States still have the power to influence both positively and negatively. What is at stake is the appropriateness of some means to promote economic growth, stability, equality, and/or social and economic justice more generally.

Thirdly, the chapter highlights the thoughts that are the reasons for their reputations as three of the most prominent decline-of-the-state proponents in their respective periods. In combination with the coming chapters, it provides a better and more nuanced understanding of the liberal ideas that go under the name of the decline of the state.

4

THE FALL OF THE NATION-STATE SYSTEM

This chapter analyses Cobden, Mitrany, and Ohmae's empirical claims about the nation-state in its international role and context. The purpose is to expose the main weaknesses in our three thinkers' accounts of the decline of the nation-state by investigating what they claim they are actually witnessing in the international arena.

When we think about the ways in which the nation-state has declined as a unit in the international system (as opposed to the how it should or will decline), we often infer notions of the nation-state's diminishing power to control and regulate international market forces, as well as a multitude of international actors. Given the amount of energy realists spend on demonstrating the continuing significance and power of nation-states over international affairs (in both security and economic matters),[1] we are justified in assuming that the most prominent proponents of the decline of the nation-state describe the nation-state as having lost to a large extent its decision-making power in international affairs. We expect the decline-of-the-state hypothesis to present empirical claims such as the nation-state has lost its autonomy because international interests now dictate policy. In addition, the nation-state is no longer able to shield its population from economic cycles or trends emanating from outside its borders because its stunted fiscal and monetary tools of economic policy simply are ineffective against the sheer size of the international or global economy. No political leaders are able, in the long run, to resist the needs and dictates of the global economy for open, efficient, free, and flexible markets, as well as economical government. The nation-state is powerless against the world economy.

To depict Cobden, Mitrany, and Ohmae's ideas in such an unequivocal language would be misleading. True, they exhibit elements of state-power denial. But at the same time, they treat the nation-state as too imposing, restrictive, as well as obstructive in international affairs and governance. The nation-state is an influential villain on the international scene, preventing commercial interests, cosmopolitan feelings of social justice, and the global economy fully to take hold. This chapter argues that they

1. See, for example, Linda Weiss, *The Myth of the Powerless State: Governing the Economy in a Global Era* (Cambridge: Polity Press, 1998).

generally describe the 'old-fashioned' (in their perspectives) nation-state as an inadequate or unsuitable, rather than powerless, organisation in an increasingly complex world of cross-border, primarily economic, interactions between a multitude of non-governmental actors.

Richard Cobden, the Spread of Civilisation, and the European States System

As the preceding chapter points out, Cobden senses that he lives at a historical turning point. This perception also permeates his views on international life, but it constitutes a source of ambiguity and uncertainty in Cobden's description of the nation-state and international relations. On the one hand, he asserts confidently that a new age has arrived in which commerce, not war, determines power, prestige, and prosperity. This is an age marked by 'revolutionary transitions, which warn us against too obstinate an adherence to ancient precedent or blind routine'.[2] On the other hand, he focuses a lot of attention on the European balance-of-power system and British foreign policy. People in general, and politicians in particular, still act on power-political grounds, throwing the world into wanton wars in the name of glittering but spurious notions of national pride and honour, or misguided commercial interests. Essentially, Cobden criticises political leaders either for not understanding the momentous changes occurring, and/or for not acting in accordance with the principles these changes procure in international relations.[3] Our point is that his descriptions leave open questions about whether a new age actually has taken hold, given that people do not act as if it has. In order to capture the descriptive elements in Cobden's version of the decline-of-the-state hypothesis, we will analyse his notions of international interdependence, the anachronism of the balance of power, the spread of civilisation through free trade, and the establishment of the principle of national self-determination.

Free America, Free Trade, and Universal Dependence

One source of Cobden's reputation as a prominent proponent of the liberal version of state decline is to be found in his view of the transformations international society are

2. Richard Cobden, 'A Letter to Henry Ashworth, Esq.' (1862), in Richard Cobden, *The Political Writings of Richard Cobden, Vol. II*, of Two Volumes Fourth Edition (London: T. Fisher Unwin, 1903 [first published in 1867]), p. 384.

3. See, especially, Richard Cobden, Speech 27 September, 1856, in Salis Schwabe, *Reminiscences of Richard Cobden* (London: T. Fisher Unwin, 1895 [first published in French 1879]), p. 283.

going through during the nineteenth century. The material and ideational changes occurring on the international scene are about to put an end to relations based on military power, diplomacy, and governmental treaties. Cobden interprets domestic reforms as reflecting the establishment of a new commercial age, but this is not merely a process of improvement within the confines of Britain. The forces of change in the new age are also international both in their sources and repercussions. The following rhetorical question, in the preface of 'Russia' from 1836, captures three international changes Cobden perceives to be pivotal to the new age:

> Can the 'State's System' which was applicable to the international affairs of Europe a century ago, be suited to the circumstances of to-day? — or, on the contrary, do not those portentous events which have intervened — in [1] the rise and paramount commercial importance of free America, [2] the downfall of the colony system, and [3] the application of the doctrines of free-trade — demand reforms of proportionate magnitude in the foreign policy of Great Britain?[4]

According to Cobden, century-old views of international relations and the role of the nation-state need to be discarded in the face of these portentous transformations. In the new international system, 'If government desires to serve the interest of our commerce, it has but one way. War, conquest, and standing armaments cannot aid, but only oppress trade; diplomacy will never assist it — commercial treaties can only embarrass it'.[5] Interestingly Cobden often uses very strong words against armies but exhibits some ambivalence towards a large British navy. The proper role of the navy is that of policing. He rejects it as a means of forcing other countries to comply with British commercial and military interests. Increased international trade can and should only be achieved through peaceful enterprise, not diplomacy with an underlying threat of the use of force.

To start with the first point, America's independence and its extraordinary economic growth signal the end of territorial aggrandisement as a basis for national greatness. The true sources of national power and greatness lie in innovation, production, and commerce.[6] America wisely rejects any involvement in the European balance-of-power system, and it subscribes to the principle of national self-

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4. Richard Cobden, 'Russia' (1836), in Richard Cobden, *The Political Writings of Richard Cobden, Volume I*, Fourth Edition (London: T. Fisher Unwin, 1903 [first published in 1867]), p. 122.
5. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 239, in note.
6. See, for example, *ibid.*, pp. 147-52.

determination. Instead of playing the game of power politics, war, and intervention, according to Cobden, America focuses its energies on economic improvement through market-based competition and by securing the advancement of personal liberty. In his first pamphlet, 'England, Ireland, and America', he predicts that America may be in the process of overtaking Britain as the most prosperous commercial power. The reason is that, in contrast to Britain, America follows the principles of economical government and George Washington's maxim that '[t]he great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little *political* connection as possible'.[7] The success of America is proof of the changing conditions under which power and prosperity grow. Now the international game is different. Revealing a 'realist' tinge in his thinking, Cobden sees a new world in which nations still contend for mastery. It 'is not, however, a struggle for conquest, in which the victor will acquire territorial dominion — the fight is for commercial supremacy, and the battle will be won by the cheapest!'[8]

Cobden does not clearly indicate to what he refers by 'the downfall of the colony system'. Since he separates it from 'the free America', it may not be immediately obvious to what he alludes (given subsequent imperial scrambles between 1880 and 1914).[9] However, 'England, Ireland, and America' gives us some clues as to what he means. It pertains to Spain's economic decline and failure to retain its colonies in South America.[10] Colonies, according to Cobden, are a commercial liability rather than an asset. Instead of enriching Spain, its South American colonies sapped the vitality and eminence of its nation. In addition, the Monroe Doctrine of 1823 declares 'that the American continents were not to be considered as "future subjects for colonization by any European Powers"'.[11] To this policy statement, then British Foreign Secretary G. Canning responds by committing Britain not to allow any foreign power to acquire any portion of the former Spanish colonies. Although forming part of the colony system by establishing degrees of foreign influence and control, these doctrines stand as

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7. The quotation is extracted from 'Washington's farewell address to the American people' and appears on the title page to Cobden's first pamphlet 'England, Ireland, and America' (1835), in Cobden, *The Political Writings, Vol. I*, p. 3, emphasis in original. See also John Morley, *The Life of Richard Cobden*, Fourteenth Edition (London: T. Fisher Unwin, 1920 [originally published 1879 in two volumes]), p. 100.

8. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 222.

9. E. J. Hobsbawm, *The Age of Empire, 1875-1914* (London: Abacus, 1994 [first published 1987]), p. 57.

10. Cobden, 'England, Ireland, and America', in Cobden, *The Political Writings, Vol. I*, p. 21.

11. E. L. Woodward, *The Age of Reform, 1815-1870* (Oxford: Oxford University Press, 1939 [first published 1938]), p. 199.

confirming signposts over the downfall of it. Together with pressures from the City of London, Canning's response lays the foundation for the subsequent recognition of independent statehood for the republics of Buenos Aires, Mexico, and Colombia, as well as the empire of Brazil by Britain in the 1820s.[12] Further signs of the disintegration between colony and mother country are the prohibition of slave trade in 1807 and the abolition of slavery in the early 1830s, as well as Britain's subsequent decision to dismantle its colonial preference system, initially by abolishing preferential tariffs on sugar.[13] Continuous calls for 'responsible government' in the English-speaking colonies provide yet another example of the increasing anachronism of colonial dominance. The demands stop short of pressuring for independent statehood, but generally involve requests to establish 'an executive responsible to an elected assembly, and an elected assembly with financial control'.[14] The Manchester School — reflecting popular sentiments at the time — maintains that the English-speaking colonies should be free to secede whenever they so wish, and that it is just a matter of time before independence. Even if some in the political elite want to retain colonial possessions, to free traders such as Cobden, colonies are merely expensive relics of the past; signs of aristocratic governments misguided search for symbols of political power.[15]

This leaves us with Cobden's third 'portentous event'; 'the application of the doctrines of free-trade'. This is the leitmotif in Cobden's thinking. With Huskisson's tariff reductions in the 1820s, Britain enters upon the path of free trade, a policy which is confirmed and strengthened by the Repeal of the Corn Laws in 1846. According to Cobden, increasing trade is transforming the world by advancing international interdependence, or in his words 'universal dependence'.[16] Providence has endowed different nations with distinct resources and energies to use them. Through free trade, people benefit from the toils, production, and success of others. By increasing the welfare of all nations involved, it binds communities in a common fate.[17] In his own words, 'Free trade, in the widest definition of the term, means only the division of

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12. *Ibid.*, pp. 199, and 200-201.
13. *Ibid.*, pp. 354-56, and Cobden, 'England, Ireland, and America', in Cobden, *The Political Writings, Vol. I*, pp. 21-26.
14. Woodward, *The Age of Reform*, p. 361.
15. Anthony Wood, *Nineteenth Century Britain, 1815-1914*, Second Edition (Harlow: Longman, 1982), p. 214.
16. Cobden, 'A Letter to Henry Ashworth, Esq.', in Cobden, *The Political Writings, Vol. II*, p. 389.
17. See, for example, 'Mr Cobden's Speech at the Free Trade Banquet at Madrid. 14th October 1846', in Schwabe, *Reminiscences*, p. 15.

labour, by which the productive powers of the whole earth are brought into mutual co-operation'.[18]

Technological innovations in communications and free trade are giving rise to a whole new system of international relations according to Cobden; a system based on commerce and interdependence. In response to what he sees as outrageous British fears of a French invasion, he argues that 'war would now be felt as a much greater interruption and outrage to the habits and feelings of the two countries, than sixty years ago, owing to the more frequent intercourse which takes place between them'.[19] Cobden explains this intercourse as the infallible consequences of railways, steam-boats, and electric telegraphs.

> When we recollect that sixty years ago it took from four to six days to communicate between London and Paris, and that now a message may be sent in as many minutes, and a journey be made in twelve hours; — that at the former time a mail started twice a week only for the French capital, whilst now letters may be dispatched twice a-day; and that the visiting intercourse between the two countries has multiplied more than twenty-fold: — recollecting all this, it cannot be doubted that it would be more difficult now than in 1793 to tear the two countries asunder, and render them inaccessible to each other by war.[20]

Cobden refers to the communications between France and Britain as 'moral ties', but in present-day language, the quotation is a clear-cut representation of international-interdependence thinking.[21] To prove his point, he cites statistical figures of increasing trade in strategic products such as coal, coke, and iron between France and Britain.[22] Notwithstanding the importance of these products, cotton is of special significance. It brings together the enterprise and labour of people from all corners of the world. 'Myriads of people', in Cobden's words, are dependent on the cotton industry, without which millions of people in Europe would starve.

> Tainted as this commodity is to a large extent in its origin, it is undoubtedly the great peace-preserver of the age. It has placed distant and politically independent nations in mutual dependence, and interested them in the

18. Cobden, 'A Letter to Henry Ashworth, Esq.', in Cobden, *The Political Writings, Vol. II*, p. 389.
19. Richard Cobden, '1793 and 1853, in Three Letters' (1853), in Cobden, *The Political Writings, Vol. II*, p. 355.
20. *Ibid.*, pp. 355-56.
21. *Ibid.*, p. 356.
22. *Ibid.*, pp. 362-63.

> preservation of peace to a degree unknown and undreamed of in former ages.[23]

Since Britain through its navy has the potential to restrict France's access to overseas markets, Cobden argues, the British can rest assured that France has no interest in attacking southern England. The point is moot anyway, because a constitutional government such as France's does not wish to start a war with Britain by virtue of representing the will and interest of its people.

If we were to quote all those instances when Cobden reveals his trust in the beneficial effects of free trade and interdependence, this chapter would have no end. There is no need to dig deeper at this stage because to Cobden, the evidence is clear and quite simple, 'the modern application of the principles of political economy has destroyed the motive of self-interest which formerly tempted us to wars of conquest'.[24] Thus, previously, peace depended on the military prowess of the nation-state and the cunning of its diplomats. The tasks for governments was to protect its citizens from threats emanating from abroad through military force, and for ambassadors to secure alliances according to the logic of the balance of power. The difference is now that the most compelling reason for not breaking the peace

> is the multitude which in every country subsists upon the produce of labour *employed on materials brought from abroad.* It is the gigantic growth which this manufacturing system has attained that deprives former times of any analogy with our own: and is fast depriving of all reality those pedantic displays of diplomacy and those traditional demonstrations of armed force, upon which peace or war formerly depended.[25]

The European States System

Cobden's description of the decline of the state — as well as his reputation as a main proponent of the theme — cannot be adequately understood without, at least, a brief analysis of his criticism of what he calls the European States System. Before the term

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23. *Ibid.*, pp. 359-60.
24. Richard Cobden in a letter to the Reverend Sir Henry Richards, 8 September, 1852, in J.A. Hobson, *Richard Cobden: The International Man* (London: Ernest Benn Limited, 1968 [first published 1919]), p. 89. See also P.S. Wandycz, 'Liberal Internationalism: The Contribution of British and French Liberal Thought to the Theory of International Relations' (London: Unpublished Ph.D. thesis, University of London, 1951), p. 73.
25. Cobden, '1793 and 1853, in Three Letters', in Cobden *The Political Writings, Vol. II*, pp. 475-76, emphasis in original.

'Concert of Europe' becomes established in Europe in the second half of the nineteenth century, the system went under names such as 'the great alliance', 'the European system', 'the great European combination of Powers', or 'the great council of Europe', all of which Cobden attempts to avoid due to their positive connotations.[26] This system of formal and informal cooperation and consultation among the Great Powers of Europe, worked according to notions of a balance of power and had its origins in the Treaty of the Quadruple Alliance, signed in Vienna on 20 November, 1815, or as Cobden calls it 'the great unsettlement of Vienna'.[27]

Carsten Holbraad argues that, according to contemporary observers, it served broadly speaking three functions: as (1) a way of preserving the dynasties and boundaries of 1815; (2) a method of 'maintaining the balance of power in Europe'; and (3) 'a means for humanitarian reform or as the germ of international organisation'.[28] Cobden roughly agrees that the system serves the old oligarchs, but he is profoundly suspicious of the system's capacity to have a positive influence in the reform of the international milieu. Instead, Cobden concludes, 'the progress of freedom depends more upon the maintenance of peace, the spread of commerce, and the diffusion of education, than upon the labours of cabinets and foreign offices'.[29] As Holbraad points out, in opposition to Castlereagh, John Russell, Palmerston, and even Gladstone, Cobden sees the secretive meetings of governments and diplomats as a conspiracy against the nations. For example, he complains, it is responsible for artificially sustaining a despotic government in the Austrian Empire.

> *Why, the State system of Europe which goes under the name of the Balance of Power.* This it is which alone preserves the integrity of the Austrian Empire, and deprives the nationalities of a chance of overthrowing the incubus. It is because the other Governments of Europe consider it necessary at whatever cost of internal misgovernment to keep intact a great member of the states system, rather than allow it to suffer disruption and

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26. Carsten Holbraad, *The Concert of Europe: A Study in German and British International Theory 1815-1914* (London: Longman Group Limited, 1970), p. 4, and 153.
27. Cobden, *Hansard*, 3rd ser., clxxvi, col. 838 (5 July, 1864), quoted in Holbraad, *The Concert of Europe*, p. 155.
28. Holbraad, *The Concert of Europe*, p. 8.
29. Cobden, *Hansard*, 3rd ser., cxii, col. 673 (28 June, 1850), quoted in Holbraad, *The Concert of Europe*, p. 156.

> take a new form, that these tyrannies propped up from without seem to threaten to be eternal.[30]

In 1864, he makes a similar point in relation to the war in Schleswig and Holstein. One main reason for the war can be found in the London Conference in 1852, where kings and emperors were represented, but not the people of the two provinces. In the name of the balance of power, the conference tried to maintain the integrity of the Danish monarchy but utterly disregarded the wishes of the people.[31]

With regard to the idea of upholding a balance of power in Europe, Cobden rejects it outright primarily for three reasons. First, the balance of power is a chimera. 'It is not a fallacy, a mistake, an imposture, it is an undescribed, indescribable, incomprehensible nothing'.[32] After analysing the definitions of Vattel, Gentz, and Brougham, Cobden concludes that they are too vague and contradictory to convey any significant meaning. Additionally, they have very little or no correspondence with reality. None of the wars since the balance of power was first alluded to in the King's Speech in 1701 has worked according to Brougham's idea of the 'European powers obeying certain laws, and actuated in general by a common principle'.[33] The term 'balance' suggests something benevolent, as perhaps peace or at least a framework ('disposition', 'constitution', 'union', or 'confederation') upon which all the nations of Europe can agree.[34] On the contrary, the interpretations of 'balance' provides an excuse for wars, in which the great powers violate the rights of weaker states for no other reason than to pursue their own interest in self-aggrandisement. Secondly, the balance of power is fallacious, as it does not stipulate any criteria either for determining 'balance', or for deciding which nations should be included in the 'balance'.[35] Thirdly, in any case, the balance of power, as it is interpreted and adopted among most English statesmen, is 'incomplete and inoperative', as it does not take into account 'the silent and peaceful aggrandisement which spring

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30. Richard Cobden in a letter to the *Morning Star* (most likely to Rev. Sir Henry Richards), seemingly from December 1856 (Hobson does not specify), in Hobson, *Cobden: The International Man*, pp. 189-90, emphasis in original, and Holbraad, *The Concert of Europe*, p. 154.
31. Richard Cobden, Rochdale, 23 November, 1864, in Richard Cobden, *Speeches on Questions of Public Policy, Vol. II*, of Two Volumes, Eds. John Bright and James E. Thorold Rogers (London: Macmillan and Co., 1870), pp. 341-42. See also *Hansard*, 3rd ser., clxxvi, cols 829 and 831 (5 July, 1864), quoted in Holbraad, *The Concert of Europe*, p. 154.
32. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, pp. 197-98.
33. *Ibid.*, p. 200.
34. *Ibid.*, pp. 200 and 206.
35. *Ibid.*, pp. 206 and 211-13.

from improvement', labour and trade.[36] However, Cobden argues, most writers (excluding Bacon) have not dared to advocate the restriction of the growth of wealth through innovation and international trade, as it would involve 'such a dereliction of justice, and utter absence of conscientiousness' as to 'reduce us even below the level of brute animals', 'forbid all increase in knowledge', and 'interdict the growth of morality and freedom'.[37] Even if upholding the balance of power does not involve preventing improvement from trade and commerce, the European system corrupts domestic society, dupes politicians, and keeps the people of the nations in dangerous ignorance.

Tensions and Discrepancies

It appears to be clear from the preceding interpretation of Cobden's view of international relations that the old state system based on colonial possessions, the promotion of trade through military means, and secretive meetings between oligarchic and aristocratic governments is obsolete. As we have seen in chapter 3, even Cobden's main political opponent, Palmerston, agrees with this view.[38] Yet, Cobden's conviction that a new age has arrived seems to vacillate in response to events as they unfold and to personal fortunes or misfortunes. In a despondent and anti-climactic mood after incurring heavy private financial losses during the anti-corn law campaign, he writes to his friend, the phrenologist, George Combe, in July 1846, questioning whether the public is ready to act internationally with the same regard to laws and moral conventions as they do nationally. People are still driven too much by their animal instincts of seeking military superiority, and he fears that this is not likely to change within his lifetime.

> Brute force is, I fear, as much worshipped now, in the statues to Wellington and the peerage to Gough, as they were two thousand years ago in the colossal proportions of Hercules or Jupiter. Our international relations are an armed truce, each nation relying entirely on its power to defend itself by physical force. We may teach Christianity and morality in our families; but as a people, we are, I fear, still animals in our predominant propensities.[39]

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36. *Ibid.*, p. 206.
37. *Ibid.*, pp. 204 and 205.
38. Lord Palmerston, *Morning Chronicle*, 14 May, 1847, quoted in Schwabe, *Reminiscences*, pp. 65-66.
39. Morley, *The Life of Richard Cobden*, pp. 410-11.

The problem, Cobden argues, is that as long as international relations are conducted on the basis of the balance of power, then domestic society is unlikely to make any significant progress towards a more civilised — liberal, democratic, and commercial — society. He continues his letter to Combe by arguing that the present international system 'corrupts society, exhausts its wealth, raises up false gods for hero-worship, and fixes before the eyes of the rising generation a spurious if glittering standard of glory.[40] Nevertheless, by 1853, he is again more optimistic about the effects of the growing economic intercourse between Britain and her trading partners. The rationale for governments constantly to provide for military security through large permanent armies and navies is now removed. The reason is that, according to Cobden, 'free trade ... arms its votaries by its own pacific nature, in that eternal truth — *the more any nation traffics abroad upon free and honest principles, the less it will be in danger of wars*'.[41] Not only does the common interest in commerce bring nations peacefully together. Economic wealth through industrialisation is better as a means of national defence. In case a nation is in danger of attack, a more industrially advanced country has higher productivity, more international clout — as other nations depend upon it for their continuing fortune — and recourse to better military equipment by virtue of being more industrially advanced. The growth and development of commercial interest between nations points in the direction of a decreasing role of traditional 'state means' of national defence.

> For a long time the cuckoo-cry was repeated 'to preserve peace, prepare for war,' but the wisest statesmen of our age have concurred with the Peace party, that the greater the preparation the more imminent is the risk of a collision, owing to the preponderance which is thereby given in the councils of the nations to those who by education, taste, and even interest must be the least earnestly disposed for peace.[42]

However, this is not the final word on the subject. Not everyone seems to have noticed what Cobden has discovered. In 1853, he argues, 'I have said, elsewhere, that whilst governments are preparing for war, all the tendencies of the age are in the opposite direction'.[43] Indeed, only the 'wisest statesmen' agree with the Peace party. Given that Cobden believes governments to have very little 'wisdom and greatness', we

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40. *Ibid.*, p. 411.
41. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 222, emphasis in original.
42. Cobden, '1793 and 1853', in Cobden, *The Political Writings, Vol. II*, p. 349.
43. *Ibid.*, p. 363.

are justified in asking just how far the effects of free trade have reached according to him.[44]

Referring to the discovery that treating human beings with friendly respect is more likely to produce the desired response, Cobden argues, that 'within our own time, a new light has appeared, which has penetrated our schools and families, and illuminated our prisons and lunatic asylums', but it only 'promises soon to pervade all institutions and relations of social life'.[45] A few years later he returns to this line of thinking when he argues, 'We', the people of Britain, 'have thrown away the sceptre of force, to confide in the principle of freedom — uncovenanted, unconditional freedom. Under this new *régime* our national fortunes have prospered beyond all precedent'.[46] It is clear for everyone to see that free commerce has outperformed all those years of reliance on 'force, cunning, and monopoly'. However, again, Cobden never ceases to point out that governments continue to keep people in perpetual fear and ignorance by playing the 'international card'. That is, in order to overcome waning domestic popularity they provoke international conflict around which appeals for national unity can be made. Such a strategy has the benefit of diverting popular attention away from domestic grievance and necessary reforms while boosting support for despotic governments. Such duplicity continues to subject people to unnecessary taxes and forces them to make senseless sacrifices on the battlefields.[47] The problem is that aristocratic governments still act on power-political grounds and in accordance with landed interests, preventing 'the growth of that "free human cooperation, transcending the limits of nationality and race"', by which is meant free trade.[48] Unchecked by an educated public opinion based on a system of international arbitration, states still fight wars. Despite obvious evidence of the benefits of free trade and peace, Cobden argues in 1849, 'From 1836, down to last year, there is no proof of the Government having any confidence in the duration of peace, or possessing increased security against war'.[49]

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44. Morley, *The Life of Richard Cobden*, p. 705, and John MacCunn, *Six Radical Thinkers: Bentham, J.S. Mill, Cobden, Carlyle, Mazzini, T.H. Green* (London: Edward Arnold, 1910), p. 124.
45. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 254.
46. Cobden, 'A Letter to Henry Ashworth, Esq.', in Cobden, *The Political Writings, Vol. II*, p. 392.
47. See, for example, Cobden, '1793 and 1853', in Cobden, *The Political Writings, Vol. I*, pp. 323 and 325.
48. F.R. Flournay, 'British Theories of International Relations, 1848-1898', *Journal of the History of Ideas* (Vol. 7, No. 2, 1946), p. 202. The quotation within the quotation comes from Hobson, *Cobden: The International Man*, p. 21.
49. Cobden, House of Commons, 12 June, 1849, speech in favour of international arbitration, in Cobden, *Speeches, Vol. II*, p. 167.

Cobden's perception of international relations is characterised by this stark contrast. On the one hand, he describes a relentless move towards a new age, while, on the other hand, important parts of society have not yet realised this shift and the new maxims it requires. However, if people, governments, and politicians do not see what he sees, how obvious can the signs be? The answer is that one weakness in Cobden's version of the idea of the decline of the state is his exaggerated description of how far the world has moved towards an interdependent world in which people as well as governments are convinced of the futility of war and the benefits of free international trade.

David Mitrany and World Unity

Mitrany's descriptions of the nation-state and its international setting are saturated with his notion of a world encompassing social and economic interdependence alongside an increasing number of politically (but, in reality, only nominally) independent nation-states. The theme takes on slightly different shapes in different texts, but the central message remains essentially the same. The paradox of the age is that social and economic life has progressed from the confines of more or less self-sufficient local groups to a Western industrial civilisation binding nations together in a material interdependence. At the same time, political organisation has moved from sovereign (but not territorially exclusive and fixed) groupings to rigid, ideologically impervious, and politically autonomous nation-states. Mitrany sometimes adds a third piece to the jigsaw puzzle. In addition to an increasing number of global issues and a multiplication of independent nation-states, the spread of 'neo-mercantilist planning ... has injected the political element into well-nigh all the manifold international activities and relations which formerly grew freely across most frontiers'.[50] Similarly, in 1971, he summarises the interplay of changes in the political, social, and scientific realms of the human family as constituting 'a three-fold revolution'.[51] The new era, which Mitrany describes, is 'an age of potent social change'.[52] It is an era characterised by revolutionary

50. David Mitrany, 'The Prospect of Integration: Federal or Functional', *Journal of Common Market Studies* (Vol. 4, No. 2, 1965), p. 135.
51. David Mitrany, 'The Functional Approach in Historical Perspective', *International Affairs* (Vol. 47, No. 3, 1971), pp. 532-43.
52. David Mitrany, *A Working Peace System: An Argument for the Functional Development of International Organization*, Fourth Edition (London: National Peace Council, 1946 [first published 1943]), pp. 9-10.

fluctuations in communal life instigated by economic, political, and technological transformations.

Like Cobden, Mitrany leaves open two contradictory ways of interpreting his description of the nation-state and international society. For example, Inis L. Claude, Jr. touches on our main point of criticism when he presents a widely accepted interpretation of Mitrany's approach. In the functional conception of international relations

> The state is at fault ... because it is increasingly an inappropriate and ineffectual agency for doing what has to be done in order to promote the economic and social health of the human family. The state system imposes an arbitrary and rigid pattern of vertical divisions upon *global society*, disrupting the *organic unity of the whole*, and carving the world into segments whose separateness is jealously guarded by sovereignties which are neither able to solve the fundamental problems nor willing to permit them to be solved by other authorities.[53]

However, Claude's interpretation identifies but fails to highlight an important discrepancy in Mitrany's functional approach. The functional approach assumes the existence of a global society based on an organic unity of mankind. This is a world consisting of one human family. The problem is that a global society which is carved up (into segments whose separateness is jealously guarded) can no longer be conceived of as a unity. Either you have a global society or you have separate segments of it. As a result of Mitrany's tendency to emphasise both world unity and independent statehood, it is difficult if not impossible to determine whether he thinks the world can best be described as a unit or as consisting of separate entities.

Interdependence without Unity

Paul Taylor directs our attention to the centrality in Mitrany's thought of the development of an international socio-psychological community.[54] In fact, a sine qua non in the functional approach is the assumption of some form of international interconnectedness tending towards unity. A view Mitrany confirms in 1975 when he declares

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53. Inis L. Claude, Jr., *Swords into Plowshares: The Problems and Progress of International Organization*, Fourth Edition (New York, NY: Random House, 1971), p. 382, emphases added.
54. Paul Taylor, 'Functionalism: The Theory of David Mitrany' in Paul Taylor and A.J.R. Groom (eds.), *International Organisation: A Conceptual Approach* (London: Frances Pinter, 1978), p. 243.

> we are moving from an acquisitive towards a co-operative international society. The world has developed a conscience, and a sense that it is both necessary and right to equalise social conditions as between its various parts and peoples, both as a way to peace and as the foundation for a unified common society.[55]

While the desire to 'equalise social conditions' is a very ambiguous notion, the preceding use of 'the world' suggests there is a widespread recognition of the world as a united whole. Nevertheless, Mitrany stops short of calling it 'world unity' (most of the time). In an attempt to explain that concept, he argues that 'We can no longer mean by it simply good relations, in a diplomatic sense, between separate political units. We must take it to mean the emergence of an increasingly integrated world community'.[56] However, immediately after, he writes 'such a community could come about in one of three ways', thus, implying that world unity is not yet realised.[57] The three ways in which it could be established are either by force, indoctrination of a world ideology, or joint work in international functional organisations. The reason for the inchoate nature of world unity is, according to Mitrany, that community exists only where there is cooperation on common problems, which he, in turn, defines as the management and planning of common activities. Nevertheless, even if the concept of community does not capture the international situation, Mitrany concludes his discussion on world unity by claiming

> The amazing range and pace in material development during the nineteenth century has bound the world together in a web of common activities and interests which pass across and above political frontiers; and the process, most typically seen in the limitless range of radio waves, is still developing rapidly.[58]

The presence of a system of interdependence is obvious to Mitrany. Common needs result from increasing interconnectedness and overlapping interests.

> If one were to visualize a map of the world showing economic and social activities, it would appear as an intricate web of interests and relations

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55. David Mitrany, *The Functional Theory of Politics* (London: Martin Robertson, 1975), p. 202.
56. David Mitrany, speech on 'Problems of World Citizenship and Good Group Relations', in International Congress on Mental Health, London 1948, *Proceedings of the International Conference on Mental Hygiene, 16th – 21st August, Volume IV*, Ed. J.C. Flugel (London: H.K. Lewis, 1948), p. 73.
57. See *ibid.*
58. *Ibid.*

> crossing and recrossing political divisions — not a fighting map of States and frontiers, but a map pulsating with the realities of everyday life.[59]

Mitrany tends to accentuate the degree of interdependence and even world unity as the years go by. For example, in the foreword to the 1966 edition of *A Working Peace System*, faced with the possibility of a nuclear holocaust, he claims 'life, the inexorable product of our great scientific cunning, has by now made us all into one indivisible community, with inescapably one and the same fate — either to live or to vanish together'.[60] The reason is the new technological inventions and discoveries — 'aviation, wireless, atomic energy, space exploration' — 'defy any arrangement below the global scale'.[61] But this tendency to be more assertive about interdependence is by no means uniform. Even in the 1940s, he describes 'a social unity which is still only latent and unrecognised', but, we must presume, real and present.[62] Since the nineteenth century (when Europe was the centre stage of the world) 'powerful centres of social life have developed also in the other continents, and that has led ... to an ever greater and varied economic and social interdependence of all peoples and lands ... [giving rise to] a somewhat loose but living world system'.[63] Similarly to his 1966 statement, he argues further 'The number of problems which take on a world character is growing apace, partly because we have a better understanding of them ... but also because of their technical peculiarities'.[64] As the reference to our improving knowledge of global issues in the previous quotation reveals, increasing unity is not totally unrecognised in the 1940s.

To Mitrany, the concept 'social' is integral to the growing interdependence in the twentieth century. Mitrany variously refers to a 'new social era', 'an age of potent social change', 'a social unity', etc. The rise of new ideals reflected in the service state have radically changed relations between individuals, as well as between groups of human beings. While individualism and *laissez-faire* dominated the nineteenth century, common action and planning for the good community are lodestars for the twentieth. '[T]his is a social century', he exclaims, when the only real choice is between 'social

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59. David Mitrany, 'The Functional Approach to World Organization', *International Affairs* (Vol. 24, No. 3, 1948), pp. 358-59.
60. David Mitrany, *A Working Peace System* (Chicago, IL: Quadrangle Books, 1966), p. 13.
61. Mitrany, 'The Prospect of Integration' (1965), pp. 142.
62. Mitrany, *A Working Peace System* (1946), p. 15.
63. *Ibid.*, p. 21.
64. *Ibid.*, p. 59.

action through national planning or social action through international planning'.[65] Since people depend on each other for their welfare and security, cooperation and coordination irrespective of state borders have become imperative instead of atomistic individual or national action in the domestic and international arenas, respectively. 'Society is everywhere in travail because it is everywhere in transition'.[66] 'Co-operation for the common good is the task, both for the sake of peace and of a better life, and for that it is essential that certain interests and activities should be taken out of the mood of competition and worked together'.[67] In short, relations between individuals, as well as between nations have started to take on new 'social' and 'public' (as opposed to individual and national) forms. Mitrany also identifies a desire among political leaders as well as their constituents to form an active international community after WWII. 'The general outlook ... is promising'.[68] The reason is that 'If we compare the general mood of 1919, when everybody was keen to get back to what had gone before, with the mood of 1948 one generation later, when the need for an active international society is almost universally taken for granted — we are justified in regarding the change as progress indeed'.[69]

However, the high-spirited remarks exhibit a significant degree of vagueness. The outlook is *promising*, not certain. Interdependence has increased, but there is, as of yet, no adequate *active* international society governing and controlling common social and economic life. Only the *need* for one is taken for granted. Despite the generally optimistic tone, 'cooperation for the common good' is still only a 'task', not yet a norm. Mitrany paints a picture of the present which is replete with tasks for the future. The 1946 edition of *A Working Peace System* concludes that 'now our social interdependence is all-pervasive and all-embracing'. However, immediately after Mitrany writes that 'if it be so organized the political side will also grow as part of it'.[70] But, if our social interdependence *is* all-pervasive and all-embracing, how can it not be so organised? What Mitrany refers to is that the *management* of our social

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65. David Mitrany, 'Functional Unity and Political Discord', in David Mitrany and Maxwell Garnett, *World Unity and the Nations* (London: National Peace Council, 1950), p. 4.
66. Mitrany, *A Working Peace System* (1946), p. 64.
67. *Ibid.*, p. 63.
68. Mitrany, 'The Functional Approach to World Organization', p. 350.
69. *Ibid.* See also Mitrany, 'Functional Unity and Political Discord', in Mitrany and Garnett, *World Unity*, p. 1.
70. Mitrany, *A Working Peace System* (1946), p. 62.

interdependence (which, according to him is a practical issue — hence the separation from 'the political side') is not in tune with the new reality.

As the preceding quotations indicate, Mitrany is not entirely clear about how far and to what extent the world has developed towards unity. The claim that 'social unity ... is still only latent and unrecognised' seems a far cry from the statement that 'social interdependence is all-pervasive and all-embracing', the latter leaving the reader with the impression of an irreversible unity and common fate. Similarly, Mitrany argues that new administrative devices and planned public action domestically 'must be followed up also in the international sphere if the latter is to be more than a shadow'.[71] However, it is difficult to imagine how anything 'all-pervasive' can be a mere 'shadow'. The notion of a 'global society' occupies a pivotal place in Mitrany's conception, but we need to keep in mind that it ranges from having tenuous to all-pervasive elements.

Nation-States: Exclusive, Sovereign, and Equal

Mitrany's definition of world unity may not yet quite apply. Nevertheless, the peoples of the world are linked through social and economic activities, in which they also share a common interest in sustaining. Not only do the seeds for a world community lie in the joint management of the links of interdependence. Importantly, as Mitrany puts it, 'Everywhere these functional activities have grown and are growing in spite of and across political divisions'.[72] The picture that seems to emerge as a result of growing interdependence and international functional organisations is one of an increasingly integrated international society. However, enter Mitrany's description of the nation-state. His general misgivings are that it tends to be rigid (as a consequence of its constitution) and that it perpetuates the separation of social and economic life into a national and an international realm.

> Because of the legalistic structure of the state and of our political outlook, which treat national and international society as two different worlds, social nature, so to speak, has not had a chance so far to take its course. Our social activities are cut off arbitrarily at the limit of the state and, if at all, are allowed to be linked to the same activities across the border only by means of uncertain and cramping political ligatures.[73]

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71. *Ibid.*, p. 60.
72. Mitrany, 'Functional Unity and Political Discord', in Mitrany and Garnett, *World Unity*, p. 5.
73. Mitrany, *A Working Peace System* (1946), p. 50.

That Mitrany's thought contains strongly 'anti-statist' elements should not be in doubt. His tone of voice and choice of words are revealing. Referring back to relations before the World Wars, problems that occur between inward looking and exclusive (*i.e.*, territorial) states planning their national economies without due regard to the international consequences are of 'evil nature'.[74] Power politics, nationalism, and other extreme ideologies (*e.g.*, fascism, Nazism, and Bolshevism), insidious as they may be, are still political tools of power and control.[75] The problem is that '[t]he same evolution which has linked the world together — broadly, the industrial revolution — has also made each part into a tightly organised separate unit'.[76] Therefore, Mitrany contends, 'With a new social era before us we find national states a hindrance'.[77] And he claims 'We are favoured by the need and habit of material co-operation, we are hampered by the general clinging to political segregation'.[78] The danger with national planning is that it leads to a new form of mercantilism. State institutions are increasing their control over their societies by developing their administrative capacity, and making use of new inventions in mass communication. With power over domestic economic and social life (attained, *e.g.*, by regulating broadcasting, as well as the production of essential products such as food) political considerations complicate what are essentially purely technical questions of how to solve cross-border problems, and how to organise production and exchange the most efficiently. With nation-states more or less monopolising control and planning of all activities within a specific geographic area, Mitrany warns that as the number of contacts increase between countries, so do the number of potential conflicts.

According to Mitrany, the persistence of the nation-state reflects the problem that people are not yet politically mature to give essential powers to international functional arrangements. As with Cobden, he sees a discrepancy or a tension between material developments and ideological readiness to accept the new trends. '[I]n all essential activities we could advance from our present position effectively and without delay if we would but put out of our minds the old political argument between political centralism and political devolution, which were the concomitants of the passive Liberal

74. *Ibid.*, p. 21.
75. See, for example, *Ibid.*, p. 48.
76. Mitrany, 'Functional Unity and Political Discord', in Mitrany and Garnett, *World Unity*, p. 5.
77. Mitrany, *A Working Peace System* (1946), p. 5.
78. Mitrany, 'Functional Approach to World Organization', p. 351.

state'.[79] Mitrany describes the world as being socially and economically interdependent if not united, but people's ideological perspective has not yet reached beyond viewing the nation-state as the basis for organisation of international life. This fact puts limits on what form of world government is presently attainable. 'We can ask our fellow men to look beyond the national State; we cannot expect them to feel themselves at once members of a world State'.[80] People are simply not quite ready to accept much interference with the idea of national, political independence. This conviction, despite also believing that we are favoured by the habit of cooperation, leads Mitrany to depict his contemporary period as one still distinguished by 'competitive nationalisms'.[81] Another obstacle to an active international community is the principle of state legal equality, which Mitrany describes as 'that most disruptive and intractable of international principles'.[82] Nation-states inhibit progress by flaunting equal voting rights in international organisations. If we were to follow the old principles of 'one nation, one vote' and unanimity in international decision making, one or a few obstinate members could disrupt a whole system of cooperation. The nation-state continues to pose problems. Present trends of growing interdependence, unity, and cooperative arrangements, while indicating a way of solving them, have not yet been able to take their final form.

In short, according to Mitrany, the nation-state retains much of its grip on people's energies and minds. Social activities are 'cut off arbitrarily' at state borders and the political outlook is not yet ready for more than modest initial steps towards a world government.[83] Additionally, as a result of nationalism and inward-looking, myopic domestic planning nation-states have an inherent propensity to fortify themselves as exclusive national units.

Historical Context and the Decline of the Nation-State

The general feeling among academics and political leaders that 1914 represents a fundamental break in the history of humankind is reinforced by the publication of Albert Einstein's theory of general relativity in 1915. Einstein turns old established

79. Mitrany, *A Working Peace System* (1946), p. 52.
80. Mitrany, 'Functional Approach to World Organization', p. 359.
81. *Ibid.*, p. 360.
82. Mitrany, *A Working Peace System* (1946), p. 37.
83. See, for example, *Ibid.*, p. 29.

truths in the natural sciences on their head. It is safe to assume that Mitrany is influenced by these trends of thought, not least because he considers Einstein to be one of his closest friends at the Princeton Institute for Advanced Studies. Furthermore, other scientists such as Max Planck see not only the changes in society as marking the entry to a new era. Advances in mathematics, physics, and astronomy lay down the path towards a new stage in human evolution.[84] The Great War came as shock after a long period of liberal optimism, but even if people were more mentally prepared for the Second World War by the events leading up to 1939 (*e.g.*, Manchuria, Abyssinia, Spain, and Munich), the two wars in combination reveal a world in terminal upheaval.[85] The Great Depression signals the disintegration of the world economy through the widespread adoption of neo-mercantilist policies throwing countries into the abyss of economic stagnation and mass unemployment.[86] The acceptance of socialist doctrines and economic analysis provide the theoretical tools for the increasingly active welfare state. Additionally, in the first half of the twentieth century, politicians and academics alike struggle to find ways of dealing with demands for national self-determination, the formation of several new states in Europe, as well as the rising tide of extreme nationalism, especially in the 1930s. The establishment of separate countries in the former Austrian Empire shatter the unity which existed in south-eastern Europe before the settlement of 1918. The case of south-eastern Europe provides ample evidence of the fundamental flaws of the nation-state. However, there are no real alternatives, as demonstrated by the failure of political leaders to agree on an organisation for Europe which would ensure peace before the 1950s. There are many plans, but none is acceptable beyond the narrow confines of an international intellectual elite. And there is another thing to mention. Imperialism, imperial rivalries, and the apparent success of Soviet-style economic planning — the latter providing a contrast to the crisis of liberalism — lead many intellectuals to castigate capitalism as causing war and providing a defective foundation for modern society.

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84. Eric Hobsbawm, *Age of Extremes: The Short Twentieth Century, 1914-1991* (London: Abacus, 1995 [first published 1994]), p. 542.

85. Mitrany, *The Functional Theory*, pp. 4-5. See also John Keegan, *The First World War* (New York, NY: Vintage Books, 2000 [first published 1998]), pp. 3-9.

86. See, for example, E.H. Carr, *International Relations between the Two World Wars (1919-1939)* (London: Macmillan, 1955 [first published under this title 1947]), pp. 145-52, and A.G. Kenwood and A.L. Lougheed, *The Growth of the International Economy 1820-1990: An Introductory Text*, Third Edition (London: Routledge, 1992 [first published 1971]), pp. 175-78 and 191-203.

According to Mitrany's empirical claims regarding the nature of the nation-state, one aspect of decline is that policymakers are finding that they have to circumvent, indeed disregard, constitutions domestically in order to increase their scope of activity and provide for social services such as jobs and welfare. Importantly for Mitrany, the management of international relations is evolving along similar functional lines. The need for rigid frameworks (such as the Covenant of the League of Nations) establishing rights and duties, and limiting involvement between states have decreased internationally.[87] Instead, the number and scope of international organisations with the capacity to manage problems transcending geographical dividing lines is steadily increasing. These international bodies, for example the Economic and Social Council of the UN, have even advanced further than domestic institutions towards democratic representation by involving non-governmental organisations in the formation and implementation of policies.[88] To exemplify the growing significance of government through functional organisations, Mitrany often mentions the American-Canadian Alcan Highway enterprise, the American-Mexican plans for the Rio Grande, as well as the UN's Economic and Social Council and its special agencies for food and agriculture, health, etc.[89] Some additional examples include the International Labour Office (I.L.O.); miscellaneous transport agencies such as the International Union of Railways and the International Transport Office of the Berne Convention; or within communications, for example, the Postal Union and the Union Télégraphique Universelle; and the Anglo-American Raw Materials Board.[90] These organisations exhibit great variations. Some are formed by nation-states while others are established as non-governmental organisations. The important point is that these consultative or authoritative (as the case may be) bodies have arisen in response to felt needs and occupy themselves with trying to solve international problems within a particular issue area. For Mitrany, they represent initial steps towards a new order beyond the nation-state.

Another element which illustrates the actual decline of the nation-state is that as a result of interdependence and the new social life the old 'sense of security of a physical territory, to be protected by tanks and planes' has become outdated (even if it is still in

87. See, for example, Mitrany, *A Working Peace System* (1946), p. 16.
88. See, for example, Mitrany, *The Functional Theory*, pp. 89-90.
89. Mitrany, 'Functional Unity and Political Discord', in Mitrany and Garnett, *World Unity*, p. 5.
90. See, for example, Mitrany, *A Working Peace System* (1946), pp. 53-54.

use).[91] Contemporary security depends not only on military capability, but also on access to strategic assets such as communications (*e.g.*, railways), food, energy (*e.g.*, coal), production material (*e.g.*, steel), as well as capital.[92] Such resources can only be obtained adequately through international cooperation and coordination. As a result, in the words of Mitrany, '[a]t many points the life of the nation-state is overflowing back into that common world which existed before the rise of modern nationalism; at present the lines of national and international evolution are not parallel but converging, and the two spheres now belong to the same category and differ only in dimensions'.[93] People no longer live in isolated groups. Thus, security can no longer be ensured on the basis of national separation. In the new system of interdependent needs, overlapping interests, and widening scope of international government, the nation-state has declined (and still continues to do so) as sovereignty, and national self-determination are slowly becoming irrelevant.

A further indication of the break-up of state sovereignty and the obsolescence of national self-determination is the Spanish Civil War (between July 1936 and spring 1939) in which Italy, Germany, and Portugal supported the side of General Franco, while the Soviet Union supported the government. Italy and Germany's insistence on the right to help like-minded people in other countries is based on the principle that a country advocating a particular political theory 'was expected to encourage and assist the triumph of that theory in other countries'.[94] Indeed, W. Friedmann bases much of his analysis of the crisis facing the nation-state on international ideological movements.[95] The Spanish Civil War is not only a war in which state governments felt they had a right and duty to participate. Contingents of anti-fascist Italians and anti-Nazi Germans, as well as a considerable number of people from other countries entered the war on the Spanish government's side. In the eyes of those who lived through the 1930s, Spain 'became the symbol of a global struggle'.[96] The aim of the 1919 Paris Settlement was to give primacy to the principle of national self-government, but as Mitrany puts it:

> But that current of sentiment is by way of being superseded. In every state — whether old states like France or Spain, or young states like Roumania

91. *Ibid.*, p. 35.
92. *Ibid.*, p. 46.
93. *Ibid.*, p. 17.
94. Carr, *International Relations*, p. 260.
95. W. Friedmann, *The Crisis of the National State* (London: Macmillan & Co., 1943).
96. Hobsbawm, *Age of Extremes*, p. 157.

> — the nations are now divided by social ideologies. And on that basis each section has been working to link up with like-minded sections elsewhere, cutting across national frontiers.[97]

As it becomes obvious, after 1945, that new social and political ideologies have not replaced nationalism and the principle of national self-determination, Mitrany drops this emphasis on ideological sections within nationalities. Despite such minor or occasional reversals, it is noteworthy that he does not fundamentally change his view of world politics and of the remedies he initially suggests in the early 1930's.[98] Throughout his writing career, spanning circa 60 years, he never loses his belief in a growing world unity, strengthened and perpetuated by scientific inventions, and solidified by the establishment of a common political outlook upheld in international functional organisations. Indeed, the publication of *The Functional Theory of Politics* in 1975 (being an anthology of texts written between the 1920s and the 1970s) stands as a testimony to Mitrany's consistency in his interpretation of international politics. It also stands in sharp contrast to Ohmae's view of a fundamental break in world history after World War Two.

Kenichi Ohmae and the World Bifurcated

Some of Cobden and Mitrany's descriptions imply the withering away of the nation-state, but none of them go so far as to commit themselves to statements saying it is inconsequential or about to become so in the foreseeable future. Nor do they assert unequivocally that the nation-state is powerless in the international system generally, or the international economy more specifically, even if their descriptions of international commerce and growing interdependence imply a decreasing role and significance of state authorities in international relations. In contrast, Ohmae is much more assertive. Our main point of criticism is that Ohmae's empirical claims about the state of the nation-state are contradictory. On the one hand, he describes what he terms 'the end of the nation state'. On the other hand, he portrays an emerging global economic system in which fiscal policies, government regulations, tariffs, as well as other economic controls, and educational policies continue to have a very significant impact on

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97. Allan G. Fisher and D. Mitrany, 'Some Notes on the Transfer of Populations', *The Political Quarterly* (Vol. 14, No. 4, Oct-Dec 1943), p. 369.
98. Lucian M. Ashworth, *Creating International Studies: Angell, Mitrany and the Liberal Tradition* (Aldershot, Hampshire: Ashgate Publishing, 1999), p. 78.

prosperity. He argues that 'enlightened leaders' are pivotal to a country's success in the world economy, while, in the next breath claiming 'in terms of the global economy, nation-states have become little more than bit actors'.[99] As a result, the title of his 1995 book, *The End of the Nation State*, is highly misleading. What he portrays is not the end of the nation-state, but transformations in the economic landscape (*e.g.*, in consumer preferences, information and communication technologies, regulatory policies, and economic growth) facing both business and political leaders as he sees it. He may counter our criticism by saying it is an end of the nation-state as we know it. However, such a reply leaves untouched the charge that he engages in deception by exaggeration. You cannot declare the end of the nation-state at the same time as you avow to explain 'how the governments of nation states understand their proper role in economic affairs' without being inconsistent.[100] There can be no proper role for an entity that is no more.

The End of the Nation-State

Most of the time when Ohmae discusses the end of the nation-state he adds 'in economic terms'. As a result of growing international investments, improving information and communications technologies, expanding multinational companies, and the increasing power of cosmopolitan consumers, the nation-state no longer represents a closed community with shared economic interests.[101] He makes general and sweeping remarks on this theme on numerous occasions. A few such claims are 'in terms of real flows of economic activity, nation states have *already* lost their role as meaningful units of participation in the global economy of today's borderless world';[102] 'the nation state has become an unnatural — even a dysfunctional — organizational unit for thinking about economic activity' (similar turns of phrases have been quoted in chapter 3);[103] and the nation-state 'has neither the will nor the incentive nor the credibility nor the tools nor the political base to play an effective role in a genuinely borderless economy'.[104] Even if Ohmae stops short of saying that state authorities have completely lost their power in a global economy, the last quotation comes close to doing so. The problem

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99. Kenichi Ohmae, *The End of the Nation State: The Rise of Regional Economies* (London: HarperCollins, 1995), pp. 11 and 12.
100. *Ibid.*, p. 5.
101. *Ibid.*, pp. 2-4.
102. *Ibid.*, p. 11, emphasis in original.
103. *Ibid.*, p. 16, and p. 42.
104. *Ibid.*, p. 42.

with nation-states, according to Ohmae, is that they are 'politically defined units' with arbitrary and historically accidental boundaries, as a result of which they now 'have much less to contribute — and much less freedom to make contributions' to economic growth and development.[105] The nation-state is 'increasingly a nostalgic fiction', because each country consists of vastly different regions with different consumer tastes, needs, and ability to produce goods and services, in turn rendering national statistical averages 'false, implausible, and nonexistent' for corporate CEOs, as well as public sector officials.[106] Ohmae finds further evidence of the decline of the nation-state in the fact that it is extremely difficult to attach national labels to either goods, services, or the companies that produce them. This is the result of increasing foreign direct investments, international cross ownership, international outsourcing, and off-shore production. As a consequence of the internationalisation and globalisation of ownership, production, and consumption, 'Today, in the developing as in the developed world, the natural business unit for tapping the global economy to produce wealth is the region, not the nation'.[107]

With the decline of the nation-state a new citizen has emerged, according to Ohmae. Thanks to the spread of information through television, newspapers, magazines, and lately the Internet, consumers 'have become global citizens, particularly in their purchase of goods'.[108] Interestingly, Ohmae fails to mention any other area in which people are cosmopolitan. Nevertheless, ignoring that nationality may be a selling factor, as for example with French cheese, he argues that for well-informed customers 'Today, nationality is a nonfactor in daily consumption. National borders don't exist in the supermarket'.[109] Consumers are cosmopolitan in their choices. What is important is that the product meets their needs and means.

> National borders are now irrelevant to most companies and consumers, regardless of whether they are in Japan, North America, or Europe. ... Americans are eager to buy Sony Walkmans and wear Benetton sweaters. Like other cosmopolitan consumers in advanced industrial countries, they

105. *Ibid.*, p. 11. See also Kenichi Ohmae, *The Borderless World: Power and Strategy in the Global Marketplace* (London: HarperCollins, 1990), p. 194.
106. Ohmae, *The End of the Nation State*, p. 12, and Ohmae, *The Borderless World*, pp. 190-91.
107. Ohmae, *The End of the Nation State*, p. 144.
108. Kenichi Ohmae, *Fact and Friction: Kenichi Ohmae on U.S.-Japan Relations*, Eds. Ann Gregory and Sam Waite (Tokyo: The Japan Times, 1990), p. 148. The article, in which the quotation appears, was first published as 'Global Consumers Versus Provincial Governments', in *The Japan Times*, 19 December, 1988.
109. Kenichi Ohmae, *Beyond National Borders: Reflections on Japan and the World* (Homewood, IL: Dow Jones-Irwin, 1987), p. 82.

> acknowledge the value of good products and buy them, regardless of their country of origin.[110]

In *The Borderless World*, he goes even further by implying that English now provides the language for a truly global order, an order which is emerging whether national governments want it or not.

> We can all talk to each other now, understand each other, and governments cannot stop us. 'Global citizenship' is no longer just a phrase in the lexicon of futurologists. It is every bit as real and concrete as measurable changes in GNP or trade flows.[111]

The list of instances when Ohmae makes seemingly unequivocal statements about the decline of the nation-state can be made much longer. According to the above quotations, Ohmae seems to regard the nation-state, that is, the 'national-territorial totalities' on political maps, 'the country as a whole and all that is within it: territory, government, people, society', in the words of Fred Halliday, irrelevant as communities of economic interest, production, and exchange.[112] Nor do these organisational totalities have the authority and ability to steer economic growth and regulate markets for the benefit of their populations. The decline and imminent 'end' of the whole socio-political phenomenon termed the nation-state appear crystal clear. His reputation as one of the most fervent proponents of state decline seems well earned, but behind the strong declarations hide many self-confessed caveats, as well as unconscious reversals of his professed hypothesis.

Before we go on to analyse them, we need to mention one point on which Ohmae is fairly consistent. According to him, nation-states can no longer be treated as representing homogenous markets. They are segmented according to, for example, the age of consumers, levels of income and its distribution, levels of education, and a host of other factors such as geography, climate, and the level of urbanisation. Consumers exist as clusters with similar demands and tastes across national borders. Youths in Japan listening to Sony Walkmans have more in common with the same age group in the USA than with older generations at home. On a few occasions he mentions that some products are becoming global in the sense that they are desired by people all over

110. Ohmae, *Beyond National Borders*, p. 13.
111. Ohmae, *The Borderless World*, p. 21.
112. Fred Halliday, *Rethinking International Relations* (London: Macmillan Press, 1994), p. 78.

the world. He even suggests this trend is leading to a homogenisation of tastes around the globe.[113] However, even with such products as Coca Cola, Nike, and Gucci handbags, corporate leaders must be sensitive to local or regional tastes, traditions, and distribution channels, which may or may not fall within one country's borders. Successful companies develop a business strategy which treat demand and consumer preferences as regional or local within or across national borders.

Borderless Business and Myopic Nation-States

Ohmae holds a view of international relations as being bifurcated into a borderless world of business (this is essentially the world economy, which he also variously refers to as the Triad — *i.e.*, the economies of Japan, western Europe, and the USA — the Interlinked Economy [ILE], the Borderless World, or the Invisible Continent[114]) and a political world of nation-states. Even though Ohmae does not explicitly acknowledge the separation of a business world from that of nation-states, one indication that Ohmae nevertheless sees a distinct break is evident when he, in *Triad Power*, claims to describe 'the kind of business world in which we live (or, at least, that world as I see it)'.[115] In *The End of the Nation State*, Ohmae makes a similar separation when he asks rhetorically, '[a]re these nation states — notwithstanding the obvious and important role they play in world affairs — really the primary actors in today's global economy?'[116] In this statement, Ohmae's notion of decline refers only to the nation-state as an economic unit, an interpretation which is consistent with the following quotation.

> On a political map, the boundaries between countries are as clear as ever. But on a competitive map, a map showing the real flows of financial and industrial activity, those boundaries have largely disappeared. ... The global economy follows its own logic and develops its own webs of interest, which rarely duplicate the historical borders between nations. As a result, national interest as an economic, as opposed to a political, reality has lost much of its meaning.[117]

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113. See, for example, Ohmae, *Beyond National Borders*, pp. 82-83.

114. It should be pointed out that Ohmae does not use these concepts completely interchangeably. Yet, they all signify the world economy at different stages of development, the Triad referring to the world economy of the early 1980s and the Invisible Continent that of 2000.

115. Kenichi Ohmae, *Triad Power: The Coming Shape of Global Competition* (New York, NY: The Free Press, 1985), p. xvi.

116. Ohmae, *The End of the Nation State*, p. 2.

117. Ohmae, *The Borderless World*, pp. 18 and 183.

Ohmae never mentions what is the difference between, on the one hand 'national political interest', and, on the other hand, 'national economic interest'. If the national interest has *not* lost much of its meaning as a political reality, where this leaves the nation-state is a question Ohmae never addresses. To treat nation-states as single units is an economic lie, but Ohmae concedes, still a political necessity. This leaves unscathed nation-states conceived as political units (*i.e.*, as territorially based national and/or socio-psychological communities with at least a nominally sovereign government, shared citizen identities, and laws governing the interaction between individuals, groups, and authorities). The term political remains shrouded in obscurity in Ohmae's writing. However, he echoes Cobden and Mitrany's views that politics concerns primarily military and territorial conflicts. An activity that renders most governments too busy to see the significance of the underlying interconnectedness and interdependence of their economies, as well as the cosmopolitan economic aspirations of their citizens/consumers.

Another aspect of Ohmae's idea of the decline of the nation-state as an economic unit is the increasing impotence of traditional economic policies to control international market forces. The problem facing government policies is that today's global or 'interlinked economy' does not follow old economic laws. 'One thing is certain', he claims. 'Today's economic world, so interlinked and globalized, is far too complex for a functionally organized government official, or experts and scholars in any field, to comprehend'.[118] In 'Keynes's era', Ohmae claims,

> the economic sphere was a composite of closed national units. The world economy is now a much larger system of interdependent units. Demand and production are no longer contained within single national economies.[119]

The sphere of military security remains as a main prerogative of nation-states, but Ohmae criticises governments for either not understanding the exigencies of the business world or for simply responding to short-term appeals to subsidise and protect jobs in the name of national interest.[120] In his words, nation-states

> may originally have been, in their mercantilist phase, independent, powerfully efficient engines of wealth creation. More recently, however, as

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118. Ohmae, *Fact and Friction*, pp. 159-60.
119. Ohmae, *Beyond National Borders*, p. 123.
120. See, especially, *ibid.* and Ohmae, *Fact and Friction.*

> the downward-ratcheting logic of electoral politics has placed a death grip on their economies, they have become — first and foremost — remarkably inefficient engines of wealth distribution.[121]

According to Ohmae, traditional tools of economic policy (such as fiscal policies to boost demand, subsidies to succour ailing industries, and tariffs to protect against imports) are no longer viable options for governments. Such policies are too expensive and they are increasingly impotent as a result of 'leakage' through links of international trade and investment. Governments are finding it increasingly difficult to raise money because interest-based policy instruments such as bonds and central reserve lending rates do not provide a sufficiently attractive alternative in the eyes of bankers and fund managers to growth rates in real estate, equities, and foreign exchange markets. A government can no longer control what used to be 'its' national economy. As a result, people can rely less on nation-state authorities for the provision of daily necessities. It should be mentioned that Ohmae never considers the origins of the modern welfare state. To him, government planning and regulations are lingering vestiges of national economies at lower stages of development (*i.e.*, poorer countries dependent on primary products and foreign capital). However, the welfare state is a peculiar legacy of the two world wars, when state authorities took on the task of providing daily necessities and plan economic activities for the war effort. In any case, now, according to Ohmae, the global economy provides consumers with the goods they need.

While Ohmae focuses on the nation-state's economic demise, he sometimes widens his argument. The nation-state's authority over economic affairs rested on its military strength, control of natural resources, colonies, and land, as well as its political independence. The difference now is military strength is a costly burden and does not 'advance the quality-of-life interests of their citizens'.[122] He makes this observation already in the 1980s when he says, '[t]he key to a nation's future is its human resources. It used to be its natural resources, but not any more. The quality and number of its educated people now determines a country's likely prosperity or decline'.[123] As we will see in the next chapter, Ohmae actually perceives education as a public good and, contrary to what you would expect, assigns the provision of it to the state. Trade is another source of prosperity, as it can substitute for possession of land. Japan does not

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121. Ohmae, *The End of the Nation State*, p. 12.
122. *Ibid.*, p. 141.
123. Ohmae, *Beyond National Borders*, p. 1.

have to produce rice within its state borders. It can trade for it. Concomitantly, political 'independence is of diminishing importance in a global economy that has less and less respect for national borders'.[124] At present, the system of international economic interaction overlays political dividing lines. Thus, '[n]ational borders are virtually meaningless today. In our new economic system, cooperation and interdependence, not conflict and independence, are prerequisites for survival'.[125] It should be noted that Ohmae leaves open a door through which to retreat when he says that political independence is only of *diminishing* importance (still important) and that national borders are only 'virtually' meaningless (all but meaningless). Nevertheless, the reason for the nation-state's political decline is that 'it is economic activity that defines the landscape on which all other institutions, including the apparatus of state-hood, must operate'.[126] To Ohmae, signs of the erosion of the nation-state can also be seen in the wake of the end of the Cold War as countries either disintegrate (as, *e.g.*, Yugoslavia and the Soviet Union) or devolve power to local authorities in response to ethnic and racial demands for autonomy (as in, *e.g.*, Spain, Canada, and Great Britain). Here, Ohmae includes the political break-up of countries in his view of the end of the nation-state, but spends very little time on the issue of fragmentation and political devolution because they are of decreasing significance. 'No matter how deeply rooted, however, these aspirations are not the only — or arguably, even the primary — forces now at work. Something else is going on. The battle and the battlefield have shifted'.[127] Now, 'the balance of power', so to speak, has shifted as the flows of the global economy rule the day.

Another aspect of the decline of the political authority of nation-state institutions is that as a result of increasing cross-border activities and reach of information and communication, problems are no longer contained by political borders. Similarly to Mitrany, Ohmae asserts 'Increasingly, the circumstances requiring the attention of the world community do not conveniently follow the borders of nation states or the remit of the multilateral or global institutions that bridge them'.[128] The nation-state is becoming inadequate as a unit in which to think of and address disasters such as famine,

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124. Ohmae, *The End of the Nation State*, p. 141.
125. Ohmae, *Beyond National Borders*, p. 128.
126. Ohmae, *The End of the Nation State*, p. 41.
127. *Ibid.*, p. 10.
128. *Ibid.*, p. 118.

massacres, plagues, and genocide. People's problems are not national, they are local, regional, or perhaps even global, and this fact spells the end for effective independent policy making by nation-states.

But Then There Are Political Leaders

Nation-states, 'these political aggregations[,] no longer make compelling sense as discrete, meaningful units on an up-to-date map of economic activity. They are still there, of course, still major players on the world stage. But they have, for the most part, lost the ability to put global logic first in the decisions they make'.[129] It is certainly difficult to see how nation-states can be 'major players' (whatever that may mean) when Ohmae claims to describe their end. In addition, he makes an important qualification to his argument when he claims that nation-states only 'for the most part' have lost the ability to act in line with requirements of the borderless world. In other words, there is nothing inherently wrong with nation-states, as some obviously still play a role in today's global economy. Despite the rhetoric, a close reading of Ohmae's work detects several instances when the nation-state and its political leaders play positive and significant roles in world economic affairs. As the example of China shows, nation-states today need to compete for global capital and know-how. While government is conditioned by the world economy, what political leaders do has both positive and negative effects on economic development. For instance, he mentions that the Chinese government must act responsibly, as it cannot afford another Tiananmen Square style clampdown. Its international reputation as politically stable and viable would suffer too much. In other words, governments regulate (sometimes by deregulating) and provide the social stability through laws and education, both of which are necessary ingredients in a prosperous country.[130] As the success of Malaysia's 'Look East' strategy reveals, under the wise leadership of a Prime Minister, such as Dr. Mahathir, a nation can shed its dependence on primary products and develop an economy based on manufacturing.[131] Another enlightened political leader is Singapore's Lee Kwan Yew. According to Ohmae's general line of argument, governments can no longer directly command markets through fiscal and monetary policies. However, the regulatory

129. *Ibid.*, p. 79.
130. *Ibid.*, pp. 72-73.
131. *Ibid.*, pp. 120-21.

frameworks of nation-states define the landscape for the world economy, and wise policies are necessary for a global and propitious business climate. This opens his argument to a significant criticism. If, as Ohmae indicates, a nation's economic prosperity ultimately depends on government policies, to discard nation-states categorically as little more than 'bit actors' in the world economy is an absurdity.[132]

While Ohmae is open to criticism that he tends to downplay political and ideological motivations in business and economics, he is far from blind of the links between economics and politics. Contrary to what Ohmae implies when he argues that economic activities determine the 'landscape', the world of business is significantly affected by the policies of nation-states. He emphasises, in particular, protectionist measures (such as anti-dumping provisions, voluntary export restrictions (VERs) or quotas, and other non-tariff barriers) that were highly divisive in the wake of the oil crises in the 1970s and 1980s.[133] According to Ohmae, such policies in combination with increasing consumer requests for cheap, quality products and service force corporations to become 'true insiders' or 'honorary citizens', either through strategic alliances or by setting up production facilities or service networks in important markets throughout 'the Triad'.[134] Thus, there is not a total break between the two worlds. The business world does not exist in a vacuum beyond the influence of nation-states. Even if he never expressly admits it, the world of nation-states and the world of business are mutually dependent in his conception of international economics and politics. He emphasises that political leaders must adopt their policies to the demands of the global economy if they desire their economies to prosper. However, this implies that, in order for the world economy to become truly global and thrive in a particular region, political leaders must admit, or indeed invite it, a concession which affirms the continuing sway of nation-state institutions.

To Ohmae, the end of the nation-state and the tilt in the balance of power in favour of the borderless world are very recent phenomena. He did not always adhere to the idea of the end of the nation-state as an economic reality. In an attempt to show his independence from former senior management at McKinsey and Co., Ohmae refutes as outmoded the 'world enterprise' model developed in 1959 by Gilbert Clee, subsequently

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132. *Ibid.*, p. 11.
133. See, for example, Jagdish Bhagwati, *Protectionism* (Cambridge, MA: The MIT Press, 1988), pp. 43-45.
134. See, for example, Ohmae, *Triad Power*, pp. 72-75.

managing director of McKinsey. Ohmae rejects Clee's idea that corporate leaders should not think of the world as consisting of countries such as the USA, Great Britain, and Japan, but as one unit, one market.

> More than two decades later, it has become obvious that the world can no longer be seen in such a simple, unitary way. Each country has its own tax system, its own laws, and its own ideology. The notion of the world as a single market looks curiously old-fashioned today. It is refuted by too many facts. ... The world of the 1980s is a fragmented world. It cannot sensibly be regarded as a single unit for which a company can reasonably expect to be able to formulate a global strategy. In fact, without careful individual study of the more than 150 independent nations that make up the world today, effective penetration of the right overseas markets is hardly possible.[135]

Ohmae further disputes 'Clee's assumptions about the homogeneity of the world and the declining importance of political boundaries and conflicts of interest between business and host governments'.[136] This view is difficult to square with later exclamations about a borderless world, increasingly global consumer preferences, and the end of the nation-state. For example, in 1990 he claims that 'the commonalities of the triad economy are far greater than the unique attributes of localities'.[137] However, interestingly, Ohmae does not completely shed his views from *The Mind of the Strategist* when he formulates his ideas of the effects of economic globalisation. Indeed, the fact that he retains the belief in the power of nation-states, explains some of Ohmae's contradictions. Even in his most explicit enunciation of the idea of the decline of the nation-state, he still emphasises there are important differences between countries in 'policy, regulatory, legal, or general market environment' and corporate managers 'must pay attention to them'.[138] Additionally, he concedes, 'economic borders are progressively disappearing', a statement which surprises in 1995, since he already in the 1980s declared national borders to be irrelevant.[139]

A significant problem in Ohmae's formulation of the end of the nation-state is that he slides between different definitions of the concept. If we interpret his argument in its

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135. Kenichi Ohmae, *The Mind of the Strategist: The Art of Japanese Business* (New York, NY: McGraw Hill, 1982 [originally published as *Kigyo Sanbo* in 1975]), pp. 179 and 180.
136. Ohmae, *The Mind of the Strategist*, pp. 196-97.
137. Kenichi Ohmae, 'Borderless Economy Calls for New Politics', *Los Angeles Times*, 26 March, 1990, p. B7.
138. Ohmae, *The End of the Nation State*, p. 108.
139. *Ibid.*, p. 2.

most narrow form that nation-states no longer correspond to single, homogenous, exclusive, national markets we find him convincing and consistent. However, if he is serious about the wider argument about the end or decline of the nation-state as an authority and as a country with a socio-psychological community, he leaves much to be desired in the forms of coherence and persuasiveness.

Concluding Comments

Apart from providing a critical analysis of Cobden, Mitrany, and Ohmae's descriptions of the decline of the nation-state, the purpose of this chapter is also to expound on how far they actually take their claims about to what extent the nation-state already has declined. It shows some of the different forms the hypothesis has taken during different historical periods, at the same time as it reveals some of the reasons for their reputations as decline-of-the-state proponents. Our comparison is made somewhat difficult because they have slightly different understandings of the nation-state.

To Cobden, the proof of the decline of the nation-state can be found in the rise of interdependence, the anachronism of the balance of power, and the spread of civilisation through free trade and the establishment of the principles of national self-determination. Empirically, the decline of the state internationally for Cobden means to say that states' traditional tools of international politics — such as secret diplomacy, military-alliance treaties, and war in the name of the European Concert system — are no longer appropriate. He does not challenge the existence and, indeed, strengthening of communities based on nationality. In other words, he accepts the state conceived as a country. Countries are natural, and he correctly identifies the growing trend of his time to organise European relations on the nation-state when he argues

> the question which is not ancient but new, and which must be taken into consideration in all our foreign policy from this time — the question of nationalities — by which I mean the instinct, now so powerful, leading communities to seek to live together, because they are of the same race, language, and religion.[140]

140. Richard Cobden, House of Commons, 5 July, 1864 (*Hansard, Parliamentary Debates*, 1864, CLXXVI [176], pp. 828-29), quoted in Nicholas C. Edsall, *Richard Cobden, Independent Radical* (Cambridge, MA: Harvard University Press, 1986), p. 406.

There is no question about the fact that countries remain distinctly separate, and that they are led individually by governments. The question for Cobden is when politicians will notice the fundamental changes going on, and adapt their countries' policies so as to be in tune with the new age.

According to Mitrany, the decline of the nation-state is more relative. Driven by technological advances, it is essentially the international sphere of human interaction which has grown out of proportion with the dominant role of the nation-state in international relations. Increasing international economic and social interaction and exchange are giving rise to an ever-more intricate web of interdependence, which in turn is slowly engendering an international socio-psychological community. The problem is that the nation-state obstructs the natural growth of common activities. It is still an obstacle. Similarly to Cobden, Mitrany does not doubt its continuing strength, and he also points to the inappropriateness of the nation-state. But in contrast to Cobden, Mitrany does not stop at criticising particular government policies. He asserts that the principles underpinning the current form of the nation-state — *i.e.*, nationalism, national self-determination, absolute territorial sovereignty, state autonomy, and the legal equality among states in international governing organisations — are the real impediments to a living international community.

Ohmae tends to slide between different definitions of nation-states — from countries, to homogenous national markets, to state authorities and governments — which makes it very difficult to draw any firm conclusions regarding his view of the condition of the nation-state. Nevertheless, according to him, the nation-state no longer contains one (fairly homogenous) national market. As a result, their domestic government structures have become 'remarkably inefficient engines of wealth distribution'. Traditionally, political borders used to coincide with lines between different markets, or areas of different economic development, but not any more. Due to the impotence, Ohmae contends, of traditional fiscal and monetary policies, and the obsolescence of national markets, the nation-state is obsolete. Country does neither signify an economic community, nor define the limits of economic interests and activities. As a result of this interconnectedness, politicians can no longer effect economic change exclusively within the borders of the nation-state. However, he claims, nation-states are still important in 'world affairs'. They are still there as political units, but what Ohmae means by this is left for the reader to decide.

5

PRESCRIBING THE DECLINE OF THE STATE

This chapter analyses the normative elements in the decline-of-the-state hypothesis. It provides a critical interpretation of what roles Cobden, Mitrany, and Ohmae ascribe to the state in domestic affairs, and relates their visions of how the state should be organised to contemporary ideological trends and fashions regarding the ideal role of national governments. The analysis focuses on the tensions between Cobden, Mitrany, and Ohmae's rhetoric of state decline and their visions of what ought to be the proper roles of states. Their proposals for what governments should do in domestic affairs and the key roles they should occupy in national communities sit uneasily with their more exalted criticisms of the inherent flaws in state institutions, as well as their calls for retrenchment (Cobden), transcending the nation-state (Mitrany), and the end of the nation-state (Ohmae).

As a secondary objective, chapters five and six serve as correctives to those who interpret and use Cobden, Mitrany, and Ohmae as unequivocal proponents of no-state liberal ideals. In particular, Cobden and Ohmae are almost shorthands for derisive descriptions of the ideology of the night-watchman state, as well as globalisation and the 'end of the nation-state'. Their reputations are not wholly undeserved, but they conceal the three thinkers' more nuanced conceptions of the appropriate relationship between state and domestic society, and, as we will see in the next chapter, the legitimate roles of the nation-state in world politics.

Richard Cobden, Retrenchment, and Reform

If we were to go straight to an analysis of Cobden's ideology of the state, the reader would be prompted to question the choice of Cobden as a priest of state decline, since he embraces government control and involvement in domestic society on several occasions. These aspects have gained less of a hearing though, with critics focussing primarily on Cobden's anti-state elements. This section provides an interpretation of what Cobden wants the relationship between state and domestic society to be. It rejects the belief that Cobden adheres to a strict application of the principle of *laissez-faire* and the establishment of a night-watchman state. Nevertheless, acknowledging Cobden's critical element towards the state, this section also criticises the inconsistencies

between, on the one hand, Cobden's anti-state rhetoric and, on the other hand, his vision of the ideal role of the state and its government.

We need to keep in mind that the term 'the state' did not carry the same meaning in England during the nineteenth century as it does today. As George S. Sabine points out, before the second half of the nineteenth century 'no English political thinker had used the word in any special sense or indeed had made any common use of it at all'.[1] State was constantly confused with government, nation, society, and/or a general, ideal, almost metaphysical, will. Conceptual confusion persists to our day, but the term 'state' is now much more intimately associated with the Hegelian notion of the state as a living organism and ultimate personification of individuals coming together in a community. Naturally, this is close to the understanding of the state as a general metaphysical will, but that interpretation is not widely accepted or used before the 1850s. The acceptance of the state as metaphysical being follows the spread of socialist thought, but the refusal to accept any Hegelian or socialist notion of the state persists not least within the Manchester School after Cobden and Bright's deaths. As Goldwin Smith, a self-proclaimed adherent of the tradition and follower of Cobden, puts it in 1895:

> when we are told that an entity called the State has rights transcending those of the individual citizen, and that it is the State's duty to regulate our industries and lives, the answer is that the State, if it means anything but the Government, is a mere abstraction, which can have no rights or duties of any kind.[2]

Thus, when we speak of the state in this section on Cobden, we refer to it as an organisation of government dependent for its character on the people constituting it. In other words, it is very little beyond government, parliament, and the laws upheld by them.

In addition to the fact that the meaning of 'the state' (or 'State', which is more commonly used by Cobden and his contemporaries) is unclear, we need to remember that Cobden is not concerned primarily with general principles but with practical politics. Any conclusions about a consistent ideology, belief system, or unwavering principles in Cobden's thought are, thus, tenuous. He is a pragmatist applying his experiences from his Dunford farm, travels, business ventures, and political career to

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1. George H. Sabine, *A History of Political Theory*, Third Edition (London: George G. Harrap, 1951), p. 618.
2. Goldwin Smith, 'The Manchester School', *The Contemporary Review* (Vol. 67, March, 1895), p. 386.

practical issues of government. Cobden is a shaper of public opinion, an agitator, and a polemicist oppugning what he sees as vestiges of unjust feudal and aristocratic privileges. His role as a politician naturally precludes him from academic perfectionism. Nevertheless, some general preferences are discernible in his thought, and even if we may excuse Cobden for not following a single coherent ideological doctrine (something that is impossible in practical politics), not even a politician should be exempt from criticism if his proposals for practical politics conflict with his professed cardinal axioms.

No-state Interpretations of Cobden's Thought

Cobden mentions the influence of Adam Smith on his thinking. However, he also takes his cues from Edmund Burke, who in the late eighteenth century enunciates the main tenets of what is now known as the *laissez-faire* approach to government. Burke maintains that it is not 'within the competence of the government, taken as government, or even of the rich, as rich, to supply to the poor those necessaries which it has pleased the Divine Providence for awhile to withhold from them'.[3] While Cobden occasionally borrows this kind of argument, we cannot interpret his thinking as unequivocally adhering to its principles without oversimplifying his system of ideas.

Crane Brinton, J.A. Hobson, as well as the author of the article on Cobden and his disciples in *The Pall Mall Gazette*, suggest that Cobden wants to abolish the state. According to the latter, one of Cobden's main objectives

> may be described as consisting in the limitation of the powers of the State. ... Hence, he proposed to deprive the State of the power of exaction and expenditure by abridging its functions, by narrowing as much as possible its supposed duty of intervention in foreign and domestic affairs, and by making the imposts it was permitted to levy exceptionally disagreeable.[4]

Brinton argues similarly that Cobden

> thought Government of little importance in an industrious country. Once reduced to its necessary minor functions — a process going on rapidly nowadays — and [*sic*] it might be left to a frivolous people. Extension of

3. Edmund Burke, *Thoughts and Details on Scarcity*, 1795, in *The Works of Edmund Burke*, 1846, iv, p. 270. Quoted in E.H. Carr, *What is History?*, Second Edition (London: Penguin Books, 1990 [first published 1987]), p. 58.
4. Unsigned, *The Pall Mall Gazette: An Evening Newspaper and Review*, 'The Church of Cobden', Wednesday, 10 January, 1872, p. 121.

> suffrage is indeed necessary as a final check on the aristocracy; but its results will be a further diminution of the importance of Government, and of course further economies in administration.[5]

He even suggests that Cobden wants to abolish national government, when he discards Cobden's doctrines by claiming, in the 1930s, 'The problems of government seem no longer reducible to the problem of eliminating government'.[6] True, in Cobden's last speech in the House of Commons, citing Burke, he professes the view 'that the Government of the country should not undertake to manufacture for itself that which can be purchased from private producers'.[7] However, contrary to what the author of 'The Church of Cobden' claims, he does not propose '[t]he theory that the State should be nothing'.[8] Nor does he argue in favour of a less *important* role for government in a democratic and commercial society. Indeed, in a speech on parliamentary reform in the House of Commons (6 July, 1848), he wants to strengthen the institutions of the state by extending the franchise, when he argues 'your institutions will be rendered stronger by being garrisoned by 3,000,000 or 4,000,000 of voters in place of 800,000'.[9] Nevertheless, Hobson takes the argument that Cobden opposes all government even further when he claims that Cobden and his school opposed nearly all increases in the state's domestic scope of authority.

> Government was conceived as a bad thing in itself, always oppressive to individuals, frequently unjust, nearly always expensive and inefficient. A country had to bear government for its sins, as a provision against enemies outside and enemies within. Armaments and police were the essence of government. The more rigorous logic of this *laissez-faire* thought and policy dictated an opposition to the entire body of the factory laws and other State regulations of industry, and to all public provision or enforcement of sanitation and education.[10]

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5. Crane Brinton, *English Political Thought in the 19th Century* (New York, NY: Harper Torchbooks, 1962 [first published 1933]), p. 110.
6. Brinton, *English Political Thought*, p. 115.
7. Richard Cobden, House of Commons, 22 July, 1864, in Richard Cobden, *Speeches on Questions of Public Policy, Vol. I*, of Two Volumes, Eds. John Bright and James E. Thorold Rogers (London: Macmillan and Co., 1870), p. 577.
8. Unsigned, *The Pall Mall Gazette*, 'The Church of Cobden', p. 121.
9. Richard Cobden, House of Commons, 6 July, 1848, in Richard Cobden, *Speeches on Questions of Public Policy, Vol. II*, of Two Volumes, Eds. John Bright and James E. Thorold Rogers (London: Macmillan and Co., 1870), p. 474.
10. J.A. Hobson, *Richard Cobden: The International Man* (London: Ernest Benn, 1968 [first published 1919]), p. 391.

Cobden's writings and thought reveal strong anti-state elements in his deep mistrust of government, but he nevertheless assigns several important tasks to state bodies. One example are his proposals, in 1836, for what the Russian tsar should do instead of seeking war with Turkey.

> Here, then, is the field upon which the energies of the government and the industry of its subjects should be ... exclusively devoted; ... she should cease the wars of the sword, and begin the battle with the wilderness, by constructing railroads, building bridges, deepening rivers; by fostering the accumulation of capital, the growth of cities, and the increase of civilization and freedom. *These are the only sources of power and wealth in an age of improvement.*[11]

He never indicates that the activities of the British government should follow any different course from the Russian. More specifically with regard to Britain, one may deduce four themes from his speeches and texts that its government should address. They are retrenchment, an extension of the franchise, redistribution of economic resources between different classes of society, and education.

Retrenchment, the Franchise, and State-induced Redistribution of Economic Wealth

A large part of Cobden's anti-state reputation emanate from statements such as 'If it be objected, that an economical government is inconsistent with the maintenance of the monarchical and aristocratic institutions of this land, then we answer, let an unflinching economy and retrenchment be enforced — *ruat cœlum*!'[12] To royalists and conservatives such utterances represent a direct attack on the institutions of the state, but it should be remembered that Cobden never wants to jeopardise judicious and effective government. The reduction of taxation and government spending is a theme which permeates all of Cobden's writings and speeches. In contrast to many Western European economists and politicians in the second half of the twentieth century, Cobden does not believe that government spending and fiscal policies do much to benefit the national economy. He perceives a direct causal relationship between the tax level and government expenditure, on the one hand, and the hardship of various groups in society,

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11. Richard Cobden, 'Russia' (1836), in Richard Cobden, *The Political Writings of Richard, Vol. I*, of Two Volumes, Fourth Edition (London: T. Fisher Unwin, 1903 [first published 1867]), pp. 138-39, emphasis in original.
12. Richard Cobden, 'England, Ireland, and America' (1835), in Cobden, *The Political Writings, Vol. I*, p. 103.

on the other. By reducing the tax burden you alleviate the situation for the unfortunate in society. Food becomes more available and productive resources cheaper, which, in turn, fuels economic growth and development. As two-thirds of government spending go to the army and the navy, the best way to save money is to reduce military expenses.[13] As Cobden puts it,

> if you could, within a few years, cause a large reduction in the expenditure of the State, you will give such an impetus to trade and commerce, and so improve the condition of the mass of the people, that you would aid very materially in relieving the farmers and labourers from the inconvenience of that transition state, from which they cannot escape.[14]

The transition state Cobden refers to is from an agricultural to a manufacturing society, and from an aristocratic to a mercantile society. The present level of military spending works as a subsidy to the aristocracy, because, as John Bright puts it, for the last century and a half, British foreign policy 'this regard for the "liberties of Europe", this care at one time for "the Protestant interest", this excessive love for "the balance of power" is neither more nor less than a gigantic system of outdoor relief for the aristocracy of Great Britain'.[15] In other words, reducing the size of the army and navy would entail a redistribution of economic resources from the landed interests to the manufacturing and labouring classes, all of which would be in line with the tendency of the age. The term 'the State' is a convenient shorthand. To Cobden it represents a particular institutional set up privileging the landed aristocracy. However, the multiple meanings of the word allows his opponents to characterise Cobden as somehow wanting to undermine the greatness of Britain.

In sum, Cobden wants a reduction of state expenditure primarily for three reasons. First, he advances Smithian justifications based on liberal ideas of political economy. Low government expenditure means more resources in the more productive private sectors of the economy. The result is supposed to be greater material welfare and higher economic growth for the benefit of all classes in society. Secondly, small government elevates the individual and assists in his moral development. As information spreads

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13. Richard Cobden, Wrexham, 14 November, 1850, in Cobden, *Speeches, Vol. II*, p. 406.
14. Richard Cobden, Leeds, 18 December, 1849, speech in reaction to mounting pressures for a protective duty on corn, in Francis W. Hirst (ed.), *Free Trade and Other Fundamental Doctrines of the Manchester School* (London: Harper & Brothers, 1903), p. 251.
15. A.J.P. Taylor, *The Trouble Makers: Dissent over Foreign Policy, 1792-1939* (London: Hamish Hamilton, 1957), p. 63.

and people become more educated, they acquire a right to expand their sphere of personal freedom, and no government has the right unduly to curtail an individual's pursuit of spiritual and material happiness. As Cobden puts it,

> It may seem Utopian, but I don't feel sympathy for a great nation, or for those who desire the greatness of a people by the vast extension of empire. What I like to see is the growth, development, and elevation of the individual man.[16]

By reducing government expenditure on armaments, a more equitable distribution of hardship would in effect be accomplished. Thirdly, since Cobden focuses primarily on a reduction of military expenditure, smaller government would promote trust and a thawing of international relations, and, consequently, international peace. In fact, Cobden wants to reduce the size of the state by reducing government expenditure, because, he believes, it would work to increase the power, wealth, and international standing of the British nation-state. His rhetoric of retrenchment and desire to dismantle the institutions of the state through economical government are much more narrowly directed at aristocratic privilege than both Cobden and his opponents lead us to believe.

Much has been made about Cobden's scepticism towards democracy. In a letter to Joseph Sturge shortly after the Repeal of the Corn Laws, Cobden writes, 'I do not oppose the principle of giving men a control over their own affairs. I must confess, however, that I am less sanguine than I used to be about the effects of a wide extension of the franchise'.[17] John Morley explains Cobden's misgivings as a preference for financial reform over 'mere reform in the machinery'.[18] According to Hobson, it also reflects Cobden's 'general disbelief in the virtue of government'.[19] However, Cobden's views on the benefits of a widening of the franchise fluctuate severely. Before Repeal, he is favourably disposed towards it, and after a brief spell of doubt in the second half of the 1840s, he regains some of his confidence in democracy already by 1849.

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16. Richard Cobden in a speech to his Rochdale constituents regarding the civil war in America and its effects on the cotton industry of England, quoted in William Harbutt Dawson, *Richard Cobden and Foreign Policy: A Critical Exposition, with Special Reference to our Day and its Problems* (London: George Allen and Unwin, 1926), p. 60. See also Hirst, *Free Trade and the Manchester School*, p. 373.
17. Richard Cobden, letter to Joseph Sturge, 1846, in John Morley, *The Life of Richard Cobden*, Fourteenth Edition (London: T. Fisher Unwin, 1920 [first published in two volumes 1879]), p. 501.
18. Morley, *The Life of Richard Cobden*, p. 501.
19. Hobson, *Cobden: The International Man*, p. 393.

> I am anxious to see this extension of the suffrage accelerated in every possible way: ... I do it, because I believe the extension of the franchise gives us a better guarantee not only for the safety of our institutions, but for the just administration of our public affairs; and I have latterly felt another motive for wishing for an extension of the franchise, in what I have seen going on upon the Continent within the last eighteen months, which has convinced me that the great masses of mankind are disposed for peace between nations.[20]

He wants state institutions such as parliament to be strong, safe, and just. This disproves Hobson's conviction that Cobden generally distrusts 'the virtue of government'. In addition, the idea that Cobden believes government to be inconsequential (or that it was becoming so) is wholly contradicted by this statement. Cobden believes the government of the nation to be so important as to merit exhorting people to 'use every means to get a vote'.[21] Cobden's desire to extend the franchise is related to his attempt to effect a more equitable distribution of economic and political privileges between the different classes in society. However, he does not foresee what seems so obvious to later observers, such as for example David Mitrany, that democracy radically extends the powers and competence of the state.

Even if the actual composition of government would not change as a result of an extension of the franchise (Cobden believes occupants of government positions will continue to come from independently wealthy groups of people), politicians and parliament would have to take into account concerns raised by a wider proportion of the population. This would strengthen the legitimacy the state apparatus. Remarkably enough, despite his preference for less expenditure, he does not want government to be weak. Despite Cobden's depiction of governments as 'standing conspiracies', and despite what Brinton and Hobson argue, Cobden does not question government per se, only certain forms and decisions. To him, rightful government is crucial in a commercial society.

At a meeting in the Free Trade Hall, Manchester (10 January, 1849) in support of the 'Liverpool Financial Reform Association, and other bodies, in their efforts to reduce the public expenditure to at least the standard of 1835, and to secure a more equitable and economical system of taxation'[22], Cobden tells his audience

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20. Cobden, Leeds, 18 December, 1849, in Hirst, *Free Trade and the Manchester School*, p. 256.
21. *Ibid.*
22. Hirst, *Free Trade and the Manchester School*, p. 291.

> The more you waste of the capital of the country, the more people will be wanting employment; and when they want employment, it is the law of England that the poorest, who are the first to begin to suffer under a course of national extravagance or decay, have the right to come to those above them and demand subsistence, under the name of poor rate; so that, in proportion as the extravagance of Government increases, poor rates and the expenses of a repressive police increase also. You must, therefore, lessen the national expenditure, or the catastrophe cannot be long deferred.[23]

Cobden strongly favours lower government expenditure, but he does not outright reject the practice of local and central authorities providing relief to the poor and thus some form of redistribution of resources from the rich. What he objects to is what he perceives to be the reason why resources need to be funnelled to the poor. Cobden is not an unconditional supporter of *laissez-faire*. In his first pamphlet, he urges the government and British Parliament to pay for a scheme of voluntary emigration from Ireland to America in order to alleviate poverty. He also advises the government to invest in infrastructure (especially railroads) so as to enable the spread of capital and commerce (*i.e.*, the spread of 'civilisation') even to the remotest parts at the centre of Ireland.

> Contemporary with any plan of emigration, other projects for the future amelioration of the fate of that miserable people must be entered upon by the *British Parliament*; and we should strongly advocate any measure of internal improvement which, by giving more ready access to the southern portion of the island, would throw open its semi-barbarous region to the curiosity and enterprise of England.[24]

In America, the same spread of civilisation occurs through private capital investments. However, this does not prevent Cobden from urging the British state to use public money in Ireland. While it may initially be expensive, Cobden notes, 'any present sacrifice on the part of the people of this country, by which the Irish nation can be lifted from its state of degradation, will prove an eventual gain'.[25] With this formulation, Cobden seems to allow governments a significant scope for pump-priming. However, he does not elaborate further on that possibility. Government investments in infrastructure under certain circumstances is as far as he goes.

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23. Richard Cobden, the Free Trade Hall, Manchester, 10 January, 1849, in Hirst, *Free Trade and the Manchester School*, p. 304.
24. Cobden, 'England, Ireland, and America', in Cobden, *The Political Writings, Vol. I*, pp. 65-66, emphasis added.
25. *Ibid.*, p. 65.

On 22 May, 1851, the MP for Oldham, W.J. Fox puts forward the motion 'That it is expedient to promote the Education of the People of England and Wales, by the establishment of Free Schools for secular instruction, to be supported by local rates, and managed by committees, elected specially for that purpose by the ratepayers'.[26] Cobden supports the motion, but it is subsequently defeated by a large majority in parliament. A state-funded system of education that includes even the poorest of the poor is imperative to Cobden. Ignorance among the poor is as evil as it is dangerous for society. 'I want people to be able to read and write — to be able to write their names when they sign a contract, or register the birth of their children; I want people to be trained in habits of thought and forethought'.[27] In order to fund this education, he devises 'a plan by which, for the purposes of secular education, a parish would be able to rate property. Let property be rated, and each proprietor, whether he were an absentee or resident, would contribute towards the education of the people'.[28] Cobden does not want to abolish education provided by the different churches in Britain. He welcomes all attempts to improve the level of education. However, since the present system excludes large parts of the population from learning basic skills in reading, writing, history, and geography, he admonishes parliament, in its position as an ultimate authority on the question, to compel local authorities to provide free education for all.

Exaggerating the Decline of the State

Cobden wants to reduce the state by minimising its military organisation. The dissertation does not criticise his ideal that 'we must endeavour to act at home more in accordance with the good old constitutional principle of governing by the civil and not the military power'.[29] The problem is that he sometimes falls in the trap of exaggerating his rhetoric of retrenchment and reform in the excitement of agitation. As he puts it in a letter to his friend the phrenologist George Combe, who had criticised him for an unmeasured attack on the Prime Minister, Robert Peel, in 1845:

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26. Hirst, *Free Trade and the Manchester School*, p. 479.
27. Richard Cobden, House of Commons, 22 May, 1851, in Cobden, *Speeches, Vol. II*, p. 589. See also Hirst, *Free Trade and the Manchester School*, p. 482.
28. Cobden, House of Commons, 22 May, 1851, in Cobden, *Speeches, Vol. II*, p. 593. See also Hirst, *Free Trade and the Manchester School*, p. 486.
29. Richard Cobden, letter to Robertson Gladstone, president of the Financial Reform Association, 18 December, 1848, in Hirst, *Free Trade and the Manchester School*, p. 397.

> You must not judge me by what I say at these tumultuous public meetings. I constantly regret the *necessity* of violating good taste and kind feeling in my public harangues. I say advisedly *necessity*, for I defy anyone to keep the ear of the public for seven years upon one question, without studying to amuse as well as instruct. People do not attend public meetings to be taught, but to be excited, flattered and pleased. If they are simply lectured, they may sit out the lesson for once, but they will not come again; and as I have required them again and again, I have been obliged to amuse them, not by standing on my head or eating fire, but by kindred feats of jugglery, such as appeals to their self-esteem, their combativeness, or their humour. You know how easily in touching these feelings one degenerates into flattery, vindictiveness, and grossness.[30]

One example of such flattery may be Cobden's remark at a speech in Manchester six months before the Repeal of the Corn Laws, where he downplays the role of the state and panders the audience with their importance and authority.

> But, gentlemen, I tell you honestly, I think less of what this Parliament may do; I care less for their opinions, less for the intentions of the Prime Minister and the Cabinet, than what may be the opinion of a meeting like this and of the people out of doors.[31]

One of the goals of this thesis is to show that some of the exaggerated claims and ground shifting about the decline of the state may be deliberate, or, at a minimum, conscious. The last two quotations are as good a confession as we could wish to find of the tendency to overstate an argument about the desire to see a diminishing role of the state.

David Mitrany, Liberalism, Social Democracy, and the Social Service State

According to one observer, 'Realism thrives during times when people feel insecure, just as idealism does during times when security is taken for granted'.[32] While this assessment appears generally correct with regard to Cobden and Ohmae, it has difficulties explaining David Mitrany's norms and ideals. Anthony Howe comes closer to an appropriate understanding of the roots of Mitrany's idealism. As he points out, the Great War of 1914 undermined the belief in an infallible link between interdependence

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30. Richard Cobden, letter to George Combe, 29 December, 1845, in Morley, *The Life of Richard Cobden*, p. 207-208, emphases in original. See also Wendy Hinde, *Richard Cobden: A Victorian Outsider* (New Haven, CT: Yale University Press, 1987), p. 123.
31. Richard Cobden, Manchester, 15 January, 1846, in Cobden, *Speeches, Vol. I*, p. 361.
32. Robert D. Kaplan, 'The Faceless Enemy', *The New York Times Book Review*, 14 October, 2001, p. 11.

and peace. 'Yet, as in 1870, the very shock of war revitalized the desire to avoid war'.[33] And, inter-war intellectuals tried to do it by finding a cure for inimical nationalism and sovereignty through some form of international government, and by returning to a nineteenth-century international economic order. Though, already by the early 1930s, any hopes of political and economic stability under an international regime of free trade and investment had been shattered.[34] Inter-war political thought quickly turned away from Cobden's principles of individual freedom and minimal government involvement in economic affairs. The ideals gaining ground in the wake of the First World War were for the state to assume new and more extensive functions with regard to the control and government of domestic society. The new objectives instigated a social revolution which transformed the nineteenth-century approximation of the 'night-watchman state' into the twentieth-century welfare state. E.H. Carr nicely sums up the demands on 'the social service state', as it is often called. It should provide economic equality or 'fair shares for all', as well as freedom and equality of opportunity for all its citizens. Additionally, the state is expected to plan and direct the national economy so as to mitigate excessive market fluctuations. It should ensure full employment. The intention should also be to allocate resources and manpower to areas where they are most needed, rather than simply to where the highest profits can be obtained. The state is also expected to direct international trade for this purpose.[35] The expanding role of the state and the lingering belief in the benefits of economic interdependence form the backdrop to Mitrany's ideals and prescriptions.

A.J.R. Groom's interpretation of the ultimate ideal of the functional approach is widely accepted. According to this reading, Mitrany postulates 'that as more and more systems are organised on functional lines then not only will the diffusion and cross-cutting of loyalties make conflict less likely (because it is more dysfunctional) but the state, insofar as it no longer fulfills [*sic*] a function, will "wither away"'.[36] It should be

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33. Anthony Howe, *Free Trade and Liberal England, 1846-1946* (Oxford: Oxford University Press, 1997), p. 296.

34. See, for example, J.D.B. Miller, 'Norman Angell and Rationality in International Relations', Peter Wilson, 'Leonard Woolf and International Government', David Long, 'J.A. Hobson and Economic Internationalism', and D.J. Markwell, 'J.M. Keynes, Idealism, and the Economic Bases of Peace', all in David Long and Peter Wilson (eds.), *Thinkers of the Twenty Years' Crisis: Inter-War Idealism Reassessed* (Oxford: Clarendon Press, 1995).

35. E.H. Carr, *The New Society* (Boston, MA: Beacon Press, 1957 [first published 1951]), p. 87.

36. A.J.R. Groom, 'Functionalism and World Society', in A.J.R. Groom and Paul Taylor (eds.), *Functionalism: Theory and Practice in International Relations* (New York, NY: Crane, Russak & Company, 1975), p. 100.

pointed out that Groom refers first and foremost to the role of the nation-state in international relations. Mitrany, in fact, is not primarily concerned with the domestic sphere of government. Thus, when analysing his normative claims of how he would like the state to be transformed, we need, to some extent, to extrapolate these views from his proposals for how the government of world politics should be organised. Due to Mitrany's almost exclusive focus on the nation-state system, the analyses in chapters five and six are closely linked. We cannot draw any conclusions about Mitrany's preferences for the state without taking into account his views on the nation-state and international relations. It goes without saying that if the nation-state withers away in an international functional order, as Groom puts it, the state — as we know it — cannot remain. While separable for analytical reasons, a state cannot exist without a nation-state. It would merely be an authoritative body such as the catholic church, a feudal lord, or some other kind of organisation with decision-making power over a particular issue area or group of people. A 'state' would not be a state without a country (territory and population) over which it has, at least, formal (if not actual) sovereign control.

In short, Mitrany's perspective is international, and so are, concomitantly, his prescriptions. Nevertheless, from his guidelines for international action, as well as his observations of the state, we can draw some conclusions. First, while Mitrany wishes to break the relationship between government and an exclusive and fixed territory (which is at the heart of his understanding of the modern nation-state), he does not always lament the strengthening and growth of national government. This leaves a question mark on the commitment of the functional approach to break away from territoriality and sovereignty. Secondly, the functional approach is unclear about the ideal state and its relationship to domestic society. His appeal for an attempt to address the increasing discrepancy between national planning and international *laissez-faire* as well as his western liberal ideological standpoint notwithstanding, the functional approach leaves us very much in the dark with regard to how states should organise their institutions (internally) in response to the growth of international functional government.[37]

37. See, for example, David Mitrany, 'The Political Consequences of Economic Planning', *The Sociological Review* (Vol. 26, No. 4, 1934).

Our point of criticism rests on the assumption that there should be a correlation between professed ideals and prescriptions for what should be done to correct conceived problems. We assume that if Mitrany would like the sovereign nation-state to wither away, then his suggestions for what do to about sovereignty, nationalism and national self-determination, autonomy, and territoriality should reflect this end. However, this is not always the case. Analysts of his texts are reading too much into the aspiration of the functional approach (as well as its anarchistic element), and Mitrany is only too happy to play along. In fairness to Groom, the desire to find ways to reduce the dominance of the nation-state and the state appears at an early stage of Mitrany's thought. For example, he argues that in order

> to establish that society that will approach to the ideal ambience for the fruition of human personality — by offering it equality of opportunity and freedom of expression — we must make our institutions as free of dogma as we have made ourselves free of our institutions. And the first institution that must thus be redeemed for the sake of our own ultimate freedom is the national State. For the State has become too weak to secure us equality and too strong to allow us liberty.[38]

Similarly, Mitrany's reasons for rejecting regional and federal unions (whether based on ethnic or political, ideological affinities) suggest his desire for a non-state international system. Such unions would merely reproduce the centralism, territoriality, and dogmatism inherent in the nation-state writ large.

Nowhere does Mitrany express his critical attitude towards nationalistic government more clearly and strongly than at an address to a mental health conference in London in 1948. Here he deplores the almost universal practice by national governments to breed fear and prejudice against other nations through the propagation of nationalism.[39] National governments are reverting to the use of nationalistic propaganda and manipulation of public opinion in order to establish the unity of mind ostensibly necessary for national security. In line with his general misgivings about nation-states, Mitrany laments the contradictory dichotomy of international material

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38. David Mitrany, *The Progress of International Government* (New Haven, CT: Yale University Press, 1933), pp. 140-41.

39. David Mitrany, speech on 'Problems of World Citizenship and Good Group Relations', in International Congress on Mental Health, London 1948, *Proceedings of the International Conference on Mental Hygiene, 16th – 21st August, Volume IV*, Ed. J.C. Flugel (London: H.K. Lewis, 1948), p. 75.

integration and the breaking up of world unity through 'the increasing political sub-division into sovereign states'.

> This contradictory dichotomy was bound to frustrate the very purpose of organised society. It has come to put an inescapable and endless strain upon individuals and groups everywhere; the arbitrary and set limits of the state being regarded as sacred and intangible they have to be justified and maintained by continuous interference with the natural flow of the ever-changing range of social life.[40]

The good news is that, thanks to improving technologies and social organisation, feelings of community and social responsibility are deepening into feelings of a welfare society. The bad news is that people's mental health suffers from the tendency to put the needs of the autonomous state before the population and their inclination to widen the range, scope, as well as membership of collective activities. Mitrany complains

> this widening circle of communal action for social security is broken abruptly at the limits of the national state. There it reverts automatically to the archaic stereotype of suspicious 'military security.' So unnatural is this process that with time it has actually reversed the historical parts of state and society. Originally the state was above all an instrument for protecting the social life of a community, but now all social life is subordinated to and risked for the defence of the state. The preservation of the building has come to matter more than the preservation of the people and of the life within it; the instrument has become the end.[41]

Mitrany covets a new political theory for an international order that moves beyond the dominance of the nation-state.[42] He wants to transform world society from a war system to working peace system, the implication of which 'is nothing less than breaking away from a concept and practice which since the end of the Middle Ages had been inculcated as an ideal, the near worship of the national-territorial state'.[43] The aim of the functional approach is to formulate a piecemeal programme, or at least the first few steps forward, which would allow us eventually 'to wean our minds and our ways from that centuries-old political acceptance' of exclusive political units.[44] Mitrany ends his

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40. *Ibid.*, p. 78.
41. *Ibid.*, pp. 77-78.
42. See, for example, David Mitrany, 'A Political Theory for the New Society', in Groom and Taylor, *Functionalism*, pp. 25-37.
43. David Mitrany, 'The Functional Approach in Historical Perspective', *International Affairs* (Vol. 47, No. 3, 1971), p. 543.
44. *Ibid.*

article 'The Functional Approach in Historical Perspective' by claiming that '[w]e will go on acting the pretences of the old political ideas till some calamity blasts them out of the scheme of human organisation altogether'.[45] The ominous nature of the prediction notwithstanding, the choice of word speaks volumes about Mitrany's desire to see a break up of the authority of the nation-state and its representatives.

As many observers point out, the functional approach aims at transcending the state system by making sovereignty over a specific territory irrelevant.[46] By handing over authority to plan and coordinate specific issue areas to international functional arrangements, national societies and their governments would become increasingly involved in the welfare of other nations and peoples. Under such circumstances, exclusive sovereignty over a territory would be meaningless. The functional approach desires political dividing lines to be 'overlaid and blurred' by a 'web of joint relations and administration'.[47] What would matter would be common action orchestrated through functional organisations. Mitrany, nevertheless, leaves significant room for the state when he argues that '[i]nternational co-operation need not prevent the genius of each people from working out its own local institutions; much less should it aspire to stereotype a particular form of society'.[48]

As we saw above, Groom points out that the functional approach yearns for the withering away of the state. However, according to Groom it is not really a practical expectation in the functional approach. Mitrany realises that 'he is stuck with states'.[49] But how correct is Groom's interpretation of the status of the nation-state in Mitrany's ideal vision of the future? Even if we accept that the dwindling of the nation-state is not a practical expectation, does it still serve as a long-term goal towards which Mitrany wants to strive? The short answer is both yes and no. On the one hand, if we follow the suggestions of the functional approach to their logical conclusion, they imply 'the breaking-up of the unitary legal order of the state into a diversity of overlapping plural orders, operating locally, regionally, nationally, and internationally'.[50] There would be

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45. *Ibid.*
46. See, for example, Paul Taylor, 'Functionalism: The Theory of David Mitrany', in Paul Taylor and A.J.R. Groom (eds.), *International Organisation: A Conceptual Approach* (London: Frances Pinter, 1978), p. 245.
47. David Mitrany, *A Working Peace System* (Chicago, IL: Quadrangle Books, 1966), p. 164.
48. Mitrany, *The Progress of International Government*, p. 131.
49. Groom, 'Functionalism and World Society', p. 100.
50. Cornelia Navari, 'David Mitrany and International Functionalism', in Long and Wilson, *Thinkers of the Twenty Years' Crisis*, p. 226.

little room for nation-states (as we know them) in an international order where community and government are based on the extent and reach of social interaction and economic exchange. Relations would no longer be primarily international, but, rather, 'inter-functional'. Ultimately, the main purpose of the functional approach is to make government coterminous with the particular activity which is being regulated, irrespective of whether it is best organised within or between different nation-states. On the other hand, Mitrany's recommendations for government reform, as well as his understanding of the problems of the age, conflict to some extent with the long-term goal of nation-state decline. Mitrany does not merely grudgingly tolerate the state, he sometimes embraces it.

The Comprehensive State

When discussing the normative element of the decline of the state hypothesis, we need to remember that Mitrany explicitly prefers the ideology of Western-European liberal democracy in which religious and political freedoms are safeguarded. 'The political philosophy which informs the functional idea', Mitrany points out on various occasions,

> rests indeed squarely upon the most characteristic idea of modern democratic-liberal philosophy, that which leaves the individual free to enter into a variety of relationships — religious, political and professional, social and cultural — each of which may take him in different directions and dimensions and into different groupings, some of them of international range. Each of us is in fact a 'bundle' of functional loyalties; so that to build a world community upon that liberal conception is merely to extend and consolidate it also between national societies and groups.[51]

Even if Mitrany holds liberal values with regard to the relationship between state and society, the functional approach does not attempt to reform individual countries along liberal or social-democratic ideas. Mitrany does not seem to perceive a problem with the establishment of an international society in which groups and individuals can exercise their freedoms under functional government, and the participation of dictatorial regimes in the running of these international organisations. His point is that it would not be practical first to demand all nation-states to become liberal democracies before

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51. David Mitrany, 'The Prospect of Integration: Federal of Functional?' (1975), in Groom and Taylor, *Functionalism*, p. 67, and David Mitrany, 'International Co-operation in Action', *International Associations*, Brussels, September 1959, p. 647

establishing international government. It would simply take too long. Common action is needed immediately to address pressing needs of poverty, as well as military security. The point, in short, is that Mitrany tends to leave out or de-emphasise domestic reform. However, he also believes the socio-economic planning carried out by the new service state 'is hardening the national state into a tighter working unit, for the first time really close to the oft-used organic analogy'.[52] Thus, he would seem to agree with James Mayall's assessment that '[t]he reason for the stubborn refusal of the state to recede into the background in the economic sphere has more to do with the process of national integration, and with the expanding role of national governments in economic management and the social services, than with the venality of politicians, or the much quoted absence of political will'.[53]

If Mayall's interpretation of the causes of the growth of the state is correct, then international functional arrangements will find it exceedingly difficult to transcend the nation-state, unless people and their governments first agree on reducing the scope of the state domestically. It is near impossible to envisage how international functional organisation could break open the exclusive sovereignty of the state when the impetus for increasing control comes from domestic society. If there is any truth to the belief that liberty, as charity, begins at home, then the functional approach can be charged with overlooking the potential difficulties of agreement (except on relatively minor issues such as international postal services) even between liberal regimes. By focusing on international government, Mitrany's functional approach puts the onus for change on the international rather than on the apparent hindrance to international cooperation, namely domestic cohesion. Rather than overcoming the division of social life into a national and international, he reifies the separation by pitting international reform against domestic unity.

Mitrany's ideological acceptance of the social service state points in the same direction. Mitrany exhibits a desire, as he puts it, to prevent the complete encirclement of the life of national society by the state, but also suggests that there is no point in lamenting the growth of administrative agencies, which underpin the total state.[54] The

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52. Mitrany, 'The Functional Approach in Historical Perspective', p. 538.
53. James Mayall, 'Functionalism and International Economic Relations', in Groom and Taylor, *Functionalism*, p. 253.
54. David Mitrany, 'Parliamentary Democracy and Poll Democracy', *Parliamentary Affairs* (Vol. 9, No. 1, 1955-56), pp. 17-18.

new emerging social welfare society and the concomitant intrusion and control by the executive necessarily curtail earlier ideals of negative individual freedoms. The social philosophy of the new planned egalitarian society demands intervention by governments to address inequalities between groups in society. There are dangers with this trend, since it follows that 'the more government for the people, the less government by the people'.[55] Nevertheless, for all his alleged adherence to liberal principles, Mitrany accepts restrictions on personal freedom for the purpose of the new social welfare society, and he criticises F.A. Hayek for accepting the new philosophy of social welfare at the same time as he rejects its political implications of an omnipresent and almost omnipotent government.[56]

Although the growth of the 'comprehensive state', as he sometimes calls it, in the second half of the twentieth century is astonishing, he does not regret that the state 'has become so pervasive that it has absorbed all society into it'.[57] It is a mere matter of fact. Mitrany reminds his readers, 'let us be clear that the spreading intrusion of the State and its servants is not an arbitrary imposition, as under the old autocracies, but the response of the political system to our spreading social claims and aspirations'.[58] The positive side of the comprehensive state is its 'new communal outlook' and the transformation of the 'old individualist freedoms' into 'new positive freedoms'. Hence, on one of the rare occasions when Mitrany applies the functional idea to domestic politics, his main concern is not how to coordinate domestic administration with international functional government. Instead, his concerns are uncharacteristically national. He focuses his attention on how to strengthen the role of parliament, which is 'the core' of political democracy and the rule of law, in order to counter the growing power of the executive.[59]

The uncertainty over the state in the functional approach emanates essentially from Mitrany's practical acceptance of state government, but theoretical rejection of sovereignty and territoriality. While playing down the importance of the form of government when arguing that 'we do know that ... government is only the framework that enables a social community to live its life well', he does not want to replace state

55. Mitrany, 'The Functional Approach in Historical Perspective', p. 540.
56. Mitrany, 'Parliamentary Democracy and Poll Democracy', p. 17.
57. Mitrany, 'A Political Theory', p. 26.
58. Mitrany, 'Parliamentary Democracy and Poll Democracy', p. 22. See also Mitrany, 'The Functional Approach in Historical Perspective', p. 536.
59. Mitrany, 'Parliamentary Democracy and Poll Democracy', p. 24.

institutions, only add a new layer of international government.[60] The heart of the problem is that Mitrany seems to believe that the nation-state can be transcended internationally at the same time as state governments retain their domestic roles as central repositories of final authority and distributors of economic resources. According to this conception, international planning must follow national planning, implying that most of the reform necessary to achieve international government would have to be accomplished internationally, not nationally. Thus, Mitrany's prescriptions are not as radical for the state as they appear at first glance, a point with which he tends to agree. In response to criticism that his functional approach would not generate the degree of integration and cooperation envisaged by, for example, neo-functionalists, Mitrany argues that

> It is not necessary, and in a way not desirable, that functional links should cover the whole range of international activities. To lay the basis for a peaceful international community it should be enough if, gradually, those activities were brought under joint control which concern the essential needs of the peoples at large; and, of course, those which by their nature are a threat to general security. Whereas with the present ways of 'planned' controls of economic and social life, the seeming success in covering the whole field and the whole range internationally would in fact tend to a totalitarian concentration, inevitably distant and heavy-handed, and so difficult to maintain in willing cooperation.[61]

The functional idea is 'a concept of community for the development of a lasting international community'.[62] But Mitrany should have clarified that he envisions the development of a lasting international community of *nation-states*, because the main objective of the functional approach is 'to bring the nations actively together', but not necessarily to integrate them. The question for the functional approach is how to reconcile international government with the primarily domestic focus of, as he puts it, 'the new kind of "service" state and government that are here to stay'.[63]

In short, the functional approach is much more restrained in its dealing with the state than Mitrany's desire to transcend the nation-state would seem to imply. In response to criticism that functionalism will not get rid of conflict, Mitrany throws back the rhetorical question 'Can we in this new and dangerously unsteady constellation hope

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60. Mitrany, 'The Prospect of Integration' (1975), p. 65.
61. Mitrany, 'The Functional Approach in Historical Perspective', p. 541.
62. *Ibid.*
63. *Ibid.*

to do more than work to replace the hundreds of wilful national plans with communal international planning and controls, whenever and wherever possible?'[64] While the ultimate aim may be to replace national planning, the functional approach merely works towards this goal. Secondly, Mitrany limits the objectives even further when he adds that international planning should substitute national planning only 'whenever and wherever possible'. This is very subjective and leaves many areas outside functional cooperation, since countries may simply agree to stay apart. A passage in *The Progress of International Government*, calling for a open-minded and balanced study of the state, captures nicely Mitrany's ambivalence.

> we may even then conclude that the State, as we know it, is the best available instrument for social progress. But it is no less possible that we may come to the contrary conclusion, and decide that in its present form the State is rather an obstacle in the path of our civilized ideals. No one can be certain that our needs demand that we should discard the State altogether, in the Marxian or anarchist sense. ... The results cannot fail to be instructive, if only we start from what should be an indisputable premise: that the State is for the people and not the people for the State.[65]

This uncertainty of whether the state is compatible with his ideal of a functional organisation of international government is present throughout his academic career. Oddly enough, despite his fundamental misgivings about the nature of the nation-state and its effects on international relations, he does not take a more decisive stance with regard to the social service state, which, after all, is forging nations almost into 'billiard balls', to borrow a subsequent metaphor. One reason could be that he wants the feelings of a welfare state to develop into feelings of a welfare world. But, it is difficult to see how these feelings could overcome the nation-state if they are based on the comprehensive social service state with its national concentration.

Kenichi Ohmae, Neo-liberalism, and the Federal State

This section draws attention to the inconsistency between Ohmae's rhetoric of the end of the nation-state, and his suggestions for what roles 'central governments' (a formulation he uses for state government) should play in domestic affairs. As we have seen in previous chapters, Ohmae tends to argue the nation-state is dysfunctional as an

64. *Ibid.*, p. 543.
65. Mitrany, *The Progress of International Government*, pp. 98-99.

economic unit, and governments are caught in a destructive spiral of increasing protectionism, subsidisation, and economic redistribution based on archaic notions of the national interest. If, as Ohmae suggests, the nation-state is really coming to an end, then the state must come to an end as well. Contrary to what the phrase 'the end of the nation-state' leads us to believe, and contrary to his more exuberant suggestions for how states should roll back their involvement in national economies and influence over consumer choices, Ohmae contends states have very important duties to carry out in order to promote economic welfare. In other words, he ascribes significant *economic* chores to states. In addition, he insists that central governments are the only appropriate loci of authority to carry out these tasks.

Rolling Back the State

Partly building her argument on Ohmae's rhetoric of the end of the nation-state, Weiss claims that '[f]ailure to differentiate state capacities has blinded global enthusiasts to an important possibility: that states may at times be facilitators (even perhaps perpetrators) [as well as beneficiaries] rather than mere victims of so-called "globalization"'.[66] While this may be true with regard to other 'globalists' under scrutiny in Weiss' book such as Sven Steinmo, it would be a misinterpretation of Ohmae's ideas and ideals.[67] Weiss picks up on comments Ohmae makes about nation-states' inherent desire to control markets, prices, and products.

> By virtue of their [nation-states'] orientation and their skills, they cannot help but make economic choices primarily in terms of their political, not their economic, consequences. ... no central government can sufficiently free itself from the burden of both protection and the civil minimum to embrace, let alone facilitate, those linkages [with the global economy]. Nation states cannot help but provide the locus and the fuel for the engine of 'national interest.' And that engine cannot help but drive the machinery of industrial decline.[68]

Because of politicians' desire to be re-elected, they forfeit long-term prosperity by handing out political favours to influential interest groups. Ohmae seems to suggest that

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66. Linda Weiss, *The Myth of the Powerless State: Governing the Economy in a Global Era* (Cambridge: Polity Press, 1998), p. 204.
67. Sven Steinmo, 'The End of Redistribution? International Pressures and Domestic Tax Policy Choices, *Challenge!* (Vol. 37, No. 6, 1994), pp. 9-17, in Weiss, *The Myth of the Powerless State*, p. 226.
68. Kenichi Ohmae, *The End of the Nation State: The Rise of Regional Economies* (London: HarperCollins, 1995), pp. 42, and 68.

there are certain innate, unsolvable defects in the institutional set up of the state. By its very nature, being founded on territoriality, sovereignty, and nationalism, it cannot reform itself to accommodate the modern requirements of economic growth and prosperity. Democracies face obstacles to reform caused by voters' preferences and special interest groups' pressures for protectionism and economics subsidies. Thus, Ohmae argues, 'national governments tend to resist, rather than encourage' integration with the global economy. 'For them, convergence is a problem, not a happy indication of positive forces at work'.[69]

If we were to take the assertions about the end of the nation-state and the increasing economic incompetence of states at face value, we would arrive at a similar conclusion to Weiss. However, the closest Ohmae comes to a suggestion for the end of the nation-state and the state is when he puts forward:

> At home, in Japan, I have proposed that the nation state be divided, for economic purposes, into 11 independent *do-shu*, or regions, so that the rest of the country can make a connection with the global economy free of the distorting and controlling influence of the bureaucrats and politicians in Tokyo.[70]

Central government would remain (*i.e.*, the state). Countries would remain (*i.e.*, the nation-state). There would be a regional devolution under a federal framework, but, in actuality, not literally the end of the nation-state or state. The problem is that Ohmae contradicts himself on more than one occasion. Before we elaborate on Ohmae's contradictions, we need to mention that Ohmae, despite trying to give his readers the impression of an inevitable trend towards the end of the nation-state, regards state governments as central actors with a large scope of choice in both politics and economics.

Ohmae claims to describe empirically verifiable changes in the nature of the global economy which affect nation-states. Further, these transformations are supposed to reveal the inadequacy of the nation-state as both a societal and economical unit in the new world economic order. The development of the world economy is not only inevitable and irreversible, but also overwhelming the homogenous, centralised, and

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69. *Ibid.*, p. 38.
70. *Ibid.*, p. 123.

bureaucratically controlled nation-state.[71] The state seems to be able to do very little about it, but then, he claims, there is, nevertheless, 'a role for the center'.[72] Susan Strange, another decline-of-the-state thinker, tends to see both governments and their nation-states caught in the mauling jaws of global economic forces. The failure of state governments

> to manage the national economy, to maintain employment and sustain economic growth, to avoid imbalances of payments with other states, to control the rate of interest and the exchange rate is not a matter of technical incompetence, nor moral turpitude nor political maladroitness. ... They are, simply, the victims of the market economy.[73]

According to Ohmae, in contrast, the state *should be* retreating or rolling back its fiscal, monetary, and protectionist attempts at controlling and managing their economies. Compared to Strange, Ohmae introduces a significant element of wilful action by political leaders.[74]

In contrast to Mitrany, but similarly to Cobden, Ohmae focuses much attention on domestic politics and reform. Indeed, the view that governments continue to exercise too much influence and authority over economic development provides one of the major driving forces behind Ohmae's writing. His contentions that '[n]ot everyone ... has noticed' the move towards a borderless world, and 'now governments have become the major obstacle for people to have the best and the cheapest from anywhere in the world' reveal as much.[75] This observation explains much of Ohmae's normative attitude towards states. According to him, as national economies develop, governments need gradually to relinquish their involvement in and control of economic choices.[76] While state governments need to keep a close control of economies at the lower rungs of the ladder of development (presumably by regulating ownership, imports, exports, and investments so as to steer the economy towards adopting more productive technologies),

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71. See, for example, Kenichi Ohmae, *The Invisible Continent: Four Strategic Imperatives of the New Economy* (London: Nicholas Brealey Publishing, 2000), p. 231, and chapter 4 in this thesis.
72. Ohmae, *The End of the Nation State*, pp. 123-40.
73. Susan Strange, *The Retreat of the State: The Diffusion of Power in the World Economy* (Cambridge: Cambridge University Press, 1996), p. 14.
74. For the distinction between decline and retreat, see Spyros Economides and Peter Wilson, *The Economic Factor in International Relations: A Brief Introduction* (London: I.B. Tauris, 2001), pp. 191-92. For one author who does not imply more purpose or choice with the concept 'retreat', see Strange, *The Retreat of the State*, especially, p. 14.
75. See Kenichi Ohmae, *The Borderless World: Power and Strategy in the Global Marketplace* (London: HarperCollins, 1990), p. 172 and p. 11 respectively.
76. Ohmae, *The End of the Nation State*, pp. 21-27. See also Ohmae, *The Borderless World*, pp. 183-85.

'in a modern system, the government's role is to give the people as much choice as possible and to keep them well informed so they are capable of making a choice. It also allows people to buy the best and the cheapest goods from anywhere in the world'.[77] Hence, political parties in an industrially advanced country should 'stand for consumer interests, small government, free trade, and globalism'. This mantra corresponds closely to the political manifesto he adopted in his bid to become governor of Tokyo in 1995.[78]

The Role of the State

The titles of Ohmae's books suggest that his view of the state and its role became gradually radical from the 1980s through the 1990s. A cursory reading of his work indicates a belief in a linear evolution towards a cosmopolitan world economic order in which states play a decreasing role. In the 1970s and early 1980s, the world economy was fragmented, and the astute corporate thinker needed to accommodate his or her business strategy according to the regulatory frameworks of individual nation-states.[79] By the publication of *Triad Power* in 1985, Japan, the European Community, and North America had started to converge as a result of increasingly similar consumer preferences and business climates. To be truly competitive, companies had to try to formulate plans in order to benefit from similar consumption patterns within the 'Triad'.[80] Between 1985 and 1990, the borderless world of the global economy emerged,[81] which, in 1995, led Ohmae to declare the end of the nation-state.[82] With *The Invisible Continent*, Ohmae adumbrates a new economy, which, while still linked to the old economy of manufacturing and local services, hovers beyond the confines and control of old-world economic and political rules and traditions.[83] Albeit correct on a general level, such an understanding of Ohmae's work is superficial. Interestingly, his view of the proper role of state governments during this time has remained essentially the same.

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77. Ohmae, *The Borderless World*, pp. 187-88.
78. *Ibid.*, p. 190.
79. Kenichi Ohmae, *The Mind of the Strategist: The Art of Japanese Business* (New York, NY: McGraw-Hill, 1982), originally published in Japanese as *Kigyo Sanbo*, in 1975.
80. Kenichi Ohmae, *Triad Power: The Coming Shape of Global Competition* (New York, NY: The Free Press, 1985).
81. Kenichi Ohmae, *Beyond National Borders: Reflections on Japan and the World* (Homewood, IL: Dow Jones-Irwin, 1987); Kenichi Ohmae, *Fact and Friction: Kenichi Ohmae on U.S.-Japan Relations*, Eds. Ann Gregory and Sam Waite (Tokyo: The Japan Times, 1990); and Ohmae, *The Borderless World.*
82. Ohmae, *The End of the Nation State.*
83. Ohmae, *The Invisible Continent.*

Ohmae's central message is that governments should 'provide a steady *and small* hand', and they should not interfere in the economic choices of individual consumers, as well as corporations.[84] With regard to the desire for a steady business climate, one of his pet peeves is governments' interference with exchange rates. In order to address its growing trade deficit and increasing costs of borrowing in the 1980s, the USA sought to coordinate macroeconomic policies through the Group of Five (G-5) so as to lower the value of the American dollar, primarily against the Japanese yen and West German mark. This led to the Plaza Agreement in September 1985, which by March 1986 had caused the dollar to depreciate by about 30 per cent against the yen. Robert Gilpin argues that the reason behind this call for cooperation was President Ronald Reagan and Secretary of State James Baker's fears of protectionist sentiments in Congress against Japan and its alleged 'invasion' of America.[85] Disputing such cosmopolitan effects, Ohmae objects to this kind of coordination on the basis of the unstable and uncertain business environment it creates. Multinational companies have been forced to develop intricate financing strategies, and set up large in-house finance operations, in order to hedge against unexpected — and speculate in expected — currency movements. Many companies have become adept at managing exchange rate fluctuations, but coordinated realignments play into the hands of currency speculators, while production companies get distracted from their core activities, according to Ohmae. An additional problem with such policies is since multinational corporations have learned how to cushion fluctuations in the short term, wilful realignments will not have the desired effects on trade and payment balances. It will take at least ten years for the effects of a depreciated dollar to have any impact on the imports and exports statistics of the USA, according to Ohmae. Instead of seeking to lower the value of the dollar, the US government should welcome foreign (Japanese) capital investments, encourage competition, and endorse new, more efficient production technologies.

Ohmae also calls for a reduction in the size and power of state bureaucracies. If the emerging borderless world comes to full fruition, it will empower customers to demand from multinational companies to service their needs. 'If it does that', Ohmae exclaims, 'you will agree that it is time to throw the bureaucrats out'.[86] Tokyo's inert

84. Ohmae, *The Borderless World*, p. 212, emphasis in original.
85. Robert Gilpin, *The Political Economy of International Relations* (Princeton, NJ: Princeton University Press, 1987), pp. 154-60.
86. Ohmae, *The Borderless World*, p. x.

central bureaucracies stultify regional initiatives and potential economic growth in their efforts to maintain a uniform national market. By comparison, regions within the USA such as Las Vegas, Orlando, and the San Francisco Bay Area have successfully seized the opportunity to reinvent continually and redevelop their economies, thanks to the freedom of action provided by the USA's federal framework. Bureaucrats in Paris, Beijing, Moscow, Berlin, Ottawa, Seoul, Mexico City, and even London take decisions according to similar criteria as officials in Japan. 'They do not let local individuals decide for themselves how to create new types of attractions or other new types of industries. Their national economies grow not in regional "zebra stripes," but across the board. And then their economies go down across the board'.[87] The quotation reveals a rather narrow definition of the nation-state. Japan and most European countries are nation-states, but not the USA with its federal organisation. According to Ohmae, America's founding fathers 'established forever the idea that the United States would be a confederation of states, not a state in itself'.[88] This understanding allows Ohmae to endorse a 'strong federal center' which would be able to guide the transition up the ladder of economic development in an orderly fashion and gradually open up its economy to global markets.[89] The American model is one to emulate, since economic actors (regional as well as local) can prosper without wining and dining with institutions such as the MITI. By endorsing the USA as a paragon, he tacitly infers that the institution of the state — that is, the idea of a sovereign structure of government over a geographically defined territory and population — is not outmoded. His argument is much more limited. Only certain forms of states are unsuitable to the requirements imposed by the world economy.

Ohmae draws on contemporary debates on privatisation of public utilities and companies, as well as deregulation of, for example, energy markets and the airline industry when arguing for a small state. States should sell their assets and liberalise, not in a sudden spate of well-intentioned programmes, but with a long-term vision of success.[90] When it comes to air carriers and banks in Japan, he ensures that passengers and customers would be better off if the Japanese government were to allow foreign competition. In a truly cosmopolitan fashion, he says '[a]s long as these companies treat

87. Ohmae, *The Invisible Continent*, p. 127.
88. *Ibid.*
89. Ohmae, *The End of the Nation State*, p. 129.
90. *Ibid.*, pp. 126-29.

their employees well and pay the proper taxes, why should the Japanese government care who owns their equity or where their headquarters are located? What possible difference does it make?'[91] Hand in hand with Ohmae's calls for fewer state-run companies goes his desire for economical government. Redistribution of resources has an addictive effect on receiving local interests. Therefore, governments must gradually tighten the tap of resource redistribution between regions within its borders. 'Enforcing that steadily tightening discipline is a role that the center in Tokyo can usefully play. ... And must play'.[92] In order for markets to function efficiently and properly, 'the center must not only keep tightening the spigot; it must also maintain common standards — in banking, infrastructure, and the like — where they already exist and establish them where they do not'.[93] Despite his aversion towards regulations, apparently not all bureaucrats should be thrown out.

An overarching theme in *The Borderless World* is that governments should stay 'steady and small'. Nevertheless, in an advice to political leaders, Ohmae argues that in order to 'keep the social fabric of your nation whole or provide a better life for the majority of your people', governments should create and maintain a prosperous business climate for multinational companies as well as for local companies that aspire to participate in the global economy.[94] Naturally, the concept of small is very flexible. With the publication of *The End of the Nation State* he seems to strengthen his case against the state, but, flagrantly contradicting the ostensible theme of his book, he says 'there is, indeed, a healthy and vital role for nation states: to be an effective catalyst for the activities of regions'.[95] Instead of controlling, over-regulating, protecting, and trying to stimulate demand through overly expansive fiscal and monetary policies — the role of a 'prime mover' playing a market-creating, middle-man role — central governments should adopt the mantle of leadership and catalyse economic activities by providing favourable ports of entry to the global economy.[96]

In order to promote economic growth, it befalls on responsible governments to, for example, '[e]ducate their people and see to it that they have as much information —

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91. Ohmae, *The Borderless World*, p. 200.
92. Ohmae, *The End of the Nation State*, p. 126.
93. *Ibid.*
94. Ohmae, *The Borderless World*, pp. 179, 193-210, especially 208-10, and 212.
95. Ohmae, *The End of the Nation State*, p. 136.
96. See, for example, *ibid.*, pp. 2, 4, 128, and 136-48.

and as much choice — as possible', Ohmae argues.[97] Previously when accurate information was not readily available, informed market decisions were difficult to make.

> The solution, then, was for government to 'let in the light' — that is, to make sure the information provided was full, and accurate, and generally available. 'Letting in the light' is still the right course for government. Let the people have all the information they need to make prudent choices, and then give them the freedom to make them.[98]

The importance of education is a recurrent theme in his writing, but while he outlines what kind of education is most appropriate, he does not elaborate on who should pay for it.[99] However, when he mentions that 'education is the first and foremost priority for any nation (or region)', and 'preparing youngsters ... is the best investment that a government (or parents, for that matter) can make', he allows significant scope for state-funded education.[100] It could involve significant costs, since Ohmae does not put any limit to what kind of schooling should be provided, university level and vocational teaching for example.

In addition to education, to be good economic catalysts, governments should provide propitious business climates within their borders. However, these duties conflict with the ideal of a small state (even if it is federal as Ohmae would like it to be). Governments

> still have the responsibility, now more important than ever, of educating ... people and of providing first-class infrastructure for the business that will employ them and provide them with goods and services. They must make their countries an attractive enough location for the global companies to want to do business and invest and pay taxes there. Even better, they should nurture their local companies to grow into the global arena. The medium-size city Hamamatsu in Japan has produced several global companies: Yamaha, Honda, Suzuki, Kawai, and Hamamatsu Photonics. If the city does not support them, those companies will look elsewhere.[101]

For someone who claims that the 'nation state has become an unnatural, even dysfunctional, unit for organizing human activity and managing economic endeavor in a

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97. Ohmae, *The Borderless World*, p. 194.
98. *Ibid.*, p. 196.
99. Kenichi Ohmae, 'Putting Global Logic First', *Harvard Business Review*, January-February 1995, p. 125.
100. Ohmae, *The Invisible Continent*, p. 229.
101. Ohmae, *The Borderless World*, p. 195.

borderless world', and opposes subsidies and protection from international competition, the idea that governments should 'nurture' and 'support' companies is odd indeed.[102] Naturally, local government support could be perfectly compatible with Ohmae's vision of relatively autonomous regions under a federal umbrella. However, it still contradicts the end of the nation-state. Again, it points to the conclusion that Ohmae spells out the ways in which only a specific type of nation-state's legal construct is unsuitable. He wants a 'decline', or rather reform, merely of those states that do not allow local and regional economic interests to flourish under the aegis of semi-autonomous regional government. Indeed, his hostility towards the state appears to be based on an aesthetic dislike of the over-regulating, rigid, and bureaucratic Japanese state, but not the strong but flexible federal American state which supposedly allows people, corporations, and local government to invest in, import from, and export to the global economy.

Additionally, according to Ohmae, to be catalysts, states should no longer shield their populations and natural resources from foreign economic 'threats', which are no longer threats, but promises of jobs, commodities, and added value to customers through increasing choices. Corporations provide people not only with jobs and prosperity, but also with daily necessities. His rhetoric puts governments in the back seat of the vehicle on the road to economic wealth. But again revealing a faith in central governments, he argues they should 'protect the environment', 'build a safe and comfortable social infrastructure', and ensure 'their people have the widest range of choice among the best and the cheapest goods and services from around the world'.[103] Governments should not dictate economic choices, but 'they should provide guidance on issues of safety, acceptable minimum levels of service, and the like, and then they should stand back and let the people vote with their pocketbooks'.[104] In view of the scope he allows national governments with these statements, his reputation as a prophet of state decline almost appears groundless.

Building on his previous books, *The Invisible Continent* argues that in addition to providing a stable and attractive currency, and a stable, open and, thus, attractive marketplace for products, governments should promote investments in the infrastructure

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102. See also Kenichi Ohmae, 'The Rise of the Region State', *Foreign Affairs* (Vol. 72, No. 2, 1993), p. 78.
103. Ohmae, *The Borderless World*, p. x.
104. *Ibid.*, p. 200.

of the cyber economy.[105] This provides a further elaboration on his theme that states should ensure availability of full and undivided information for their citizens. What he does not reflect on is that ensuring full information may require significant government spending. It would seem that he thinks public spending should go to the development and construction of broadband, Internet connections. Ohmae commends the Irish government for

> Purchasing state-of-the-art, high-speed Internet connections to twenty-four European cities, the U.S., and Asia, thereby gaining speed and reducing the cost for e-commerce activities[106]

Given the considerable costs of such investments, it is hardly compatible with small government. Ohmae does not seem to perceive any inconsistency between his description of the end of the nation-state and his proposal for the 'key' roles central governments should play. To Ohmae, states have one thing to do

> And that is to cede meaningful operational autonomy to the wealth-generating region states that lie within or across their borders, to catalyze the efforts of those region states to seek out global solutions, and to harness their distinctive ability to put global logic first and to function as ports of entry to the global economy. The only hope is to reverse the postfeudal, centralizing tendencies of the modern era and allow — or better, encourage — the economic pendulum to swing away from nations and back toward regions.[107]

The previous quotation exhibits a belief in the state as a powerful and important actor. It is not that regions are forcing states to cede control. Instead, the initiative remains with central governments. In typical Ohmae fashion, in one breath he plays down the role of the state by arguing 'At the margin, intelligent central government policy can certainly help...[and] Bad policy can hurt',[108] while in the next extolling intelligent government policies. Indeed, he even emphasises the obviousness of this claim. 'There are, of course, many kinds of policy actions by governments that *are* both useful and necessary. Just think, for example, of the financial regulation established during the early days of the New Deal in the U.S. But these are usually not the kinds of

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105. Ohmae, *The Invisible Continent*, pp. 149-54, and 184.
106. *Ibid.*, p. 121.
107. Ohmae, *The End of the Nation State*, p. 142. The four Is are investments, industry, information technology, and individual consumers. *Ibid.*, pp. 2-5.
108. *Ibid.*, p. 68.

things that rabid defenders of central power have in mind'.[109] States need to remove barriers to the global economy. Governments should harmonise differing market mechanisms and national regulations 'to help break down ... incompatibility wherever it exists'.[110] Because, in addition to vibrant economic regions, the road to success 'start from a clear appreciation of the kinds of value that only a central government can appropriately provide — military security, for instance, a sound currency, infrastructure standards, and the like'.[111]

Concluding Comments

This chapter analyses the kinds of states Cobden, Mitrany, and Ohmae would like to see and how they propose to realise their ideals. None of the three expresses any strong desire to see the state disappear in the near future. There are other similarities, but also some differences in the form of state they want, what roles it should adopt, and what institutions of the state they endorse.

In contrast to today's tendency to perceive the state almost as a metaphysical person, Cobden regards the state more as a particular institutional and legal set up. In contrast to Ohmae, who tends to criticise the state as a principle of governance and organisation, Cobden directs his suggestions for reform and change more directly at individual politicians, such as Palmerston, and specific policies, such as the Irish question. Cobden sees an indispensable role for parliament in discussing policies, as well as in laying down laws and regulations. Contrary to Ohmae, who tends to spurn politics, Cobden generally agrees with W.J. Fox, another Manchester School thinker, that

> the great end and aim of all politics — the reason why any rational or good man should meddle with politics — is this, that they should be rendered subservient to the development of humanity — to the maturing of man in mind and body, spirit and circumstances; to the making of man ... all that the great Creator intended him to be and has formed him capable of being.[112]

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109. *Ibid.*, p. 98, emphasis in original.
110. *Ibid.*, p. 127.
111. *Ibid.*, p. 129. See also section entitled 'Prescriptions for a National Leader', in Ohmae, *The Invisible Continent*, pp. 133-36.
112. W.J. Fox, Royton, 12 February, 1853, speech to Fox's Oldham constituents, in Hirst, *Free Trade and the Manchester School*, p. 489.

Cobden emphasises the need for a minimal amount of control and government expenditure in order to allow individuals as much responsibility as possible. Nevertheless, he wants more government of some areas such as public education, but less in others, such as trade. State government should promote economic development by investing in infrastructure and communications. He wants a state dominated not by the military, but by the concerns of the peaceful pursuit of economic wealth. Cobden even suggests that the British state should subsidise emigration from Ireland to America in order to alleviate the poverty and hunger on the island. For this, state institutions such as parliament, government, and the judiciary need to be strong and fair.

Mitrany never disputes the need for government, only that it tends to be done primarily on a nation-state basis. In contrast to both Cobden and Ohmae, Mitrany actually calls for more government. He does not direct his proposals for reform along functional lines primarily to the state. As we will see in the next chapter, Mitrany is primarily concerned with the system of nation-states. To him, the international system is faulty because of the exclusive nature of its constitutive components, not because of too much domestic planning and regulation, which is the onus of much of Cobden and Ohmae's disapproval. Mitrany is relatively uninterested in how domestic state institutions should be reformed. The comprehensive social service state exists, and he believes that nothing much can be done about it. It is desired, indeed demanded, by the public in order to shield them from the ravages of the market system. Mitrany does not first and foremost object to specific policies, but to the territorially exclusive state more generally. He directs his proposals for reform primarily to the international level, where he wants to try to think beyond the nation-state as the fundamental unit for the organisation of international government. Nevertheless, he is highly critical of what he perceives as nationalistic governments' deliberate indoctrination of and increasing control over their populations. Also, as a result of the extending range of government activities (following increasing demands for public services and goods), the representative element is becoming increasingly impotent. In order to remedy this problem, he would like the process of interest group and corporate consultation in the making of policies to be more transparent and guided by official rules. It is interesting to note that, despite a critical view of national planning without due consideration of its international repercussions, he does not take a stronger stance against the growing social service state.

Mitrany's emphasis lies on the need for increased government by controlling, coordinating, and regulating the allocation of capital and material resources. Ohmae, in contrast, wants the hand of government to be 'steady and small'. He underlines the need for less government, especially through the use of fiscal and monetary policy tools, as well as tariffs and regulations on foreign owned firms. He objects to bureaucratic practices, government spending programs, subsidies, protectionism, and redistribution of economic resources, which produce inefficient allocations of resources and onerous bureaucratic red tape. Ohmae's rhetoric of the end of the nation-state in addition to his claim that central governments cannot escape pursuing policies based on the faulty logic provided by their notions of a 'national interest' certainly suggest that he wants the state to decline if not disappear as a policy-making unit. However, his endorsement of federal states — which supposedly provide more regional autonomy than their nation-state counterparts — reveals a much more limited claim. Ohmae only dislikes highly centralised state structures (such as those in Japan, France, and Sweden), not decentralised ones (such as the USA's). To approximate Ohmae's ideal governmental framework, states should not only allow regions more economic autonomy, but (similarly to Cobden's ideal) nurture and support businesses, provide education, infrastructure, a stable currency, and military defence so as to ensure a propitious business climate. What seems much more pertinent to Ohmae than the actual end of the nation-state (and thereby the state) is for him to change people's mindset so as to welcome influences and impressions, as well as capital and products from other cultures and countries.

6

THE CASE AGAINST THE SYSTEM OF NATION-STATES

The previous chapter analysed the discrepancies between Cobden, Mitrany, and Ohmae's rhetoric of state decline and their suggestions for what domestic roles states should play. Those tensions are carried over to their views on the nation-state system. All three are staunch critics of the international system. They have in common a desire to downgrade the importance of national boundaries; to de-territorialise politics and economics; and to create a more cosmopolitan social and political world order. There are more or less irremediable flaws in the nature of the nation-state in its preoccupation with (power) politics, national self-determination, sovereignty, and state equality in international organisations. These concerns are anathema to a peaceful and prosperous international or global order. Cobden, Mitrany and Ohmae indicate a desire ultimately to replace the principle of state sovereignty and to supersede the political system of nation-states. While the previous chapter focused on their visions of the relationship between the state and domestic society, this chapter analyses their preferences and prescriptions for the nation-state system. It argues that, despite their desire to overcome the dominance of the nation-state in world relations, they offer very little that would promise to move beyond the system of nation-states. Despite their instinctive dislike of the nation-state, it continues to dominate their Utopias.

This chapter also highlights differences between Cobden, Mitrany, and Ohmae's visions of domestic government and international relations. Ohmae, for example, directs very few of his suggestions for improvement at the nation-state system. His perspective is dominated by domestic economic policy making and bilateral relations between Japan and the USA. Mitrany, on the contrary, focuses most of his attention on the international system, while Cobden's focal point is Britain and its foreign and colonial policy rather than the international system. The following text demonstrates the variety in — and the often disregarded complexity of — the idea of the decline of the state.

Richard Cobden and International *Laissez-faire*

In order to illustrate both Cobden's rejection of the state system as well as his acceptance of it, this section directs our attention to three issues of international life to which he devotes much thought: (1) military and defence; (2) commerce; and (3)

conflict resolution. While acknowledging the grounds for describing him as a proponent of the principle of *laissez-faire* in international relation, it argues Cobden's ideals concerning international government are much more complex and contradictory. 'No-state' portrayals of his normative views are too narrow and simplistic. Cobden, at times, overstates his aversion towards the practices of the state in international relations, but does not discard it as a potentially positive force of world government.

According to John Morley, the period between the 1820s and the early 1860s was a time when the 'political spirit was abroad in its most comprehensive sense' in Britain as well as in continental Europe.[1] The intellectual climate was full of confidence in reform and improvement of government institutions and the human condition more generally. Contemporary agitators, pamphleteers, and novelists — including Cobden — saw, in a more or less conscious way, their activity as a way of 'supplying a systematic foundation for higher social order, and the wider diffusion of a better kind of wellbeing' for an increasing part of the world.[2] After Huskisson's tariff reductions in the 1820s, the Parliamentary Reform Act in 1832, the Poor Law Amendment Act of 1834, and the Municipal Corporations Act of 1835, Cobden argues it is now time to overhaul the principles of international relations as well. He commends Britain for embracing principles of good and representative systems of administration domestically through gradual reform. He also notes approvingly that British governments also generally support the doctrine of national self-determination for peoples who have reached a certain 'maturity', or stage of development. However, many problems remain.

State or Not

One of Cobden's most famous maxims is 'As little intercourse as possible betwixt the *Governments*, as much connection as possible between the *nations* of the world'.[3] According to John MacCunn, he renounces government action in international affairs with the same 'dogmatic individualism of a *laissez-faire* politician' as he does domestic

1. John Morley, *The Life of Richard Cobden*, Fourteenth Edition (London: T. Fisher Unwin, 1920 [originally published 1879 in two volumes]), p. 91.
2. *Ibid.*, p. 92.
3. Richard Cobden, 'Russia' (1836), in Richard Cobden, *The Political Writings of Richard Cobden, Vol. I*, of Two Volumes, Fourth Edition (London: T. Fisher Unwin, 1903 [first published 1867]), p. 216, emphases in original.

action.[4] Even if Cobden favours democracy, he is 'not minded to place the people in power without regarding it as the people's highest wisdom not to set their trust in governments'.[5] In a similar vein, A.J.P. Taylor states that '[n]o one has believed more strongly than Cobden in international co-operation, though not through governments'.[6] However, while Taylor may be correct about no one having believed more strongly than Cobden in cooperation, his statement gives the false impression that Cobden somehow categorically opposed cooperation between governments. True, Taylor and MacCunn's judgements are consistent with Cobden's famous maxim. They also ring true to his claim that governments 'as a rule' are 'standing conspiracies to rob and bamboozle', and they exhibit little of the 'wisdom' or 'greatness' that one would expect from people in charge of nations (see chapter 3). Cobden also indicates that he would like to see the test of '"no foreign politics" applied to those who offer to become the representatives of free constituencies'.[7] The conviction that governments should not interfere is a recurrent theme in Cobden's thought. At a meeting in Manchester three years before his death, he asserts:

> I don't think the Government should interfere to prevent the merchant from exporting any article, even if it can be made available for warlike purposes. The Government has nothing to do with mercantile operations; it ought not to undertake the surveillance of commerce at all.[8]

Not only should international trade be free, but Cobden also thinks England 'must abandon the game of international politics', according to Crane Brinton.[9] If Brinton defines 'the game of international politics' as balance-of-power politics, war, and international intervention by governments acting outside of what Cobden perceives to be the true and educated interests of the nation, his interpretation is correct. However, as Brinton in fairness also mentions, Cobden does not think governments should forsake

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4. John MacCunn, *Six Radical Thinkers: Bentham, J.S. Mill, Cobden, Carlyle, Mazzini, T.H. Green* (London: Edward Arnold, 1910), p. 124.
5. *Ibid.*
6. A.J.P. Taylor, *The Troublemakers: Dissent over Foreign Policy, 1792-1939* (London: Hamish Hamilton, 1957), p. 62.
7. Richard Cobden, 'England, Ireland, and America' (1835), in Cobden, *The Political Writings, Vol. I*, p. 34.
8. Richard Cobden, Manchester Chamber of Commerce, Manchester, 25 October, 1862, speech on British foreign policy and the need to reform international sea law, in Richard Cobden, *Speeches on Questions of Public Policy, Vol. II*, of Two Volumes, Eds. John Bright and James E. Thorold Rogers (London: Macmillan, 1870), p. 299.
9. Crane Brinton, *English Political Thought in the 19th Century* (New York, NY: Harper Torchbooks, 1962), p. 109.

international relations across the board. 'Instead of into secret alliances, she [England] would enter into treaties limiting armament by agreement'.[10] In fact, Cobden leaves open a larger responsibility for the state in international economic relations and in the peaceful resolution of conflicts than MacCunn and Brinton admit. Taylor briefly notes the discrepancy between Cobden's ideal of '[n]o foreign politics' and the fact that he negotiates the Anglo-French Commercial Treaty on behalf of the British government during parts of 1860 and 1861.[11] However, Taylor's initial statement disregards several instances where Cobden clearly endorses international cooperation and diplomacy even before the French Commercial Treaty.

International Government of Military Armaments

At a speech in the Free Trade Hall, Manchester, on 10 January, 1849, Cobden argues that instead of wasting money on an excessively large navy, 'You must trust something to Providence — something to your own just intentions — and your good conduct to other nations; and you must rely less upon that costly, that wasteful expenditure, arising from so enormous a display of brute force'.[12] Essentially, instead of relying on force, Cobden makes the case for morality and trust. Nations (and governments acting on behalf of their nations) have a duty to act morally against each other. Cobden links this prescription to his Christian ethic when he invokes that the teaching 'Do unto others as ye would that others should do unto you' is applicable to international as well as domestic relations.[13] 'Let us', he says in a spirit of internationalism, 'learn to tolerate the feelings and predilections of other people, even if they are not our own'.[14] With particular reference to the rule of Britain's colonies, Cobden further claims the settlers, instead of relying on British forces for their safety 'have another guarantee — if civilized men treat savages like men, there is never any occasion to quarrel with

10. Brinton, *English Political Thought*, p. 109.
11. Taylor, *The Troublemakers*, p. 65.
12. Richard Cobden, Manchester, 10 January, 1849, in Richard Cobden, *Speeches on Questions of Public Policy, Vol. I*, of Two Volumes, Eds. John Bright and James E. Thorold Rogers (London: Macmillan, 1870), p. 477. The speech was given in support of the Liverpool Financial Reform Association, which sought a reduction of government spending and the introduction of a more equitable and efficient system of taxation. See Francis W. Hirst (ed.), *Free Trade and other Fundamental Doctrines of the Manchester School* (London: Harper & Brothers, 1903), p. 291.
13. Richard Cobden, '1793 and 1853, in Three Letters' (1853), in Richard Cobden, *The Political Writings of Richard Cobden, Vol. II*, of Two Volumes, Fourth Edition (London: T. Fisher Unwin, 1903 [first published 1867]), p. 329.
14. Cobden, '1793 and 1853', in Cobden, *The Political Writings, Vol. II*, p. 370.

them'.[15] The quotation captures the essential element of morality in Cobden's internationalism. If only the English conducted its affairs with other people with the same respect as people within England treat each other, there would be no need for the state to take such an overwhelming role as it currently does. Instead of beating other people into submission, they should treat them with respect. He reviles his fellow countrymen for their feelings of national superiority and maintains that these nationalistic sentiments cloud their judgement on how international affairs should be conducted. 'It is through your national pride that cunning people manage to extract taxes from you', he tells (with a hint to conspiracy theory) his audience in the Manchester Free Trade Hall in 1849.[16] Governments mislead their citizens regarding other nations. However, other civilised countries such as France do not have the intention to attack as soon as government spending on arms is reduced. More open exchange of information so as to create trust between the two nations is needed, not secretive diplomacy.[17]

To take this as evidence of a consistent renunciation of government international activity would be a mistake. An escape from the dilemmas of mutual deterrence through technical improvements of arms and the resulting stultifying dominance by the militarist state over prosperous international relations, Cobden argues, is not to be found in restrictions on enterprise and scientific inventions. Instead, there should be international cooperation between governments. A solution to the 'evil' arms race between France and England

> can only be found in a more frank understanding between the two governments. If they will discard the old and utterly futile theory of secrecy ... they may be enabled, by the timely exchange of explanations and assurances, to prevent what ought to be restricted to mere experimental trials [of military equipment], from growing into formidable preparations for war.[18]

The problem in international affairs is, according to Cobden, unrepresentative aristocratic governments' attempt to confine relations between nations in secret

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15. Cobden, Manchester, 10 January, 1849, in Cobden, *Speeches, Vol. I*, p. 486.
16. *Ibid.*, p. 487.
17. *Ibid.*, pp. 487-88.
18. Richard Cobden, 'The Three Panics: An Historical Episode' (1862), appendix. This was his last pamphlet, written after the conclusion of the French Commercial Treaty with the aim of exposing the groundless and fatuous alarms in England of a French invasion or attack. Richard Cobden, *The Political Writings, Vol. II*, p. 703.

diplomatic meetings. If only people knew what was going on, if only the English people knew that the French actually did not want to fight a war against them, if only the state would not have the power to keep its citizens in ignorance, there would not be the need for profligate government. People should benefit from the two governments' ability and willingness to cooperate as they did in the Crimean War. Instead of coordinating military ventures, the French and English governments should unite through the peaceful bonds of free trade and commerce. The French feel the burden of a big state just as much as the English. Therefore, Cobden argues, 'I believe that if our Government made a friendly proposal to France, it would be met in an amicable spirit'.[19] In order to stop the arms race between Britain and France, the two governments should reach an agreement which would put a limit to their military build-up.[20] This is after all the age of commerce, and the inexorable tendency of economic exchange stipulates that formulation and adherence to new principles of government and international relations. 'I believe that nations are disposed for peace, and I am glad to be able to cite the opinion of the noble Lord at the head of the Government, and the noble Lord the Secretary for Foreign Affairs, that there is a great disposition on the part of the people towards maintaining the peace'.[21] Cobden continues, 'All I stipulate for is, that diplomacy should put itself a little more into harmony with the spirit of the times, and should do that work which the public thinks ought to be the occupation of diplomacy'.[22] In other words, Cobden does not object to diplomacy, even if he at times makes contemptuous remarks about it. As long as diplomacy is open to public scrutiny, he believes it will be conducted in the interest of the nation and not of militaristic aristocrats and nobles.

International Economic Relations

In a speech at Royton to some of his Oldham constituents, W.J. Fox explains some of the ideals of the British free traders at the time. 'If the foreigner can produce something we want, and if we can produce something which the foreigner wants, then the man who

19. Richard Cobden, House of Commons, 17 June, 1851, speech on the desirability of a reduction of government spending and an international limitation of armaments, in Cobden, *Speeches, Vol. I*, p. 525.
20. Richard Cobden, Manchester, 18 December, 1849, in Cobden, *Speeches, Vol. I*, pp. 426-27.
21. Cobden, House of Commons, 17 June, 1851, in Cobden, *Speeches, Vol. I*, p. 524.
22. *Ibid.*, p. 526. See also Cobden, '1793 and 1853', in Cobden, *The Political Writings, Vol. II*, pp. 373-74.

endeavours to prevent the exchange of those articles is an enemy of the human race'.[23] To Cobden, free trade is almost a natural human right. It promotes material wellbeing, and it works so as to improve international morality, because both you and the foreigner with whom you trade benefit from the exchange. No one should be authorised to restrict the personal pursuit of prosperity through commerce, especially since free trade has the triple benefit of spreading civilisation, increasing wealth, and promoting good will between nations. Instead of increasing armaments under the pretext of defending British trade, he argues 'we must substitute the more homely, but enduring maxim — *Cheapness*, which will command commerce; and whatever else is needful will follow in its train'.[24] And, he continues, since the only guarantee for selling goods internationally is to offer them to a lower price than your competitor, taxes and military expenses must be kept to a minimum. If you sell at a cheaper price, then your costumer will help protect your trade, thus making it possible to keep low military expenditures. But there is yet another benefit of free trade, 'besides dictating the disuse of warlike establishments, free trade ... arms its votaries by its own pacific nature, in that eternal truth — *the more any nation trafficks abroad upon free and honest principles, the less it will be in danger of wars*'.[25]

Despite these high thoughts about free trade and government non-interference, of which we saw examples in chapter 4, Cobden allows for state restrictions under certain circumstances. In his edited book on the Manchester School, Francis W. Hirst includes a speech made by Cobden to his constituents in Rochdale on 29 October, 1862, in which Cobden contradicts some of his basic normative tenets.

> I doubt the wisdom ... of a great body of industrious people allowing themselves to continually live in dependence upon foreign Powers for the supply of food and raw material, knowing that a system of warfare exists by which, at any moment, without notice, without any help on their part or means of prevention, they are liable to have the raw material or the food withdrawn from them — cut off from them suddenly — without any power to resist or hinder it.[26]

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23. W.J. Fox, Royton, 12 February, 1853, in Hirst, *Free Trade and the Manchester School*, p. 494. Hirst includes the speech as an example of the Manchester School's view of 'The End and Aim of Politics'.
24. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 221, emphasis in original.
25. *Ibid.*, p. 222, emphases in original.
26. Richard Cobden, Rochdale, 29 October, 1862, in Cobden, *Speeches, Vol. II*, pp. 320-21. The address was delivered to his constituents primarily in support of financial and parliamentary reform. However, Cobden started on the effects of the War of Secession in America. See also Hirst, *Free Trade and the Manchester School*, p. 378.

The historical context of this speech is crucial. The North in the American civil war had set up a blockade to prevent any cotton from being exported from the South. The result was a 'cotton famine' in the English textile districts, which triggered animosity towards the northern states.[27] The prospect of an armed intervention by British forces to reopen the trade was even broached. The passage can be interpreted to allow for government measures so as to reduce international interdependence based on free trade. Cobden's sceptical constituents would not have received very well a mantra about the benefits of free trade in the face of the North's use of its naval forces. However, it should also be mentioned that while Cobden alluded to the idea of some form of government protection and the use of force, what he really wanted to see was a reform of maritime law, which would limit the possibility of naval blockades and visitation of non-belligerents' ships by the warring powers. Even without an international governmental body, he believed the British navy to be strong enough to enforce these rules, provided the other great powers agreed in principle. In short, he pleases his audience by gratifying their desire for protection against unforeseen disruptions in trade, but he can still claim to be true to free trade, because he believes Britain, with her preponderant navy, will always have the power to resist or hinder any unlawful naval blockades.

Yet, even within this rather generous interpretation, Cobden contradicts some of his central doctrines. Everything needful does not follow in the train of free trade. Free commerce depends on the labours of cabinets and diplomatists. Importantly, the states they represent are the constitutive elements and enforcers of any revision of the law of the seas. Free trade sometimes seems void of the civilising and peace-inoculating power Cobden endows it. Lastly, contrary to his 1836 statement (above), standing armaments can aid, and treaties may certainly assist free trade.

International Arbitration

Soon after the Repeal of the Corn Laws in 1846, Cobden takes up the cause for international peace arguing against colonial expansion, and foreign interventions. As implied above, there are two general reasons for trying to maintain international peace; moral and practical. As Dawson remarks, Cobden wants foreign politics to be conducted according to the same moral principles as between individuals. There is only one moral

27. See Hirst's short foreword to Cobden's speech in Rochdale, 29 October, 1862, in Hirst, *Free Trade and the Manchester School*, p. 369.

law. Governments should not seek short-term political advantages, but act according to what is right, because it is in all people's long-term interest to do so. Nations have a duty to act 'justly and honourably' towards each other just as individuals do.[28] The practical reasons are essentially very basic. Do not spend enormous amounts of money on military ventures to persuade your enemies to trade with you or be like you. They will not like you any better when battle is over. Nor will they be more prone to trade with you unless your products are cheaper, which is not going to be the case, as you have to extract higher taxes in order to pay for your war. Concerning international trade between friendly nations, there is no need for any force, as witnessed by the extensive exchange between America and Britain (a claim which is disproved by the North's naval blockade of the South during the American Civil War). All in all, Cobden's preference for a minimal state seems obvious.

His connections with the Quakers, the Society of Friends, and the Peace Society (most notably, of course, John Bright, but also Joseph Sturge and the Reverend Henry Richards) naturally put him in close contact with far-reaching ideals of international law and international government. However, Cobden never subscribes to their proposals for the establishment of some form of international coalition with powers to override the decisions of individual countries. Cobden is not blind to the difficulties of erecting such a structure, and the potentially positive role the state can play in international society. In 1849, Cobden puts forward a motion in the House of Commons asking for the establishment of international treaties of arbitration, in the first instance between England and France, and England and America, but also between England and the smaller European states. Cobden wanted to negotiate agreements letting, on an *ad hoc* basis, 'two arbitrators, one for each nation disputing, be appointed; and if the two cannot agree, let them appoint an umpire to settle the dispute according to reason and the facts of the case'.[29] And if war would still be unavoidable, arbitration would at least have the benefit of establishing one of the belligerents as being the wrongful aggressor and receive the appropriate opprobrium and pressure by public opinion.[30] It is worth

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28. William Harbutt Dawson, *Richard Cobden and Foreign Policy: A Critical Exposition, with Special Reference to our Day and its Problems* (London: George Allen & Unwin, 1926), p. 81. See also P.S. Wandycz, 'Liberal Internationalism: The Contribution of British and French Liberal Thought to the Theory of International Relations' (London: University of London, Unpublished Ph.D. Thesis, 1951), p. 68.

29. Cobden, in Dawson, *Cobden and Foreign Policy*, p. 136.

30. See Dawson, *Cobden and Foreign Policy*, pp. 144-45, and F.R. Flournoy, 'British Liberal Theories of International Relations (1848-1898)', *Journal of the History of Ideas* (Vol. 7, No. 2, 1946), p. 214.

quoting at length his reply to the opponents of the plan who fear the rulings of an international arbitral body could not be enforced without a supranational military force. His opponents also deride it as too idealistic, since some peoples in the world are simply not bent on living by the rulings of civilised institutions. Nevertheless, Cobden says, 'I am no party to the plan which some advocate ... of having a Congress of nations, with a code of laws — a supreme court of appeal, with an army to support its decisions'.[31] The reason is that he fears that an international organisation with decision-making power over individual nation-states 'might lead to more armed interference than takes place at present' in order to uphold its authority and credibility.[32] Cobden's rationale for international arbitration treaties is that

> if you make a treaty with another country, binding it to refer any dispute to arbitration, and if that country violates that treaty, when the dispute arises, then you will place it in a worse position before the world — you will place it in so infamous a position, that I doubt if any country would enter into war on such bad grounds as that country must occupy. ... Whilst I do not agree with those who are in favour of a Congress of nations, I do think that if the larger and more civilised Powers were to enter into treaties of this kind, their decisions would become precedents, and you would in this way, in the course of time, establish a kind of common law amongst nations, which would save the time and trouble of arbitration in each individual case.[33]

Despite his calls for the test of 'no foreign politics', Cobden does not have any problems with governments taking steps in order to improve the footing of international relations. Indeed, it is in the moral and practical interest of domestic society that they do. In addition, despite his derisive comments about diplomatic agreements, Cobden does not want to see the creation of a supranational governmental body, which would make such agreements redundant. On the contrary, he bases international arbitration and the enforcement of its rulings on states. One problem is that he is vague on the question of whether states should act individually, collectively, or if the Great Powers should have a particular obligation to enforce international law. In the previous quotation, Cobden indicates that the Great Powers should lead the way, but on other occasions, he seems inclined to ascribe to public opinion the task of reproaching governments acting in

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31. Richard Cobden, House of Commons 12 June, 1849, speech in defence of his motion for the establishment of international treaties of arbitration, primarily between England and France, and England and America, in Cobden, *Speeches, Vol. II*, pp. 174. The motion was defeated by 176 to 79.
32. *Ibid.*
33. *Ibid.*, pp. 174 and 176.

opposition to international agreements and obligations. He holds the idealistic idea that no civilised nation would want to be regarded by other nations as immoral or as pursuing an unjust cause. If a state contravenes international law, other states would not be able to trust it, and this would be an undesirable situation for the breaching nation. By rejecting the creation of a supranational authority, Cobden does not challenge the basis of the nation-state. It is the only authority with the necessary legitimate power (provided that it rules for the good of its citizens) to enforce arbitration treaties even if he wants to see it supported by international public opinion.

David Mitrany and the Functional Alternative

The functional approach expresses a desire ultimately to overcome the nation-state by circumventing and de-emphasising nationalism, national self-determination, nation-state sovereignty, and the legal equality of states in international organisations. The problem is that Mitrany bases his vision of international functional organisations on nation-states. They are supposed to set up functional bodies, and provide them with power to carry out their tasks. In addition, nation-states should continue to constitute the membership of the highest international decision-making authority. If the international functional order Mitrany favours would prove successful, there are strong reasons to believe that it would tend to strengthen the institution of the nation-state by justifying its final authority over international policy coordination, not weaken it by promoting a vision beyond it.

This section starts by laying out the broad aim of the functional approach with regard to the nation-state system. It then goes on to analyse Mitrany's prescriptions and argues there is a mismatch between the alleged ideals of the functional approach and his proposals for how to achieve them.

General Aim

Mitrany tends to characterise the nation-state as an inherently exclusive and potentially antagonistic unit seeking to exert its legal sovereign equality in its relation with other nation-states. The main purpose of nation-states traditionally has been to provide protection against outside threats. However, as the world moves towards the formation of an organic unity, this function is becoming increasingly anachronistic and obstructive. Severing economic and social relations along arbitrary borders under the false pretence of national self-determination and protection is out of touch with the

obvious growth of international social and economic interdependence. An increasing number of activities can no longer be contained and appropriately governed within single national units. Therefore, Mitrany reasons,

> What is here proposed is simply that these political amputations should cease. Whenever useful or necessary the several activities would be released to function as one unit throughout the length of their natural course. National problems would then appear, and would be treated, as what they are — the local segments of general problems.[34]

People's economic and social activities are interconnected and should be brought under a scheme of joint cooperation. The national and international spheres of interaction are no longer separate but differ only in dimension, according to Mitrany. Importantly, the evident growth of international society and concomitant international outlook carry the seeds of future prosperity and a more equitable distribution of wealth across the world. However, without a conceptual framework for common action, national governments' clamour for sovereignty and self-determination impede the management of international issues such as aviation, radio broadcasting, and, for the future, economic activities more broadly defined (in the 1960s Mitrany emphasises nuclear weapons), which cannot be contained within national borders however exclusive on paper. The drawback with nation-state borders is that, for man, 'whatever makes a distinction creates a rivalry'.[35] Thus, governments should move the emphasis of international relations away from what divides to what nations have in common. Mitrany identifies the need for 'some common authority' but puts, similarly to Cobden and Ohmae, little faith in aloof 'diplomatic pacts or juridical formulae' traditionally used by nation-states.[36] Instead, he wants to break up the sovereignty of the nation-state through a gradual move of powers from territorial authorities to international functional authorities because 'That is precisely the urgent task which is facing us, and which would test the effectiveness of any new international system: to make international government co-extensive with international activities'.[37]

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34. David Mitrany, *A Working Peace System* (Chicago, IL: Quadrangle Books, 1966), p. 82.
35. David Mitrany, 'The Functional Approach to World Organization', *International Affairs* (Vol. 24, No. 3, 1948), p. 359. He ascribes these words to Dr. Johnson.
36. Mitrany, *A Working Peace System* (1966), pp. 14 and 19.
37. David Mitrany, *A Working Peace System: An Argument for the Functional Development of International Organization*, Fourth Edition (London: National Peace Council, 1946 [first published 1943]), p. 27.

'Internationally', Mitrany claims, 'it is no longer a question of defining relations between states but of merging them'.[38] In response to contemporary proposals for international federalism — which Mitrany associates with overambitious attempts at establishing world government through written political constitutions — 'The most one could hope for during the period of transition is that national governments should act as willing agencies of the incipient international authority'.[39] The quotations reveal a preference for a world where relations do not run primarily along national lines but between different issue areas. If, for example, the countries along the Danube decided to establish a common governmental body and vest it with the authority to regulate activities along the river, then cooperation and coordination would turn, not on relations between nation-states, but on the relative needs and interests of, for example, shipping and transportation against fishing, wildlife, and power generation. Nations-states' tendency to define such practical issues as questions of national interest constitute part of the root cause of conflict and antagonism. The situation is problematic because, in Mitrany's words, 'international relations today are more difficult than in the nineteenth century, because economic and social life has come again under the control of the state, with its planned economy', which is why the nation-state is such an obstacle in the way towards a cosmopolitan community.[40] He hopes 'that frontiers will appear less important and more acceptable as we organize common action across them'.[41] From this brief overview, it appears to be clear that Mitrany's proposals, if adopted, would constitute a significant modification to the nation-state.

Mitrany reveals on a few occasions that the ultimate goal of the functional approach may be world federation, but the prospect of a world thus unified lies too far into the future to be realistically discussed at the present date.[42] The 'functional arrangements might indeed be regarded as organic elements of a federalism by installments', he writes, but we cannot dream away the existence and influence of the

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38. Mitrany, *A Working Peace System* (1966), p. 42.
39. *Ibid.*, p. 29.
40. David Mitrany, 'The Functional Approach to World Government', summary of address given to the Conference of Internationally-Minded Schools, at Unesco House, 6 April, 1959, from the Mitrany Papers at the British Library of Political and Economic Science, Box F. Published as 'International Co-operation in Action', *International Associations*, Brussels, September 1959. He does not mention from where the quotation within the quotation is taken.
41. Mitrany, *A Working Peace System* (1966), p. 97.
42. See, for example, excerpts from a discussion following Mitrany, 'The Functional Approach to World Organization', p. 360.

nation-state.[43] Recent developments in political outlook (*i.e.*, the general rejection of liberalism and *laissez-faire* and increasing acceptance of various forms of socialism and planning) as well as the effects of scientific inventions (such as radio, nuclear weapons, and aviation) prove, above all, international cooperative arrangements need to be flexible so as to respond to circumstances as they arise and change. Staying flexible, we must take the nation-state and its government as givens. Only by fostering a habit of international cooperation and feelings of community can we hope to reduce the significance and exclusiveness of nation-state borders, according to Mitrany.

In sum, instead of wilfully trying to establish a world government through political edict, which, in any case, would be impossible under present conditions of disagreement about the ideal form of government, Mitrany wishes to see the promotion and growth of, initially, more modest steps of international cooperation. He attempts to provide a realistic agenda for immediate action, and wants to proceed with caution along an exploratory path. In the long run, his approach essentially aims at bringing about world government by stealth.

The Functional Approach

Mitrany asserts that he breaks with nineteenth-century liberalism's preference for ad hoc and temporary international coordination by espousing international government through long-term planning and cooperation over issues of mutual concern in international functional organisations. Nevertheless, even if he promotes socialist ideals by introducing the notion of international planning, we need to point out that his liberal conviction is very strong. Citing Abraham Lincoln, he mentions that, according to the functional idea of international government,

> The legitimate object of government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well for themselves in their separate and individual capacities. In all that the people can individually do as well for themselves the Government ought not to interfere.[44]

43. Mitrany, *A Working Peace System* (1966), p. 83.
44. Abraham Lincoln, quoted in David Mitrany, 'Functional Unity and Political Discord', in David Mitrany and Maxwell Garnett, *World Unity and the Nations* (London: National Peace Council, 1950), p. 6.

In order to accomplish the effective execution of joint action in such areas as international transportation, communication, and production, Mitrany envisages several layers of cooperative administration. First, referring to issues of transportation, international functional agencies should be established over, for example, shipping, train services, and aviation. These agencies should employ individuals who, in time, should develop a sense of allegiance to, and pride of the efficient and equitable administration of the tasks assigned to their particular bodies. Secondly, while shipping and rail transports would most likely be governed by separate agencies, Mitrany sees the need to coordinate their activities in some form of 'superior executive agency' or 'arbitral body' for transportation. The agencies within the groupings would be functionally the same, but use different technical solutions. Thirdly, if desirable, a next layer should involve some coordination between various groups of functional agencies such as communication, transportation, and resource distribution. However, Mitrany wants to avoid specifying any predetermined blueprint for how these bodies should operate. Fourthly, the work of the various functional organs would need direction from international planning agencies. In Mitrany's vision, 'an investment board could guide, for instance, the distribution of orders for ships, materials, etc., not only according to the best economic use but also for the purpose of ironing our cyclical trends'.[45] The difference between the third and fourth layers is not entirely clear, but it seems as if the former is supposed to provide answers for how mineral resources, as an example, should be physically distributed, while the latter should identify the various needs and thus provide plans for what should go where. The fourth layer should identify needs and capabilities and provide general plans, while the third layer should provide technical solutions and carry out the plans. Lastly, to meet objections that any such scheme as Mitrany describes would need a kind of permanent political authority over it, he argues that a body like the League Assembly could meet periodically to oversee the working of the various functional agencies and discuss general policies as well as voice public opinion. However, such an assembly 'could not actually prescribe policy, as this might turn out to be at odds with the policy of governments'.[46] 'If issues should arise in any functional system which would call either for some new departure or for the re-consideration of existing arrangements, that could be done only in council by all the

45. Mitrany, *A Working Peace System* (1966), pp. 74-75.
46. *Ibid.*, p. 76.

governments concerned'.[47] In contradiction to Mitrany's desire to think beyond the nation-state in world politics, these last statements solidify the principles of state sovereignty and national self-determination.

Tasks that functional bodies and international planning agencies should perform are, for example, to provide for food, clothing, and perhaps coordinate investment and production. In other words, Mitrany sees the need to start with essentials. Give people what they need in the form of life's necessities and they will keep the peace. Membership in the functional agencies would be self-evident. Whatever nation has a stake in a particular task, and holds a significant position in its execution, would have a special responsibility to manage the issue for the benefit of all involved. In order to reach decisions, the international administrative agencies would receive their authority from the national governments involved. In the words of Mitrany, 'The several functions could be organized through the agreement, given specifically in each case, of the national governments chiefly interested, with the grant of the requisite powers and resources'.[48] Once established, however, their only concern should be to manage a particular issue area effectively and equitably. According to Mitrany, this is a technical question, not a political question.

> Functional neutrality is possible where political 'neutrality' is not. In addition, functional arrangements have the virtue of technical self-determination, one of the main reasons which makes them more readily acceptable. The nature of each function tells of itself the scope and powers needed for its effective performance.[49]

In order to assuage fears of a few powerful countries taking control over, for example, the distribution of economic resources, representation in the administrative agencies should be secured in assemblies. However, for practical reasons, Mitrany rejects simple democracy in the form of one nation one vote, as well as the right of veto for all, even the smaller nations. Instead, it should be equality in representation. All voices concerned would be heard in the assembly, but since some countries have more resources with which to perform the tasks, they should have a larger say in the practical everyday execution. An additional method of making functional agencies responsive to public opinion should be to hear and include non-governmental organisations in the

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47. *Ibid.*, p. 75.
48. *Ibid.*
49. Mitrany, 'The Functional Approach to World Organization', p. 358.

working of these agencies. NGOs could provide specialised technical knowledge and insight, and give limited help in implementing plans laid down by functional organisations.[50] Mitrany argues under his functional alternative to international government, nation-states need not surrender sovereignty. Instead, they pool as much as would be necessary for the regulation and performance of a particular issue area. The advantage is 'In such practical arrangements Governments have not, as in political systems, to safeguard their equal voting, but can allow a special position to the countries which have a special responsibility in the task concerned, so long as the service is performed for the benefit of all'.[51]

On the one hand, Mitrany argues the state has become an obstacle for international action. On the other hand, he hopes that it will willingly give up slices of sovereignty and grant powers and resources to functional agencies. He finds nation-states a hindrance, but, nevertheless, puts the onus on them to set up functional agencies and invest in them the appropriate authority. Mitrany fails to delineate how the appeal of the nation-state will diminish when the power and authority of functional agencies and international planning authorities derive directly from national governments. In a characteristically vague formulation, he argues 'in the transition from power politics to a functional order we could be well satisfied if the control of the new international organs answered to some of the merits of each case, leaving it to experience and to the maturing of a new outlook to provide in time the necessary correctives'.[52] It seems obvious to him that a new outlook will evolve and that correctives will be found. In any case, he fails to elaborate on how these initial steps will take international relations beyond the nation-state when it ultimately sanctions and underpins any such development.

As mentioned above, nation-states should form a council to decide international policy, because a world-wide forum, such as the League Assembly (the fifth bureaucratic layer), would only discuss policy options, oversee the working of the functional agencies, and hear public opinion. Any new decisions or revisions in the working of Mitrany's international functional order, should be taken jointly by nation-states. In addition, referring to the consultative fifth layer assembly, Mitrany argues,

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50. David Mitrany, 'A New Democratic Experiment: The Rôle of Non-governmental Organisations', *Review of International Cooperation* (Vol. 47, No. 5, 1954), pp. 110-12.
51. Mitrany, 'The Functional Approach to World Organization', p. 358.
52. Mitrany, *A Working Peace System* (1966), p. 77.

'[a]ny line of action recommended by such an assembly would have to be pressed and secured through the policy-making machinery of the various countries themselves'.[53] Despite Mitrany's critical attitude towards the sovereign nation-state, and despite his desire to think beyond national exclusiveness and self-determination, the nation-state retains a very prominent position in Mitrany's notion of an international functional order. Despite chastising the nation-state for preventing the natural growth of international action, Mitrany's prescriptions do not unequivocally map out a road towards a world beyond the nation-state.

Kenichi Ohmae: The 'High Priest of Globalisation'[54]

For someone labelled an 'orthodox globalist' and a 'high priest of globalisation', and in contrast to his frequent suggestions for the role of governments domestically, Ohmae's thoughts on how international affairs should be organised are notably scarce.[55] At first glance, judging by the scant attention he pays to the government of the international system of nation-states, they hardly seem to have a decisive part to play internationally. With the emergence of the global economy, nation-states seem to be left behind, forming a subsidiary level of interaction. In this respect, Ohmae differs significantly from Mitrany, as he does not elaborate much on his preferences for the states-system. To reiterate a previous point, Ohmae develops ideas primarily regarding the business world, and shows little appreciation and interest in motives — other than economic — driving people in other areas of life. Having said this, however, from scattered comments we are able to draw some interesting — albeit incomplete — conclusions about what he would like the world to look like and what roles nation-states should play in world affairs. One caveat should be mentioned. Ohmae's low level of interest in international government corresponds well with his rhetoric of the end of the nation-state. If the nation-state is about to become inconsequential, there is really no great need to spend much time outlining what it should do. However, the point is, when we look more closely at the suggestions he makes for what roles nation-states should play in the

53. *Ibid.*, p. 76.
54. Ian Clark, *Globalization and Fragmentation: International Relations in the Twentieth Century* (Oxford: Oxford University Press, 1997), p. 183.
55. For these epithets, see Linda Weiss, *The Myth of the Powerless State: Governing the Economy in a Global Era* (Cambridge: Polity Press, 1998), p. 225, and Clark, *Globalization and Fragmentation*, p. 183.

global economy, his commitment to the eventual end of the nation-state appears questionable.

International Government

Our critique in this section does not identify any significant internal contradictions in Ohmae's various proposals for what nation-states should do internationally. As with the vision of the role of domestic government, the ideal form of Ohmae's international system has not changed much over his writing career. In order to capture the contradictory nature of his prescriptions and desires for international affairs, we need to refer back to the rhetoric of the end of the nation-state presented in chapter four. In a similarly spirited remark in *The Invisible Continent*, where he attempts to go beyond claims by Thomas Friedman and Benjamin Barber about globalisation and the erosion of national sovereignty, Ohmae argues 'it is not enough to recognize the pressures driving apart the old-world nation-state, without finding something to replace it'.[56] That something, Ohmae suggests, is the region-state. However, '[t]hese region-states would not be political units per se'.[57] Region states are defined by a concentration of economic activities within a geographical area in which consumer preferences are converging. They are also characterised by their willingness to welcome the global economy. Ohmae continues,

> If the nation-state is no longer meaningful in economic terms, then what is the meaning of the economic statements made by politicians? What do we make of the proclamations that promise 'prosperity' or 'jobs,' either by shutting out the rest of the world, financing public works projects, or by creating more government jobs? We can only conclude that they are the equivalent of show trials: pieces of theatre designed to assuage people who are still mired in the psychology of the nineteenth-century nation-state.[58]

As we saw in chapter five, this conviction does not prevent Ohmae from condoning a wide scope of state measures to help economic activities within its borders, as long as these policies please the borderless world economy. But what are the implications of his

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56. Kenichi Ohmae, *The Invisible Continent: Four Strategic Imperatives of the New Economy* (London: Nicholas Brealey, 2000), p. 123. Ohmae refers to Thomas L. Friedman, *The Lexus and the Olive Tree: Understanding Globalization* (New York, NY: Farar, Straus, and Giroux, 1999), p. 62, and Benjamin Barber, *Jihad vs. McWorld* (New York, NY: Times Books, 1995), p. 276.
57. Ohmae, *The Invisible Continent*, p. 123.
58. *Ibid.*, p. 133.

proposition that the region-state is about to replace the nation-state, and it is 'no longer meaningful in economic terms'? What does Ohmae want the nation-state to do internationally, if anything?

In fact, Ohmae on a number of occasions mentions the need for international cooperation between governments. The reason for a system of cooperation between nation-states is simply growing international interdependence. 'The economies of individual nations, such as the United States and Japan', he argues,

> are like two planes aloft with the hydraulics of each pilot's levers linked partially to the flaps of the other plane. Unilateral actions are thus dangerous, perhaps fatal. Cooperation is essential, more so everyday as the activities of global companies further spin the web of connectedness.[59]

The USA and Japan need to coordinate their policies in order to keep their economies, as well as the world economy flying. Intentionally or not, Ohmae implies with his 'pilot analogy' that national politicians are still important leaders. They have crucial, active roles to play for the direction and safety of the borderless world.

Another rationale for inter-state cooperation can be gleaned from Ohmae's endorsement of a system of institutional competition between the regulatory frameworks of smaller national economies. Multinational companies, international investors, and, to no lesser degree domestic producers and consumers are becoming increasingly mobile. They make their decisions on where to buy, produce, or invest based on a number of considerations, primarily whether a particular country provides a cheap and attractive market. One way in which governments can attract companies, according to Ohmae, is through their tax regimes. High taxes and poor public service are signs governments are not doing their job properly, and business will stay away. One of the risks of a system where nation-states compete for international investments is a 'race to the bottom' in terms of social services. Another is that countries which have not yet been able to 'put their houses in order' will be left behind economically. But more restrictions is not the way to go to solve these potential problems; 'Man's role in the ILE [interlinked economy] is to create, imagine, and dream, and no government has

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59. Kenichi Ohmae, *The Borderless World: Power and Strategy in the Global Marketplace* (London: HarperCollins, 1990), pp. 197-98.

a right to deny that'.[60] Instead, in order to mitigate the danger of uneven economic growth, Ohmae argues,

> inevitably, there must be a supergovernmental body of some sort that can monitor such developments and cushion the worst of their effects. As long as the nations in question are making determined efforts to get themselves back into competitive shape, there is good reason to help them along.[61]

Ohmae mentions the need to set up some form of 'supergovernmental' body to help coordinate their activities on numerous occasions. However, similarly to Cobden, as well as Mitrany, he is not willing to entrust it with a sovereign power with which it could enforce decisions on individually resisting countries. Instead, he seems to favour a more or less loose coalition of economically advanced nation-states, in which it would be up to each individual country to live up to agreements. One role of his supergovernment should be to aid ailing but aspiring nations. Such help is in everybody's interest, since economic prosperity is no longer characterised by a zero-sum game. In the borderless world, what is economically good for Japan is ultimately also good for South Korea and even the USA, as one country's economic success feeds growth in another. However, he makes a crucial omission when he does not specify what kind of help he envisages this body should provide, nor what specific form it should assume, and nor what relationship this body should have with governments of nations who qualify for help.

Ohmae is vague about his supergovernmental body even if his vision is cosmopolitan. He hopes someone will find inspiration in his writing and lay out the more specific shape of the organisation. He opens *The Borderless World* by saying

> I will not be surprised if someone comes up with a proposal for a supergovernmental structure, with a taxation system for ILE residents being evenly divided, such as one-third to the world outside of the ILE, one third to the immediate community in which they live, and one-third to the country. This would reflect the view of the world I've developed over time — as a global citizen, as a resident of my community, and as a Japanese (in that order).[62]

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60. *Ibid.*, p. 215.
61. *Ibid.*, p. 196.
62. *Ibid.*, pp. xiii-xiv.

And he concludes with a similar statement, but waters down the supergovernmental framework to a 'fund':

> If I had my way, I'd pay a third of all my taxes to an international fund dedicated to solving world problems, such as the environment and famine. A third to my [local] community ... And then a last third to my country ... I'd be happy to start paying these taxes after a group of leading nations adopted a mission statement, a 'Declaration of Interdependence,' aimed at the year 2005, and started working on the coordination necessary to force themselves to follow a mutually agreed on vision.[63]

It is worth quoting at length the 'Declaration of Interdependence Toward the World — 2005', which he developed with Herbert Henzler (Managing Director of McKinsey & Company, Germany) and Fred Gluck (Managing Director of McKinsey & Company, Inc. world-wide). The advanced nations should acknowledge the existence of an organic bond among national economies, and unite under the belief in the 'benefits of the interlinked economy (ILE)', they argue. In addition, 'the role of central governments must change, so as to':

> - [c]oordinate activities with other governments to minimize conflicts arising from narrow interests.
>
> The leading nations must be united under this belief, so that they collectively can
>
> - Enhance networking of individuals, institutions, and communities across the borders.
> - Develop a new framework to deal collectively with traditionally parochial affairs, such as tax; standards and codes; and laws governing mobility of tradable goods, services, and assets.
> - Induce developing, newly industrialized, and developed nations to actively participate in the global economy.
> - Address and resolve issues that belong to the global community, such as:
>
>   Enhancement of the earth's environmental improvement and conservation of natural resources.
>
>   Underdeveloped nations.
>
>   Human rights and dignity.[64]

His preferred international order contains a latent authoritarianism. A coalition of leading nations should be the guardian of the interlinked economy (ILE). It should

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63. *Ibid.*, p. 215.

64. Kenichi Ohmae, Herbert Henzler, and Fred Gluck, 'Declaration of Interdependence Toward the World—2005', in Ohmae, *The Borderless World*, p. 217.

protect against threats from parochial politicians, nationalist voters, and jingoistic journalists, instead encouraging the increasing power of cosmopolitan consumers.

Then the question arises; what about the specific form of this super-governmental body or fund? One way of finding this out could be to analyse Ohmae's assessment of existing international cooperative arrangements. 'Perhaps', he avers,

> as we move into the twenty-first century, we need a supergovernment — maybe something like an extended European Community to encompass the Triad. Or maybe Japan and the United States will come up with a common economic framework and invite the Europeans and other nations to join.[65]

However, Ohmae's conviction of the benefits of an institution like the EC or EU is a bit fickle. Five years later, in *The End of the Nation State*, he laments 'just when nation states began to lose their primacy as economic actors, Brussels created a supernation state. This is ironic. It is also tragic'.[66] The problem with the EU, according to Ohmae, is that it presumes incorrectly 'that the same policies will bring prosperity to all parts of Spain and Italy', when each region (independent of national borders) has its own interests and potentials for economic growth and development.[67] The fact, as Ohmae sees it, that the global economy can best be entered from a regional basis 'challenges the fundamental rationale of the multilateral institutions in which nation states participate — the U.N., for example, and the OECD, and new groupings like the EU, NAFTA, and APEC'.[68] However, at other times Ohmae seems to contradict himself. According to him, the collapse of liberalism and rise of protectionism in the 1970s and 1980s are proof nation-states have difficulties 'putting global logic first' (*i.e.*, opening up to foreign capital and products). However, he subsequently writes, 'The record, of course, is not entirely dark. The recent agreements on NAFTA and GATT, as well as the verbal commitment of APEC to trade liberalization, are all to the good'.[69] Given the diversity in the judgements contained in these comments on international organisations such as the UN and the EU, we cannot draw any firm conclusions about what he wants his super-governmental body to look like more specifically.

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65. Ohmae, *The Borderless World*, pp. 203-204.
66. Kenichi Ohmae, *The End of the Nation State: The Rise of Regional Economies* (London: HarperCollins Publishers, 1995), p. 138.
67. *Ibid.*, p. 139.
68. *Ibid.*, p. 144.
69. *Ibid.*, p. 78.

Varying Emphases on the Need for Government

On a few occasions, Ohmae is more cautious about the necessity of some form of interstate cooperative structure.[70] In contrast to *The Borderless World*, *The End of the Nation State* hardly mentions the need for international coordination. Despite acknowledging an important economic role for nation-state governments domestically, there seem to be no strong reasons for any kind of formal international political framework. Instead, each individual nation-state is left to cede relevant economic initiative to region-states. With the publication of *The Invisible Continent*, Ohmae's latest book, he reintroduces the need for an international cooperative framework. In a chapter analysing the government of the globalisation of the world economy and the spread of the 'new economy', he argues that control of international market forces is nearly impossible, since both business and politics are navigating uncharted territory. This leads him to conclude, '[t]here is no conventional government on the new continent. It is a frontier environment'.[71] In an example of Ohmae's careless writing, he claims that '[i]t has no president',[72] only to assert, a few pages down in a reference to the President of the United States, '[f]or the moment, he is the de facto president of the new continent', because he controls the American domestic market, which, in turn, decides the shape of the world economy.[73] In any case, like any area in the process of being settled, new issues needing regulation and government intervention are constantly encountered during the establishment of the 'new economy'. As with the discovery and settlement of the United States, the new economy offers amazing opportunities for entrepreneurial individuals and companies. It is the unregulated, unrestricted, and unchartered nature of the economy that make the economic climate so conducive to economic growth. Nevertheless, just as the Wild West, the new continent is governed informally. 'In the Wild West, the best gunman called the shots', Ohmae claims. 'But what, on the new continent, constitutes good gunmanship?'[74] While the question is rhetorical and open-ended, the implication is that some form of government control and

70. Ohmae, *The Borderless World*, pp. 204-205. See also Ohmae, *The End of the Nation State*, p. 129.
71. Ohmae, *The Invisible Continent*, p. 215. Here, Ohmae speaks metaphorically of the settlement of the USA when describing the emerging world economy. In his previous texts, he toys with the idea of discovery and of the global economy as an 'isle'. Thus, we can allow ourselves some scope to interpolate the language of this metaphor to his previous texts.
72. Ohmae, *The Invisible Continent*, p. 215.
73. *Ibid.*, p. 225.
74. *Ibid.*, p. 215.

regulation is not only desirable, but necessary and a natural feature of the landscape of the only partly settled new economy. Even if he argues for free international trade and investments, Ohmae is no international *laissez-faire* liberal. He questions the effectiveness (and merit) of tariffs, quotas, and other regulations on international economic activities, but he does not go so far as to suggest they should be disposed of altogether.

Although Ohmae prefers less constraints on business, he perceives the workings of one area, in particular, as unfair and potentially destabilising, and thus deserving of close scrutiny. That practice is international currency speculation. Additional issues in need of international government include taxation, intellectual property, cyber-terrorism, violence and pornography, and freedom of speech.[75] The damage caused by hedge funds and speculators in Thailand and South Korea in 1997 justify the restrictions on short-term capital flows imposed by for example Malaysia. But, in order to avoid unilateral regulations and the resultant incentive for speculators to flit from one country to another, Ohmae suggests four guidelines to govern the international financial industry. First, he calls for hedge funds to reveal their reserves of currencies and for rating agencies such as Moody's and Morningstar to publish more detailed figures about the size and leverage of capital funds. If this norm of divulgence were accepted, he believes, somewhat idealistically, that '[i]nvestors will gravitate toward the exchanges that provide this level of disclosure', since honourable business interests will prevail in the long run.[76] Secondly, Ohmae favours rules against destructive speculation and treaties of extradition of 'citizens who knowingly did speculative damage to the economy of another country'.[77] Importantly, Ohmae adds that '[t]his treaty would make the global economy into a playing field where any country could potentially prosper — being confident of the protection and policing of the powerful league of developed countries'.[78] In other words, Ohmae does not put his faith in any other authority than the institution of the nation-state. To describe and proscribe the end or decline of the nation-state is inconsistent with the desire to entrust a league of powerful countries with the 'protection and policing' of the international financial system. In other words, we must doubt whether Ohmae is entirely convinced by his own rhetoric of the end of the nation-

75. *Ibid.*
76. *Ibid.*, p. 221.
77. *Ibid.*
78. *Ibid.*

state. Thirdly, by bundling currencies, as the EU has done, destructive speculation would be more difficult, since the relative size and impact of the hedge funds would be smaller. Fourthly, Ohmae suggests the appointment of a 'global ombudsman' acting on behalf of 'this new world'. Similar to Mitrany's preference for a gradual evolution of world organisation as a response to felt needs, Ohmae proposes that, '[i]deally, this would emerge out of the network's own imperatives and needs'.[79] At the moment, Ohmae seems to hold that nation-state bureaucrats set rules and regulations, but he prefers suggestions for regulation to come not from government administrators, but from international businesses who are closest to the activities of the world economy. They are in the unique position of knowing which kind of regulations will work without damaging prosperity. 'We' — referring to people who are affected by unrestrained speculation — 'have to create the ombudsman first, to provide a channel for individuals to offer points of view on the governance of the new continent, and then have the nations discuss and decide on it'.[80] Again, while Ohmae clearly takes a stance against a total dominance of nation-states, he acknowledges them as final repositories of political power. He even favours this arrangement.

International Democracy

The only way in which Ohmae could be said to challenge seriously the existing state system is his suggestion for a new voting system in the UN and for the American presidency. Thanks to recent developments in telecommunications (in particular, improvements in encryption and identification, as well as increasing use of mobile phones), 'we' could, by the year 2005, 'have direct voting from 1 billion out of 6 billion residents of the world'.[81] This would ensure that the voice of the people was heard, not only the opinions of their political (sometimes non-elected) and bureaucratic leaders. However, Ohmae does not suggest any extension of the power of the UN. This, of course, leaves the UN in its present state without any real power beyond that awarded by its most powerful member nation-states.

In addition to greater influence by individual citizens on the UN, Ohmae proposes a new model of political democracy for the United States. Ohmae would like to

79. *Ibid.*, p. 222.
80. *Ibid.*
81. *Ibid.*, p. 224.

enfranchise more or the less the entire population of the world in elections for the American presidency. Since all people have a stake in who occupies the White House, it would not be more than fair that they should have a say in his or her election. Ohmae asks his readers to '[c]onsider a system, for instance, in which people had votes based upon their relative interest in the political process. ... The president of the United States, in a very real sense, wields extreme power over the rest of the world. ... Conceivably, every citizen of every other country should get 3 percent of a vote' compared to each American's one vote.[82] Similarly to Mitrany, Ohmae wants to break the practice of only awarding people and groups defined as citizens within a nation-state's borders with a say in the management of issues with international repercussions. In contrast to Mitrany — who promotes the establishment of international organisations with independent administrations and assemblies wielding authority over specific issue areas, but with nation-states as the final repositories of political power — Ohmae leaves nation-states in charge while extending participation in their decision-making process to non-citizens. Where Mitrany proposes to pool sovereignty in international organisations, Ohmae wishes to see individual nation-states take into greater consideration the political and economic interests of individuals, groups, and business from other countries. While formally opening up the political process of the nation-state to international influences, it, nevertheless, confirms his acceptance of its supremacy, especially that of the USA.

Concluding Comments

Our three authors may respond to our criticism that they never express the wish for the nation-state and its government to disappear completely. The preceding analysis and its critique stands nevertheless, since it shows that their ideas can be (and, indeed, have been) interpreted as both rejecting the nation-state system as well as embracing it. We do not try to settle finally the issue of what they 'really' mean. The thesis points out in order to approximate an accurate understanding of the liberal idea of the decline of the state we need to remember their arguments can be understood as both accepting and rejecting sovereignty and territoriality. Cobden, Mitrany, and Ohmae are not untrue to themselves, but they are too insensitive to the difficulties they have thinking outside the mental framework provided by the principles contained in the nation-state system.

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82. *Ibid.*, pp. 224-25

Cobden wants to reform the principles of international government, but expresses no desire to see the immediate end to the existence of separate countries. Nor does he make any proposal that would replace the state as the ruling unit of the international system. He would like to see an increased international role for the people of commerce and trade, as well as private individuals with the ability to form connections with people of other countries. Under this scenario, products and capital would do more to represent Britain than diplomats and politicians concerned with the balance of power between the European powers. Just as businessmen are properly concerned with peaceful commerce, so should statesmen shed their feelings of national superiority and show more international morality in their foreign policies. Instead of harbouring a desire to conquer the world by force, they should nurture economic growth through free trade and show good will towards other nations. Improvements in international governance should be achieved through agreements between governments, not by replacing states. In contrast to Ohmae, Cobden does not propose to form an authority above states. Instead, he would like to establish an arbitral body between them, which would in time develop a common law of the nations — without the teeth of an international military force — leaving it up to the individual states in a dispute to implement its decisions, potentially with the help of the Great Powers.

Mitrany wants to make international government coextensive with international activities. This should be achieved by thinking beyond the nation-state in the sense that political borders would not dictate limits to government. The reason for wanting to transcend the nation-state is that the remedies for the main problems of his age — military security, and economic as well as social welfare — lie not, first and foremost, in a transformation of the relationship between state and domestic society, but in a linking of a limited number of national and international spheres of government. However, compared to Cobden, Mitrany has in mind a very different kind of international government. It should be concerned with the planning and distribution of economic resources, as well as the regulation of technologies with reach across borders such as radio wavelengths and bands. International functional organisation in conjunction with private economic interests should work out who gets what, when, and how. He envisages that his proposal will involve several layers of international administrative authorities. Despite pointing out that contemporary nation-states actually hinder the natural growth of international activities, just as Cobden, he stops short of suggesting any authority above the nation-state. Nation-states should continue to

constitute the ultimate authority when it comes to deciding international policies. In addition, in his more detailed elaboration of his international functional approach, he emphasises that domestic implementation of international policy decisions should continue to be the under exclusive jurisdiction of each individual nation-state. This makes it difficult see how his prescriptions will entail anything more than mere tinkering of the principles on which the nation-state system rests.

Compared to Mitrany, Ohmae focuses very little attention on international government and reform. Ohmae aims his proposals for achieving economic growth and prosperity primarily at individual states. Nevertheless, both want to increase government and cooperation between nation-states, but while Mitrany would like to bring activities under common control, Ohmae emphasis is on freeing international business. However, this does not preclude him from endorsing curbs on international currency speculation. In contrast to Cobden and Mitrany, Ohmae is the only one to express a desire to establish a supergovernmental body of some kind. Under such a framework, nation-states would cooperate on the regulation of capital movements and trade, as well as on international economic development. Given his rhetoric of the end of the nation-state, he is remarkably quiet about the specific form of his suggestion. He mentions that he would consider paying one third of his tax dues to a supergovernmental fund, but does not elaborate on what kind of power in relation to the nation-state this body (or league as he sometimes calls it) should have. For all of Ohmae's talk about the end of the nation-state, when it comes to Malaysia (to which he acts as a consultant) he says,

> as the most industrially advanced Islamic nation in the world, Malaysia has a special opportunity to play a central role in helping other Islamic nations integrate with the global economy. Its potential network of knowledge-based influence in rapidly growing parts of the world is thus both extensive and unique.[83]

In any case, he sets out to explore 'how the governments of nation states understand their proper role in economic affairs', which clearly reveals the exaggeration of his rhetoric of the dysfunctionality and end of the nation-state.[84]

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83. Ohmae, *The End of the Nation State*, p. 122.
84. *Ibid.*, p. 5.

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THE PREDICTIVE ELEMENT

In the foregoing analysis, the distinction between states as government institutions and as countries has been useful. Cobden, Mitrany, and Ohmae's visions of the future, in contrast, have in common an expectation of a breakdown of the separation of the national and international. Instead of a world continuing to be defined by the politics of exclusive and warring (or, at a minimum, antagonistic) nation-states, they foresee a combination of municipalities, issue specific institutions, and/or economic regions dominated by the interdependence of the world economy and social relations more broadly.

Problems with their predictions include Cobden's excessive trust in the eventual triumph of the truth, the pacific effects of commercial interests, and the connection between material and moral progress. Similarly, Mitrany relies too heavily on the force of reason, the prevalence of right over wrong, and people's willingness to cooperate internationally. Lastly, Ohmae puts too much faith in the belief that economic and market concerns will dominate and transform the agenda of world affairs.

Richard Cobden and the Revolution of Free Trade

Nineteenth-century England is characterised by a widespread belief in the possibility of both moral and material progress. Nothing is beyond the human capacity to change, arrange, and improve through education and the application of new inventions. By applying scientific knowledge to technical or social problems, they can be solved rationally and efficiently. Nature is so divinely ordered as to make forging and shaping possible. After all, God created man in His own image, thus giving him a right (as well as capacity) to rule over nature without, of course, violating the laws and intentions of Providence. To Cobden and many of his contemporaries, the textiles from Lancashire, as well as the iron and (later) steel from Sheffield (and the constructions they make possible) are symbols of the accomplishments of human enterprise and commerce. The downside of industrialisation is, of course, the appalling conditions under which the labouring classes and, in particular, their children work. But the advancement of civilisation and knowledge are not in question. Even phrenology is in Cobden's day many a progressive man's mental doorway to human improvement. George Combe, the

foremost proponent of phrenology in Britain at the time and a friend of Cobden, does not assume individual ability to be immutable. His teaching, however misconceived, is one of betterment through understanding. To Cobden, Christianity and, in particular, Protestantism with their message of love, understanding, and mutual respect represent the apogee of morality and good will towards other people (and kindness to animals). Cobden views Protestantism as directly linked to material and social progress. It allows man a scope of free will, which he applies to science and business, but it also provides him with a sense of duty of philanthropy to help the poor and outcast. In short, the present shows signs of a much better future. Cobden and many with him put their faith in progress through industrialisation, political reform, and moral improvement.

Since the French Revolution, political leaders all over Europe lived in fear of another major continental war resulting from domestic political upheaval. Hence, the mutual assurances of respect for the internal affairs of other nations following the revolutions sweeping across Europe in 1848 were widely seen as a proof of a significant improvement in European politics. It led government leaders in England and elsewhere to declare a new era in international relations.[1] Even if the return of despotic rulers in many of the revolting nations before the end of the year called into question much of the millenarian ebullience, a general optimism in the possibility of international peace remained.[2] While Cobden's belief in progress is not complete, or untarnished by events such as the Crimean War and the tendency of the aristocracy and nobility to retain their grip on English politics, his writing is, nevertheless, permeated by a firm optimism and confidence in the future (if yet distant) ascendancy of his core principles, 'free trade, peace, and good will among nations'. According to J.A. Hobson, Cobden believes that if you

> Remove the fetters and obstructions which governments, laws, and customs have placed upon the free play of the harmonious forces which bind man to man, let their real community of interest have full sway to express itself in economic, intellectual and moral intercourse, the false antagonisms which

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1. Nicholas C. Edsall, *Richard Cobden, Independent Radical* (Cambridge, MA: Harvard University Press, 1986), p. 231. See also, for example, Cobden, '1793 and 1853, in Three Letters' (1853), in Richard Cobden, *The Political Writings of Richard Cobden, Vol. II*, of Two Volumes, Fourth Edition (London: T. Fisher Unwin, 1903 [first published 1867]), p. 350.
2. Cobden refers, for example, to the *Times* newspaper which 'in a recent leading article' expresses the opinion that 'Europe is already so much governed by the representatives of tax-payers, that an [*sic*] European war is an affair of improbable occurrence'. See Richard Cobden, House of Commons, 17 June, 1851, in Richard Cobden, *Speeches on Questions of Public Policy, Vol. I*, of Two Volumes, Eds. John Bright and James E. Thorold Rogers (London: Macmillan, 1870), p. 524.

now divide nations, classes and individuals, will disappear and a positive harmony of mankind be established.[3]

This section draws attention to three themes in Cobden's thought about which he holds particularly high expectations regarding their influence on international peace and the formation of an international structure consisting of municipalities riveted by free commerce. The three factors underpinning the growth of such a cosmopolitan civilisation are the spread of true knowledge about politics and international relations; the peaceful interests of capital and commerce; and the connection between material and moral progress. All themes allow a scope of political choice, but they also contain elements of determinism. Compared to Mitrany and Ohmae, Cobden's predictions for the future decline of the state go the furthest. The implications of his descriptions and prescriptions for the decline of the state are not as far reaching as those of Mitrany and Ohmae. Cobden describes the inadequacy of the aristocratic state and he outlines ways of overcoming the dominance of the nobility and military over domestic and international politics. He does not fundamentally challenge the influence and centrality of the nation-state and its government. However, when it comes to the future of international relations, Cobden, in contrast to Mitrany and Ohmae, is able to rid his prophecy completely of the political institution of the sovereign state.

The End of the State

During the Anti-Corn Law campaign, Cobden is said to be more concerned with the narrow issue of repeal and its more direct economic effects on Britain.[4] Shortly before repeal, however, he returns to some of the themes from his first two pamphlets, namely the effects of free trade on political change, economic growth, and international relations.[5] In a speech under the auspices of the Anti-Corn Law League, he tells his Manchester audience that, despite what his critics say of him — that he only concerns himself with material gains — he believes that the greatest benefits of free trade will be its effects on international relations. The principle of free trade will work as a centripetal force, integrating people from all corners of the world. It will bind them in a

3. J.A. Hobson, *Richard Cobden: The International Man* (London: Ernst Benn Limited, 1968 [first published 1918]), p. 21.
4. Edsall, *Cobden, Independent Radical*, p. 176.
5. *Ibid.*

common fate 'thrusting aside the antagonism of race, and creed, and language, and uniting us in the bonds of eternal peace', Cobden believes.[6] In the distant future, the effect will also be to put in place a new system of government, completely different from the present balance-of-power system. Thanks to the benefits of free trade, both social and material, there will be no need for large armies, great navies, wars of conquest, and colonies. The human race will become one family as the distinction between international and national will break down.

> I believe that, if we could be allowed to reappear on this sublunary scene, we should see, at a far distant period, the governing system of this world revert to something like the municipal system; and I believe that the speculative philosopher of a thousand years hence will date the greatest revolution that ever happened in the world's history from the triumph of the principle which we have met here to advocate. I believe these things.[7]

The statement has attracted a lot of criticism and some controversy over the years. The author of *Richard Cobden. The Man and His Policy* refers to it as an 'impracticable dream'. It also prompts the writer to conclude that 'Cobden, the man, compels a meed of admiration; Cobden's policy, however noble, is too optimistic and too unpractical to stand the test of time'.[8] Lionel James Carter argues that, rather than foreseeing a municipal system, Cobden thinks some form of international federalism is more likely to follow. He bases this interpretation on the following statement by Cobden;

> Is it not evident that the world is outgrowing the barbarous practices of former times, and that the vast interest arrayed on the side of peaceful commerce and industry will demand from Government some better mode of adjusting the disputes than an appeal to the sword? ... Must not the old world, if it is to maintain a rivalry, or endure a comparison with the prosperous nations of the West [primarily the USA], adopt an international code which shall put the States of Europe upon a footing of security, either by the federation plan, or some other mode, and thus enable them to dispense with the enormous and menacing armaments which are crushing the tax-payers to the dust?[9]

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6. Richard Cobden, Manchester, 15 January, 1846, speech on free trade, in Cobden, *Speeches, Vol. I*, p. 362-63.
7. *Ibid.*
8. Unknown author, *Richard Cobden. The Man and His Policy*, Leaflets, New Series No. 48 (London: Jas. Truscott and Son, 1904), pp. 9, 10, and 12. See also W. Cunningham, *Richard Cobden and Adam Smith: Two Lectures* (London: The Tariff Reform League, 1904), p. 12.
9. Richard Cobden to Chevalier Bunsen, letter 3 October, 1856, in Salis Schwabe, *Reminiscences of Richard Cobden* (London: T. Fisher Unwin, 1895 [first published in French 1879]), pp. 285-87.

Carter maintains that Cobden developed these federative ideas after 1855, which is a view supported by Hobson.[10] Referring to Cobden's pamphlet entitled 'What Next — And Next?', Hobson claims that Cobden (if he were the government of England) would seek to 'bring into being a "federation of the States of Europe"' initially through treaties with Germany and Austria.[11] However, Hobson does not quote Cobden correctly. In contrast, Cobden writes that he would propose to form 'a union ... a league, or confederation against Russian encroachments'.[12] He liked the idea of a European federation, but he did not see it as a practical solution, nor did he include it in his more prophetic visions of the future. Even if Cobden never seriously developed ideas of a civilised Europe organised similarly to the United States of America, he was sympathetic to such attempts by others such as Chevalier Bunsen. On balance, therefore, the author concurs with Anthony Howe, who argues that Cobden tended to predict the emergence of a Europe of municipalities united through the bonds of free trade and an international division of labour.[13]

The preceding quotations are naturally just as much an indication of a desire or a dream as it is a prediction. Cobden holds out the prospect of a world-wide municipal system so far into the future that he would most likely agree it as an unobtainable Utopia. Nevertheless, the forces he delineates work relentlessly in the direction of breaking down barriers of ignorance and bigotry. In short, they work to unite humankind into one cosmopolitan community. While he safeguards his prediction by allowing it a thousand years to establish itself, he cannot escape (and he does not want to escape) the idealism involved in believing in the ascendancy and ultimate reign of peaceful commerce over all things social and political. While he is not always as optimistic about the future, his prediction about the decline of the state is predicated on the belief that truth triumphs, commerce leads to peace, and material progress spreads civilisation, as well as civilised relations.

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10. Lionel James Carter, 'The Development of Cobden's Thought on International Relations, Particularly with Reference to his Rôle in the Mid-nineteenth Century Peace Movement' (Sidney Sussex College: Unpublished Ph.D. Thesis, 1970), pp. 200-201.

11. Hobson, *Cobden: The International Man*, p. 140. The quotation within the quotation appears to be taken from Richard Cobden, 'What Next — And Next?' (1856), in Cobden, *The Political Writings, Vol. II*, p. 533. The problem is that 'federation', in this particular passage, refers to what Cobden thinks 'is implied by the phrases "Balance of Power" or "International Law"'.

12. Cobden, 'What Next — And Next?', in Cobden, *The Political Writings, Vol. II*, p. 534.

13. Anthony Howe, *Free Trade and Liberal England 1846-1946* (Oxford: Clarendon Press, 1997), pp. 276-77, and p.71.

Truth and Knowledge

In an opening paragraph to a book by W.H. Dawson, Cobden is quoted saying 'What is true requires but time to establish it in men's minds. Time and truth against all the world! But you must have time, and that time which destroys everything else only establishes truth'.[14] His belief in the power of true knowledge provides a strong argument against secret diplomacy. In addition to working for international peace and universal education in England, after the repeal of the Corn Laws, Cobden devotes a lot of effort to improving relations between Britain and France. As we have seen in previous chapters, if only people were to know that the French sought peace with Britain in 1792 and 1793, and that the real interest of the French nation is to maintain friendly commercial relations with English merchants, they would not suspect France of surreptitiously planning to attack British shores and ports in the 1850s.[15]

> But the whole truth must be told, and the public mind thoroughly imbued with the real merits of the case, not as the solution of a mere historical problem, but in the interest of peace, and as the best and, indeed, only means of preparing the way for that tone of confidence and kindness, which everybody, excepting a few hopelessly depraved spirits, believes will one day characterise the intercourse of France and England. For if in science and morals a truth once established be fruitful in other truths, and error, when undetected, be certain to multiply itself after its own kind, how surely must the same principle apply to the case before us![16]

However, as we can see in the cases of Northern Ireland, and the West Bank and Gaza, people do not act justly simply because they are proved wrong. Neither of the sides in these conflicts are likely to admit they are wrong simply as a result of being confronted with the 'truth'. Instead, they are likely to rationalise their previous actions, and justify their own operations on the basis of some alleged injustice carried out by their opponent. In these cases, increasing knowledge about the acts and intentions of their opponents may, in fact, act as fuel on fire. A thousand years may sound like a long time,

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14. Richard Cobden, opening quotation (before Preface and Table of Contents) in William Harbutt Dawson, *Richard Cobden and Foreign Policy: A Critical Exposition, with Special Reference to our Day. and its Problems* (London: George Allen & Unwin Ltd, 1926). See also Richard Cobden, Manchester, 19 October, 1843, in Cobden, *Speeches, Vol. I*, p. 98.
15. Richard Cobden, '1793 and 1853, in Three Letters' (1853), in Cobden, *The Political Writings, Vol. II*, p. 329.
16. *Ibid.*, p. 328.

but given that the Israeli-Palestinian conflict has its roots in biblical times, Cobden's faith in the establishment of truth and knowledge seems misplaced.

Similarly to Ohmae, Cobden believes people will put different demands on, and expect different policies from their governments as a result of increasing communications both within and between nations. More and better information made possible through improved and faster technologies between individuals and groups formerly living in isolation will inform people of the truth, a truth which dictates friendly intercourse with other nations who are just as interested in peaceful commerce. People will realise that high taxes to pay for military spending is not the best way to further their interest in security and increased prosperity.

> Their growing intelligence will render the people every year more dissatisfied with the yoke imposed on them; and athwart these armed and drilled mechanical tools of despotism may be often heard low mutterings, which will assuredly swell some day into a shout of defiance. Internal revolutions may be safely predicted of every country whose government rests not upon public opinion, but the bayonets of its soldiers.[17]

According to Cobden, the growth of civilisation goes hand in hand with increasing and improving knowledge, and it will no longer be possible to rely on an old system of suppression and secrecy to sustain national order. People's improving technical and mental capacities necessitate state reform in the form of less restrictions on international intercourse.

With this said, however, we need to keep in mind, as Dawson points out, Cobden does not always display a complete confidence in the establishment of truth and the emoluments following the spread of knowledge. 'Nations have not yet learnt to bear prosperity, liberty, and peace. They will learn it in a higher state of civilization. We think we are the models for posterity, when we are little better than beacons to help it to avoid the rocks and quicksands'.[18] Nevertheless, he never completely loses his faith in the prospect of truth establishing itself to the benefit of humanity.

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17. *Ibid.*, p. 350.
18. Cobden quoted in Dawson, *Cobden and Foreign Policy*, p. 88.

Money and Commerce

In an oft-quoted passage from his first pamphlet, 'England, Ireland, and America', Cobden exclaims,

> [I]n the present day, commerce is the grand panacea which like a beneficent medical discovery, will serve to inoculate with the healthy and saving taste for civilization all the nations of the world. Not a bale of merchandise leaves our shores, but it bears the seeds of intelligence and fruitful thought to the members of some less enlightened community; not a merchant visits our seats of manufacturing industry, but he returns to his own country the missionary of freedom, peace, and good government — whilst our steamboats, that now visit every port of Europe, and our miraculous railroads, that are the talk of all nations, are the advertisement and vouchers for the value of our enlightened institutions.[19]

At a speech shortly after the Repeal of the Corn Laws, Cobden similarly asserts now the free-trade 'spirit is abroad, and will pervade all the nations of the earth. ... because it is the spirit of truth and justice, and because it is the spirit of peace and good-will amongst men'.[20] According to Cobden, the ascendancy of the commercial middle class is a portent of the changes going on in society. No longer can aristocratic governments ignore the pacific commercial interests of the British manufacturing classes. They do not have any interest in war or hostilities between nations. In addition, by virtue of being the principal producers of wealth, they hold the keys to future prosperity and, consequently, political power. The rising economic and political power of the middle classes — thanks to industrialisation, democratisation, and free trade — will not only eliminate profligate governments and state restrictions on international intercourse, but they will also ensure international peace. Cobden asserts that, just as the Parliamentary Reform Bill of 1832 initiated a revolution in the domestic politics of Britain,[21] so, he claims while campaigning for an international agreement on naval blockades, the

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19. Richard Cobden, 'England, Ireland, and America' (1835), in Richard Cobden, *The Political Writings of Richard Cobden, Vol. I*, of Two Volumes, Fourth Edition (London: T. Fisher Unwin, 1903 [first published 1867]), p. 36. See also Dawson, *Cobden and Foreign Policy*, p. 87; P.S. Wandycz, 'Liberal Internationalism: The Contribution of British and French Liberal Thought to the Theory of International Relations' (London: Unpublished Ph.D. Thesis, University of London, 1951), pp. 69-70; and Crane Brinton, *English Political Thought in the 19th Century* (New York, NY: Harper Torchbooks, 1962), p. 106.

20. Richard Cobden, Manchester, 4 July, 1846, speech on the dissolution of the Anti-Corn Law League after Repeal, in Cobden, *Speeches, Vol. I*, p. 394.

21. Richard Cobden, 'Russia' (1836), in Cobden, *The Political Writings, Vol. I*, p. 250.

implementation of the principle of free trade is effecting a revolution in international affairs.[22] It is unclear whether Cobden foresees a form of universal authority over the municipalities he predicts a thousand years from now. But as the promise of free trade bears fruit, the state will gradually take the appearance of a local authority upholding law and order in a particular geographical area, but without restricting intercourse with people from other communities.

Cobden believes in a causal link between commerce and peace, and conversely that protectionism foster hostility and ignorance.[23] These are not outlandish ideas about the effects of free trade. According W.J. Fox, another Manchester-School adherent and MP, 'free trade is a providential doctrine. It teaches us the wisdom of those arrangements by which nations may ultimately, we trust, be led into one great confederation, one brotherhood of communities, rendering and receiving mutual service'.[24] Later in life, Cobden reveals some sober doubts about the connection between international trade and peace. Nevertheless, the belief that the true interest of the new age lies in sustaining free trade and allowing the commercial classes their rightful power in politics to counterpoise the aristocracy permeates his entire politically career. In addition, with increasing democracy, and democratic control over foreign policy, state institutions will have less influence over international politics.

> Having the *interests* of all orders of society to support our argument in favour of peace, we need not dread war. *These*, and not the piques of diplomatists, the whims of crowned heads, the intrigues of ambassadresses, or schoolboy rhetoric upon the balance of power, will henceforth determine the foreign policy of our government. That policy will be based upon the *bonâ fide* principle (not Lord Palmerston's principle) of *non-intervention in the political affairs of other nations;* and from the moment this maxim becomes the load-star by which our government shall steer the vessel of the state — from that moment the good old ship Britannia will float triumphantly in smooth and deep water, and the rocks, shoals, and hurricanes of foreign war are escaped for ever.[25]

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22. Richard Cobden, 'A Letter to Henry Ashworth, Esq.', 10 April, 1862, in Cobden, *The Political Writings, Vol. II*, p. 389.
23. See, for example, Richard Cobden, Rochdale, 26 June, 1861, speech on the French commercial treaty and armaments, in Richard Cobden, *Speeches on Questions of Public Policy, Vol. II*, of Two Volumes, Eds. John Bright and James E. Thorold Rogers (London: Macmillan, 1870), p. 246.
24. W.J Fox, Royton, 12 February, 1853, speech to Fox's Oldham constituents, in Francis W. Hirst, *Free Trade and other Fundamental Doctrines of the Manchester School* (London: Harper & Brothers, 1903), p. 495.
25. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 254, emphases in original.

In support of this contention, Cobden adduces, in 1835, the increasing trade between England and America.

> England and America are bound up together in peaceful fetters by the strongest of all the ligatures that can bind two nations to each other, viz., commercial interests; and which, every succeeding year, renders *more impossible*, if the term may be used, a rupture between the two Governments.[26]

Material and Moral Progress

The link between material and moral progress is not inviolable in Cobden's thought. 'I do not anticipate any sudden or great change in the character of mankind, nor do I expect a complete extinction of those passions which form part of our nature', he says in 1849 when defending his motion for international treaties of arbitration.[27] In addition, his optimism about the future is stronger during the early parts of his political career. Yet, he never completely relinquishes the belief in progress. 'The time is not yet ... when people will be able to bear the blessings of prosperity and liberty, with peace', he claims in 1862, but avows nevertheless 'though it will come'.[28] In short, although not unconditional, the tendency to connect greater technological sophistication with better behaviour towards, and trust in, other nations is clear and present Cobden's thought.

> Whilst such are the exigencies of manufacturing industry, binding us in abject dependence upon all the countries of the earth, may we not hope that freedom of commerce, and an exemption from warfare, will be the inevitable fruits of the future growth of that mechanical and chemical improvement, the *germ* of which has only been planted in our day?[29]

In 1853, Cobden even holds out the future possibility of a 'universal and perpetual peace', but he refrains from discussing it at length. It would, he believes, attract too much criticism to be worth discussing at present. He prefers instead to deal with the

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26. Cobden, 'England, Ireland, and America', in Cobden, *The Political Writings, Vol. I*, p. 78, emphasis in original.
27. Richard Cobden, House of Commons 12 June, 1849, speech in defence of his motion for the establishment of international treaties of arbitration, primarily between England and France, and England and America, in Cobden, *Speeches, Vol. II*, p. 176.
28. Richard Cobden, 'The Three Panics: An Historical Episode' (1862), in Cobden, *The Political Writings, Vol. II*, p. 580.
29. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 146, emphasis in original.

issue at hand, that is, the low likelihood of a war initiated by France in 1853.[30] France is only second to England in industrial development, and as long as France is not induced to become self-sufficient by English export restrictions, peace, by virtue of interdependence, is all but guaranteed. Interdependence of material needs is not, however, the only base for an international cosmopolitan society. Industrialisation holds the future promise of changing people's attitudes towards other nations. If commerce and technological breakthroughs were only to be left to work their magic, war would be seen for what it is, the antithesis of civilisation and humanity.

> If we look into futurity, and speculate upon the probable career of one of these inventions [by Watt and Arkwright], may we not with safety predict that the steam-engine — the perfecting of which belong to our own age, and which even now is exerting an influence in the four quarters of the globe — will at no distant day produce moral and physical changes, all over the world, of a magnitude and permanency, surpassing the effects of all the wars and conquests which have convulsed mankind since the beginning of time![31]

Cobden tends to see the positive effects of scientific inventions, not their potentially pernicious uses. If political leaders were to take appropriate stock of technological improvements such as the steam engine and the telegraph, and then follow the moral laws of the time — that is, instead of trying to promote the growth of international society by colonisation, imperial expansion, or through any other use of armed force, they should leave other nations to discover for themselves the virtues of industrialisation, free enterprise, and free trade — the future of international relations would look very auspicious.

> It is thus that the virtues of nations operate both by example and precept: and such is the power and rank they confer, that vicious communities, like the depraved individual, are compelled to reform, or to lose their station in the scale of society. States will all turn moralists, in the end, in self-defence.[32]

The material and moral benefits of a free society such as the English are there to be seen by all nations who come to trade. As long as England welcomes foreign merchants, the militarist and aristocratic state will lose its *raison d'être* as civilisation and civilised relations continue to spread.

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30. Cobden, '1793 and 1853', in Cobden, *The Political Writings, Vol. II*, pp. 350-51.
31. Cobden, 'Russia', in Cobden, *The Political Writings, Vol. I*, p. 148.
32. *Ibid.*, pp. 255-56.

David Mitrany and the Capitulation of Sovereignty

According to one observer in *The New English Weekly*, Mitrany's approach 'holds out the promise of a withering away of national rivalries through the growth of naturally useful organs of common enterprise'.[33] Robert S.W. Pollard similarly entitles the functional approach 'A Flank Attack on Sovereignty', a portrayal Paul Taylor picks up on when he refers to it as perhaps the best chance of 'transcending the state system'.[34] During the inter-war period, state sovereignty and nationalism are widely believed to be among the main — as well as the most intractable — causes of war and international discord. Accordingly, the aim of the functional approach is somehow to curb the sovereign nation-state, or as A.J.R. Groom puts it, 'to solve the problems of nationalism and sovereignty by circumventing them'.[35] An article in the *New Statesman and Nation* notes that Mitrany's 'functional economic organisation'

> might well be the most effective instrument for breaking down the anachronistic nationalism of the sovereign State and the crude passions which have become connected with it and which have played so large a part in devastating Europe. ... Yet a word of warning is necessary. The tendency to think that there are panaceas is powerful and disastrous, and it would be fatal to think that the words 'functional' and 'economic,' if we substitute them for 'collective security' or 'federal union,' will lead us straight into the paradise of perpetual peace.[36]

Concurring with the tone of caution in the previous quotation, the thesis notes that Mitrany bases his expectation of a decline of the nation-state on a particular reading of the forces of history; of how people and groups of people function in relation to each other. It sheds critical light on Mitrany's view of the future of the nation-state by analysing his assumptions about the causes of conflict and war, peace and cooperation, as well as the issue of progress in history.

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33. Unsigned 'Notes of the Week', *The New English Weekly & The New Age: A Review of Public Affairs, Literature & the Arts* (Vol. 23, No. 13, 15 July, 1943), p. 111.
34. Robert S.W. Pollard, 'A Flank Attack on Sovereignty', *Peace News*, 18 February, 1944, p. 4; and Paul Taylor, 'Introduction', in David Mitrany, *The Functional Theory of Politics* (London: Martin Robertson, 1975), p. xii.
35. A.J.R. Groom, 'Functionalism and World Society', in A.J.R. Groom and Paul Taylor (eds.), *Functionalism: Theory and Practice in International Relations* (New York, NY: Crane, Russak & Company, 1975), p. 100.
36. Unsigned book review, 'The Road to Cosmopolis', *New Statesman and Nation*, 7 August, 1943, p. 85.

The Future of the Nation-State

According to Mitrany, nationalism is an ideology of the world divided into separate national units awarding state authorities sovereign control over specified territorial areas and the people living in them. By designating nations as the only practicable bases for security and welfare, nationalism expresses itself through the quest for national self-determination and nation-statehood. In order to overcome the dominance of the nation-state, Mitrany needs somehow to mitigate nationalism, as it is the ideological obstacle to a functional order. In order to do this, Mitrany argues, in line with Groom *et al.'s* interpretation,

> I do not see that we can ever get rid of it [nationalism] by a direct and frontal attack. It is not a concrete whole but a bundle both of interests and sentiments. My view is that if we detach all the interests, we will surely mitigate gradually also the sentiments.[37]

Mitrany believes feelings of community and belonging follow the fulfilment of material interests and needs. The most basic interests are for food and security, and since these are organised primarily on a national basis, loyalties go to nation-states. Conversely, if people would only notice the benefits accruing from international cooperation, feelings of international community would develop as a result, Mitrany suggests. The functional approach, while accepting the nation-state in the short term, predicts the eventual immersion of the nation-state into an all-encompassing and inter-locking system of functional cooperation.

It is not only a question of enlightening people, though. As we have seen in previous chapters, there are technological and economic trends working so as to integrate what was previously exclusively national with what is becoming increasingly international. As a result of this increasing internationalisation, in *The Progress of International Government*, Mitrany predicts national planning will necessitate international cooperation. Due to increasing international exchange, national plans cannot remain uncoordinated, since government action in the economy of one country will influence the economy of others. Such interconnectedness, Mitrany seems to admit, could naturally lead to increasing antagonisms, but he strikes an optimistic note when he

37. David Mitrany, letter to E.H. Carr, 19 May, 1943, Mitrany Papers at the British Library of Political and Economic Science, box entitled 'Mitrany Functionalism I', file 'Criticism Functionalism'.

says that 'I have no doubt that the forces now at work are shaping the world for a new social structure, in which efficient functional co-operation will be combined with general cultural freedom for all national groups'.[38] The quotation reveals a belief that people will cooperate, because it is the only way to increase prosperity, provide for material and spiritual needs, and ensure security. In other words, he sometimes exhibits a conviction that a need to break down barriers between nation-states will dictate actual outcomes.

Mitrany believes that 'The functional approach may be justifiably expected to ... remove the need and the wish for changes in frontiers' because

> it would help the growth of such positive and constructive common work, of common habits and interests, making frontier lines meaningless by overlaying them with a natural growth of common activities and common administrative agencies.[39]

By commencing with relatively clear-cut cases for cooperation, 'while touching as little as possible the latent or active points of difference and opposition', 'the growth of new habits and interests' can be expected to circumvent and dilute 'in time' (as Mitrany puts it) the new ideologies of fascism, communism, and nationalism.[40] By starting with technical cooperation and planning on issues such as international flight altitudes, radio wavelengths, and trade in raw materials, political leaders would lay the foundation of an international functional community. As time passes, coordination will grow through a process of learning into more sensitive economic and political issues.

Mitrany argues, '[i]f governments have the welfare of their own peoples at heart they could let such organizations get to work; and if the organizations are successful and their number grows, world government will gradually evolve through their performance'.[41] The statement reflects a notion that success promotes further success, that the habit of acting together is self-reinforcing. Importantly, the outcome, Mitrany predicts, will be that '[t]he political lines will then in time be overlaid and blurred by

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38. David Mitrany, *The Progress of International Government* (New Haven, CT: Yale University Press, 1933), pp. 93-94. See also Mitrany, *The Functional Theory*, p. 97.

39. David Mitrany, *A Working Peace System: An Argument for the Functional Development of International Organization*, Fourth Edition (London: National Peace Council, 1946 [first published 1943]), p. 35.

40. Mitrany, *A Working Peace System* (1946), pp. 31 and 34-35.

41. David Mitrany, 'The Functional Approach to World Organization', *International Affairs* (Vol. 24, No. 3, 1948), p. 358.

this web of joint relations and administrations'.[42] Out of cooperation will grow a socio-psychological community, a sense of belonging, and recognition of a common fate. An obvious weakness with this line of reasoning is that Mitrany nowhere discusses any time frame for this to occur. He mentions that the sentiment of national self-determination 'is by way of being superseded',[43] and that 'there is ample evidence everywhere that a new conception of man is emerging',[44] but how long — or how many functional agencies — it will take before the nation-state stops commanding the centre of attention, or before movements in borders become meaningless, is nowhere delineated.

War, Cooperation, and the Force of Reason

One weakness in Mitrany's predictions, pointed out by C.A. Rowland, is the issue of power and control of functional agencies. In Rowland's words, '[t]he problem that remains untouched is unfortunately the determining factor for the whole, and that is the problem of power, the problem of control'.[45] With no single source of ultimate authority over functional organisations, Mitrany relies on the benevolence of the most powerful nation-states to set up and maintain cooperative arrangements. The problem is, according to Rowland, that nation-states are sometimes reluctant to give up any authority, even just a slice, and even if it would be for the benefit of all. By way of illustrating his point, Rowland mentions the Danube River International Commission as an example where the lack of a single authority obstructed progress. The Commission could have created a navigable waterway through canalisation and generated hydro-electric power, if only the countries along the river would have given up the sovereign control of their respective sections. Rowland's criticism is largely apposite. A powerful nation-state may define its interest as going it alone. In addition, prospective functional agencies' dependence on powerful nation-states makes it difficult for them to sanction these very same powerful members. The issues of power and control of functional

42. *Ibid.*, p. 359.
43. Allan G. Fisher and David Mitrany, 'Some Notes on the Transfer of Populations', *The Political Quarterly* (Vol. 14, No. 4, 1943), p. 369.
44. David Mitrany, speech on 'Problems of World Citizenship and Good Group Relations', in International Congress on Mental Health, London 1948, *Proceedings of the International Conference on Mental Hygiene, 16th – 21st August, Volume IV*, Ed. J.C. Flugel (London: H.K. Lewis, 1948), p. 84.
45. C.A. Rowland, 'The Functional Escape from Politics', *Socialist Commentary* (Vol. 9, No. 9, 1944), p. 177.

agencies jeopardise the protection of the rights of smaller nations when their interests run counter to the interests of the powerful countries.[46]

Another idealistic element in Mitrany's view of the future decline of the state is his belief in the power of reason. As Peter Wilson points out, Mitrany, along with Leonard Woolf, holds 'the rationalist belief that if enough people could be convinced of the truth of the proposition its solution would not be far off. If only people realised the actual limitations of sovereignty, its popularity, as an idea and a value, would soon evaporate'.[47] According to Mitrany, 'The peoples everywhere have good will and good sense enough to come down on the right side if these issues are put to them squarely, and as practical issues, not tied to doctrine or dogma'.[48] Or, as he puts it in *The Progress of International Government*,

> [o]nce we accept the idea of the functional organization of government, those instances will become self-evident in which the regional or global extension of the service and of the attendant power would be claimed by the obvious needs of the case, and could not be refused, on grounds of political separation, without doing deliberate violence to the needs of the governed and to the very meaning of government.[49]

The problem with a belief in human reason is not that people do not try to think and act reasonably. It is that to some people, as well as their political leaders, the appropriate scope and power of functional agencies are not self-evident. It is impossible, for example, to say whether the British, Danish, and Swedish are 'doing deliberate violence' to their economies and 'the very meaning of government' by staying outside the Euro for the time being; Economic and Monetary Union (EMU) is, after all, an international functional organisation. Simply put, people do not always agree about the best way to fulfil needs, to say nothing of what those needs are. As the debate on Europe reveals, they are ruled by emotions as well as by reason. Indeed, we do not know if the two can be separated except for analytical convenience, because human beings have an ability to justify by rational argumentation whatever they feel is right.

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46. See also the unsigned review of *A Working Peace System* in *Church Times*, 'Interplay of Nations', 17 September, 1943.
47. Peter Wilson, 'The New Europe Debate in Wartime Britain', in Philomena Murray and Paul Rich (eds.), *Visions of European Unity* (Boulder, CO: Westview Press, 1996), p. 49.
48. David Mitrany, *The Road to Security*, Peace Aims Pamphlet 29 (London: National Peace Council, 1944), p. 20.
49. Mitrany, *The Progress of International Government*, p. 128.

Mitrany is convinced that if only left to work out their natural inclinations in response to improvements in, for example, communications and transportation, people's activities will naturally grow into a community of exchange and interaction across national borders. In an address at the Conference of Internationally-Minded Schools, Mitrany argues that 'an international community cannot come into being except by the free growth of common activities, according to the real needs of a progressive everyday life'.[50] This line of reasoning presupposes that people formulate their desires and needs so as to include interaction with other nations. It assumes that people want common activities to grow. But as we can conclude from continuing economic protectionism even between Western liberal democracies, as well as the continuing appeal of various forms of religious and political extremism, many groups of people do not want cooperation and international integration, even if merely functional. Mitrany identifies a positive effect in the growth of the welfare state. It is giving rise to a new political outlook as 'the philosophy of the welfare state has grown fortuitously into that of a welfare world' predicated on the increasing willingness and preparedness of the rich countries to help the poor.[51] However, despite these feelings, sustained and deepening international cooperation between rich and poor countries, beyond charity in the time of crises, still seems far away. Witness, for example, the apparent difficulties in cancelling the debt of the poorest and least developed countries. Despite widespread agreement that the money will not be repaid, and that the debt severely hampers economic growth in these countries, no conclusive action has yet been taken, despite the need for it.

Mitrany has a tendency to magnify and thus exaggerate the importance of what he sees as good trends in international government. One example may be gleaned from *The Progress of International Government*, where he argues that despite a clinging to state sovereignty, the 'mere existence' of the League of Nations — 'based on common legal duties which override any separate engagements, past or future, entered into by its members — provides the foundation for a true international society'.[52] Simply because he perceives a need for further international government, he does not seriously consider

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50. David Mitrany, 'The Functional Approach to World Government', summary of address given to the Conference of Internationally-Minded Schools, at Unesco House, 6 April, 1959, from the Mitrany Papers at the British Library of Political and Economic Science, Box F.

51. David Mitrany, 'A Political Theory for the New Society', in A.J.R. Groom and Paul Taylor (eds.), *Functionalism: Theory and Practice in International Relations* (New York, NY: Crane, Russak & Company, 1975), p. 32.

52. Mitrany, *The Progress of International Government*, p. 73.

the possibility that present conditions are perhaps as propitious as one could expect. Instead of being a foundation, international organisations such as the UN may merely be the ultimate line of how far nations are willing to cooperate. It may be that nations will simply continue their joint crisis management on an ad hoc basis. Put differently, to solve one problem is progress, but we cannot rule out the possibility of an infinite number of problems of varying size and scope that will need to be addressed. As with trade liberalisation under the auspices of the GATT and WTO, once you remove one layer of the onion of protectionism, you will merely find the next. In addition, by fulfilling one need, such as the creation of the state of Israel after World War II, you are likely to create other problems, such as the displacement of the Palestinians. As E.H. Carr points out, 'progress ... in history is certainly not continuous either in time or in place'.[53]

At one point, Mitrany mentions that many of the various cooperative attempts at organising international government 'open a gate from the former competitive and combative society to a possible co-operative society, and are the seeds of a new sense of international community and international responsibility'.[54] However, it is only Mitrany's choice of a concept such as 'seeds' that ultimately lures his reader into believing that feelings of world community will grow. The extent to which people want to cooperate may, in fact, remain static. Some international cooperation on international security and economics, yes, but enough to guarantee peace and eradicate poverty, unfortunately not. In short, Mitrany fails to outline realistic ways in which political and ideological dividing lines will be overcome once they have been overlaid.

Mitrany claims that if you fulfil people's needs, you will remove the basis for despotic and malicious rulers.[55]

> By meeting their needs one would deprive aggressive leaders of a chance to gather a large following behind them. Give people a moderate sufficiency of what they need and ought to have, and they will keep the peace; this has been proved time and again nationally, but it has not yet been tried internationally.[56]

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53. E.H. Carr, *What is History?*, Second Edition (London: Penguin Books, 1990 [first published 1987]), p. 116.
54. Mitrany, *The Progress of International Government*, p. 87.
55. Mitrany, *The Road to Security*, p. 15.
56. *Ibid.*

This line of thinking misses some crucial motives for individual as well as group action. Peace, prosperity, and freedom are not the ultimate objectives for all people. According to news sources, many of Osama Bin Laden followers live (or have lived) in Western Europe, Australia, and even the USA where they have the opportunity to earn their living, practice their religion, and voice their political opinions. The suspected terrorists of the four hijacked planes in the USA on 11 September, 2001 were not uneducated. How is it possible to determine which of their material and spiritual needs have not been met? To believe, as Mitrany evidently does, that by fulfilling 'needs' people will keep the peace is utterly unrealistic. It may be true, as Mitrany contends, 'that most people everywhere and at all times have aspired to peace; and noble minds have always been found to give eloquent expression to that elemental human desire'.[57] However, this statement actually admits that *some* people everywhere and at all times have aspired to war and conflict. The problem is that the concept of 'needs' is subjective. To say that people keep the peace because their needs are fulfilled is to make use of a tautology.

History and Progress

Mitrany does not believe as strongly in the inevitability of progress as do Cobden and Ohmae. He does not seem to believe an international order governed by functional organisations is necessarily predestined. In 1948, he even mentions that the present tendency to plan only for the social welfare of one particular nation-state entails 'an actual danger of regression' internationally.[58] Compared to Cobden and Ohmae, his visions of the future are much more conditioned by the choices nations and their political leaders make at present. In Mitrany's words, 'In all societies there are both harmonies and disharmonies. It is largely within our choice which we pick out and further'.[59] The end of World War II provides a window of opportunity to let a responsive and adaptive model of social organisation evolve through gradual reform in response to felt needs. The germs for a living, cooperative international community independent of national dividing lines are already there, but Mitrany perceives that some fundamental problems need to be addressed in order for it to take its natural

57. Mitrany, *The Progress of International Government*, p. 16.
58. Mitrany, 'The Functional Approach to World Organization', p. 350.
59. *Ibid.*, p. 359.

appearance. His cautiousness about the future can be summed up in the following quotation.

> What a pitiful confession of incapacity to provide reasonable government in the round, and what a tragic wastage of all the gains and lessons of modern humanism, if we should drift with the new economic experiment back into the medieval waters of the State's unsifted authority at home and unbridled authority abroad![60]

During the twentieth century, the human race has made great advances within science and technology. Knowledge in these fields is cumulative and passes relatively easy from one generation to another, as well as between civilisations. 'But', Mitrany argues, 'human nature has not changed in step with and in relation to these mechanistic advances: there is no evidence that man's brain or his moral outlook are more advanced by one step than they were at the time of the classic Greeks'.[61] However, Mitrany is not always this guarded about future improvement. Similarly to Cobden and Ohmae, he is convinced that by adopting his recommendations the world will move towards a more cooperative and peaceful international system. All three share the tendency to see their own proposals as the only rational, appropriate, and realistic way forward. Using the examples of disunity in India and Palestine, Mitrany argues that supplying joint services and government over common problems are necessary. 'Only in some such way is there any prospect ... of leading gradually to a unity of natural common interests; whereas any suggestion for political reunion would only serve to make even such practical proposals suspect'.[62] He believes that as long as functional organisations are nurtured with the necessary power and institutional flexibility to carry out their tasks, a functional international order will evolve.

In addition, at times, he even reveals a belief that whatever setbacks the world may encounter in terms of war, underdevelopment, and threats to international security, progress is inherent in the flow of history. Leaning on Kant, Mitrany argues

> If my interpretation is correct, our problem in the international field is to induce the nations to adapt their outlook to the inescapable demands of civilised life. As Kant had put it, 'This guarantee of perpetual peace is given

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60. David Mitrany, 'The Political Consequences of Economic Planning', *The Sociological Review* (Vol. 26, No. 4, 1934), pp. 344-45.
61. David Mitrany, 'The Functional Approach in Historical Perspective', *International Affairs* (Vol. 47, No. 3, 1971), p. 533.
62. Mitrany, 'The Functional Approach to World Organization', p. 356.

> by no less a power than the great artist Nature, in whose mechanical course is so clearly exhibited a predetermined design to make harmony spring from human discord, even against the will of man.'[63]

Mitrany fears a continued dogmatic attachment to nationalism, but still cannot completely rid himself of the belief, as formulated by the eighteenth-century English historian Edward Gibbon, that 'every age has increased, and still increases, the real wealth, the happiness, the knowledge and perhaps the virtue, of the human race'.[64] 'Speaking sociologically', he argues, the present political, social, and scientific revolution 'seems truly a permanent revolution'.[65] According to Mitrany, the new social outlook is already developing into feelings for a welfare world. Compared to the 1920s and, especially, the 1930s (when the international system regressed to beggar-thy-neighbour policies by protective tariffs and preferential bilateral trade agreements, as well as competitive currency devaluations[66]), there is a significant difference which raises the hope for a more integrated international system.

> The universal popular claim for social security could likewise be turned into a channel for international unity. For it is important to note that the new nationalism is everywhere a peculiarly social nationalism; like the nineteenth century nationalism, each wants to have its own national house but, unlike the earlier nationalism, it is especially intent upon a new social life within that house.[67]

The 'intent on a new social life' is one potential cement of international life.[68] However, if Mitrany is correct to say the new nationalism is bringing to existence a new social life within its house, it is very difficult to see how nationalism could suddenly embrace a new social life outside, especially since it would mean giving up some of the social welfare (redistribution) which benefit groups within the house. As E.H. Carr points out, one of the forces holding nation-states together is the spirit of self-sacrifice (whether

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63. Mitrany, *The Functional Theory*, p. 91. See also Mitrany, *The Progress of International Government*, pp. 51-52.
64. Quoted by R.M. Davies, 'From E.H. Carr's Files: Notes towards a Second Edition of *What is History?*', in Carr, *What is History?*, pp. 160-61.
65. Mitrany, 'The Functional Approach in Historical Perspective', p. 533.
66. See, for example, E.H. Carr, *International Relations between the Two World Wars (1919-1939)* (London: Macmillan, 1955 [first published under this title 1947]), pp. 145-52, and A.G. Kenwood and A.L. Lougheed, *The Growth of the International Economy 1820-1990: An Introductory Text*, Third Edition (London: Routledge, 1992 [first published 1971]), pp. 175-78 and 191-203.
67. Mitrany, 'The Functional Approach to World Organization', p. 356. See also Mitrany, *The Functional Theory*, p. 209, where Mitrany terms twentieth-century nationalism 'socialistic nationalism'.
68. Mitrany, *A Working Peace System* (1946), p. 17.

voluntary or enforced). At present, however, there is no comparable moral obligation to sacrifice benefits accruing to nations (or groups within them) for international equality.[69]

Kenichi Ohmae and the End of the Nation-State

Just as with Ohmae's descriptions and prescriptions, it is impossible to make any conclusive statements about his predictions regarding the decline of the state. On some occasions, he leads his readers to believe the entire social institution of the nation-state is about to disintegrate. Governments tend to subsidise and protect domestic consumers and producers in the name of the national interest, as well as redistribute economic resources in accordance with the desires of special interest groups. These attempts at 'buying off' their populations' cosmopolitan aspirations for cheaper and better products — independent of country of origin — ultimately result in an acidic 'intramural skirmishing' between different groups in society as they struggle for declining shares of state-provided benefits.[70] 'The only problem' with this approach, Ohmae argues, 'is that, over time, it probably does more than either of the other responses to eat away at the fabric of the nation state that adopts it'.[71] The other options — available only to countries with despotic rulers and few connections to the outside world, such as North Korea — are to ignore pressures for a better life, or to suppress them by force. Thus, Ohmae concludes, attempts by Western-style democracies to resist the global economy will 'lead to an erosion of the nation state itself'.[72] Further, 'when that ethos' to share the labour for the common good within nation-states (as opposed to the 'dynamic of envy and resentment [that] have become regular features of the political landscape' throughout the Triad[73]) 'wanes or goes into eclipse, so does the glue that holds those nations together'.[74]

On other occasions, Ohmae emphasises he does not predict an ultimate withering away of the nation-state. He argues, for example, that '[r]egion states need not be the

69. E.H. Carr, *The Twenty Years' Crisis 1919-1939: An Introduction to the Study of International Relations*, Second Edition (London: Papermac, 1981 [first published 1946]), pp. 151-53, and 213.
70. Kenichi Ohmae, *The End of the Nation State: The Rise of Regional Economies* (London: HarperCollins Publishers, 1995),p. 47.
71. *Ibid.*, p. 46.
72. *Ibid.*
73. *Ibid.*, p. 52.
74. *Ibid.*, p. 53.

enemies of central governments. Handled gently, region states can provide the opportunity for eventual prosperity for all areas within a nation's traditional political control'.[75] It suggests national governments will continue to have a significant role to play in shaping the economic environment both within and beyond their borders even if it means cooperating with other nation-states, regional actors, and local authorities. By arguing that central governments need to handle region states 'gently', Ohmae infers nation-states will continue to regulate these new engines of economic growth. As late as 1993, in an attempt to alleviate fears that region states may threaten security, he expressly emphasises regional economies 'represent no threat to the political borders of any nation'.[76] Region states, according to this interpretation, will not even exist parallel to nation-states in any sense of having a strong enough status to challenge existing national institutions. Region states will be defined by economic exchange, but nevertheless delimited by a framework provided by nation-states. Hence, the only thing we can say with any degree of certainty is that Ohmae's account of the future of the nation-state is open to different interpretations.

This section levels a two-pronged critique of Ohmae's predictions. First, he bases his predictions of the increasing irrelevance of the nation-state on the assumption that international business and economics now matter more than politics and war. The problem is even if we were to accept this assumption, its effects are far from clear or certain. Secondly, on those occasions when Ohmae admits to making predictions, he casts his descriptions of the decline of government and nation-state in serious doubt.

The End of Politics

As a result of the diminishing effectiveness of traditional economic policies, the appeal and the *raison d'être* of the nation-state are diminishing. People are starting to question the exclusivity of communities based on nation-states. They know that the prosperity and lifestyle for which they are looking will not come from governments but from corporations serving global consumers. The rancour between special-interest groups, the profligacy of national governments, and the increasing appeal of the world economy are leading to the end of the nation-state sometime in the future not only as economic an unit and actor, but also as a political community, or so we are led to believe.

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75. Kenichi Ohmae, 'The Rise of the Region State', *Foreign Affairs* (Vol. 72, No. 2, 1993), p. 84.
76. *Ibid.*, p. 78.

This kind of prediction is based on the perception that economic and business concerns have moved up from the backwaters of decision makers' agendas, now forming the centre of attention of all actors in civilised societies. In Ohmae's words, 'economic activity is what defines the landscape on which all other institutions, including political institutions, must operate'.[77] To Ohmae, ethnic conflicts, religious antagonisms, and cultural clashes may still occur, but they are atavisms. Business, the increasing flow of information, money, and trade are producing sea changes in world affairs by empowering people to demand better and cheaper government, as well as better access to products from world markets. Economic growth and prosperity set the standard for success and supremacy, not political wrangling over territories such as the islands of Etorofu, Kunashiri, Shikotan, and the Habomai group (administered by Russia, but claimed by Japan), and the Liancourt Rocks (over which Japan is in a dispute with South Korea). Government leaders who put such myopic political interests before the evolution of free international economic intercourse will, in the long run, put their countries at risk of falling behind other nations. Politicians will have to adapt to new realities or be overcome by events unfolding in the world economy. 'Nation-states *are* eroding as economic actors', he asserts. 'Region-states *are* taking shape. It is not a question of maybe or perhaps. It *is* happening. No more than Canute's soldiers can we oppose the tides of the borderless world's ebb and flow of economic activity'.[78]

The reason why Ohmae can predict the end of the nation-state with such certainty is his conviction that it will continue to decline whatever action it takes. 'Political leaders, however reluctantly, must adjust to the reality of economic regional entities if they are to nurture real economic flows. Resistant governments will be left to reign over traditional political territories as all meaningful participation in the global economy migrates beyond their well-preserved frontiers'.[79] According to this statement, the nation-state, notwithstanding whether it resists or not, will decline. Either the government rolls back state control of and involvement in economic activities, or the country deteriorates as a prosperous community. However, Ohmae also argues that 'the governments of 19th-century-style nation states must increasingly hear the powerful and insistent voice of global logic. The open question, of course, is whether they have lost

77. Kenichi Ohmae, 'Putting Global Logic First', *Harvard Business Review*, January-February 1995, p. 119.
78. *Ibid.*, p. 125, emphases in original.
79. Ohmae, 'The Rise of the Region State', p. 85.

the ability to listen'.[80] Another way of interpreting these statements is that the nation-state is actually not really in question here. National leaders have to adjust, but not make themselves redundant as the end of the nation-state implies. They have a choice, even if it is not a very envious one. Nation-states (*i.e.*, countries) will remain either as wealthy authorities of law, order, and military security as they tax their region states, or as closed and poor autocracies.

According to Ohmae's world view, whatever that case may have been in the past, economics and business now provide the glue holding nations together both internally and internationally. People stay together because it is in their economic interest to do so. People form new business alliances and trade relations because economic logic dictates market actors to seek out cheaper and better opportunities independently of whether they are national or international. As the tide of economic internationalism surges, all segments of society are increasingly becoming part of the global economy, even if at varying paces.[81] National belonging will mean less and less, and this undermines the viability of the nation-state.

The problem with Ohmae's vision is that it underestimates the appeal and persistence of motives other than economic informing decisions by politicians as well as market actors. Ohmae recognises that national decision makers, journalists, government bureaucrats, and even corporate representatives (such as Lee Iacocca in the USA) may whip up feelings of nationalism and national animosity through talks of a Japanese business invasion. Thus, he is not insensitive to such forces. Rather, he perceives them as regressive and incongruous with the rising significance of economic ties between national communities. Additionally, Ohmae tends to regard economics and war as alternatives. If the economic sphere grows, the military side declines. However, economic growth is certainly no guarantee of disarmament, nor does it discredit armed forces, as President George W. Bush's decision to press ahead with a missile-defence system testifies. The crux is that very few observers would disagree with the statement that long-term economic prosperity is best achieved through peaceful economic exchange. Even eighteenth-century mercantilists appreciated the importance of

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80. Ohmae, *The End of the Nation State*, p. 136.

81. For a discussion of emerging differences between generations in Japan, see, for example, Kenichi Ohmae, 'Letter from Japan', *Harvard Business Review*, May-June 1995, pp. 154-63, and Kenichi Ohmae, *Jidai no kotai, Sedai no kotai* [My translation: *A Change of Eras, A Change of a Generation*] (Tokyo: PHP Kenkyujo, 1997).

commerce. Such an understanding, however, does not prevent some rulers from trying to use military conflict for one purpose or another. To rule out military force when US influence in, for example, East Asia and the Middle East rests on a combination of military supremacy as well as economic vitality is an overstatement. Military force has certainly not been discounted in former Yugoslavia. Another example of where military strategic thinking still rules is Russia, which fears NATO expansion on the grounds of national security. The problem with Ohmae's perspective is that it derives from a prosperous and peaceful Japanese situation. Just because some western-style democracies have been able to create a security and economic community in which the use of military force is almost unthinkable it does not mean that this condition of trust and the rule of law and negotiation will be transferred to all parts of the world even in the distant future.

Ohmae contends that the old world dominated by nation-states is becoming obsolete. The traditional ways in which governments attempted to increase national welfare, that is, first by military conquests and later through Keynesian economic policies, are no longer suitable to the requirements of an era of interdependence and instantaneous movements of capital. Ohmae does not rule out the possibility of war. Deadly conflict remains a constant, albeit perhaps diminishing, danger. Nevertheless, the discovery and settlement of the 'invisible continent' holds out the promise of a potential future 'El Dorado', he argues without much further elaboration.[82] Wealth is no longer captured by military means but by allowing individuals and companies to tap into the global market — a thought that creates a *déjà vu* of Norman Angell's *The Great Illusion.* People are not interested in war; they want to increase their wealth by participating in the world economy. The institution of the nation-state — representing war, politics, and protectionism — is doomed because, as Ohmae puts it,

> [i]n my experience, nobody is looking for conflicts and trouble. What people are looking for, even in troubled areas, is the 'good life.' They are searching for the ports of entry to the invisible continent, rather than resorting back to sovereignty-seeking war for the nation or even for the tribes.[83]

82. Kenichi Ohmae, *The Invisible Continent: Four Strategic Imperatives of the New Economy* (London: Nicholas Brealey Publishing, 2000), pp. 32, 57, and 235.
83. *Ibid.*, p. 173.

Despite acknowledging international antagonisms such as those in the former Yugoslavia, Ohmae's comment is an example of naïveté par excellence, and a crude view of the nation-state and state system.

Prediction or Description?

While Ohmae's texts are rife with ideological elements of globalisation and liberalism, he does not see himself primarily as a priest preaching the creed of global capitalism. He perceives himself as an observer of business trends shaping the political and the economic landscapes facing CEOs, as well as national leaders. Consequently, he takes great pride in his prophecies about economics and politics, an observation which is corroborated by remembering his role as a management consultant for McKinsey and Co. After all, a business advisor is nothing if not a prophet with a reasonably accurate vision of the effects of new technologies on productivity, prices, costs, and consumer behaviour. As a consequence, it comes as no surprise that some of his books are explicitly predictive. For example, the subtitle of *Triad Power* is *The Coming Shape of Global Competition.*[84] In the Preface to *The Borderless World* Ohmae writes 'What follows, then is a *prediction* or at least a *hope* that utility will triumph over ideology. It is based on my faith in man as inventor and the power of informed customers to triumph over man as regulator'.[85] 'The interlinked economy is not yet a reality', he concludes in 1990.[86] As Robert J. Dowling points out, Ohmae's overstatements may be a method of selling books. The problem with *The Borderless World* is that it's unclear distinction between fact and futurism makes it impossible to determine what Ohmae is serious about and what it is mere provocation.[87]

Five years later, *The End of the Nation State*, in contrast, seemingly makes much more far-reaching claims about how far globalisation has progressed, and about its present effects on the nation-state. An increasing number of people are migrating to the borderless world, leaving behind their unconditional allegiance to national economies, as Ohmae likes to put it.

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84. Kenichi Ohmae, *Triad Power: The Coming Shape of Global Competition* (New York, NY: The Free Press, 1985).
85. Kenichi Ohmae, *The Borderless World: Power and Strategy in the Global Marketplace* (London: HarperCollins, 1990), p. xiv, emphases added.
86. Ohmae, *The Borderless World*, p. 212.
87. Robert J. Dowling, 'Burying the Nation-state Before It's Dead', *Business Week*, 17 September, 1990, p. 14.

> Thus, as more and more individuals pass through the brutal filter separating old-fashioned geographies from the global economy, power over economic activity will inevitably migrate from the central governments of nation states to the borderless network of countless individual, market-based decisions.[88]

'And in the new melting pot of today's cross-border civilization', Ohmae continues, 'the natural flows of economic activity in a borderless economy' (which have 'corrosive effects' on the 'political control' of national governments) 'will only gain in strength and depth'.[89] Ohmae paints a picture of growing cross-border economic communities and declining nation-states. A new social reality is near, or so it would appear. It is a 'cross-border civilization ... in which horizontal linkages within the same generation in different parts of the world are stronger than traditional, vertical linkages between generations in particular parts of it'.[90] True to his analogy of the discovery and settlement of the Western hemisphere, Ohmae maintains 'The country to which they [individual consumers] are all migrating ... is the global economy of the borderless world'.[91] Through the use of this kind of rhetoric, readers are inevitably left with an image of the state kneeling before death.

It would seem that in the years between 1993 and 1995 the world has undergone a profound transformation. However, at close inspection, we find caveats buried in the texts of both *The End of the Nation State* and *The Invisible Continent* that cast significant doubts over how close the end of the nation-state really is according to Ohmae. For instance, he declares that '[t]he journey is still at a fairly early stage. Even so, it is possible to see its broad contours and general direction'.[92] Apart from the obvious problems with the analogy of a voyage (has anyone set foot in the new world yet? what if there is a storm and people want to turn back?), what does he mean by 'a fairly early stage'? If we take the statement seriously, it becomes very uncertain whether the nation-state can be described as already being dysfunctional. Out of eleven cross-border regions in East Asia, only three are 'existing', while six are 'emerging' and two are 'under discussion'.[93] The description of a process of rising 'demonstrable communities of economic interest' leaves us with questions if the journey is still at an

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88. Ohmae, *The End of the Nation State*, p. 39.
89. *Ibid.*
90. *Ibid.*, p. 38.
91. *Ibid.*
92. *Ibid.*
93. *Ibid.*, p. 84.

early stage, can nation-states really be discarded, even as economic units. Ohmae also states that 'Demonstrable communities of economic interest' do not have less significance than 'political dividing lines'.[94] However, this is a far cry from the end of the nation-state. As long as political borders have as much or more significance than communities of economic interest, any talk of 'the end of the nation-state' is a gross overstatement.

Even *The Invisible Continent*, published in 2000, raises serious questions about what kind of progress the world has made towards the end of the nation-state, or whether indeed Ohmae merely expresses a hope. In the 'borderless dimension' of the 'invisible continent', the economy

> is not tied to nation-states at all. It is driven by consumers and financial investors who care not at all for national stability, who avoid taxes wherever possible, and who take the availability of jobs for granted because the know they can work for anyone, anywhere in the world. (Perhaps there are not many people who fit this description now, in real terms, but the number is increasing exponentially, from Ireland to Bangalore to Austin.)[95]

The last sentence in parenthesis puts his entire contention in a limbo. If only a few people act according to the logic of the borderless world (or dimension), how do we know it will be as earth-shattering as Ohmae suggests? If people do not act in a borderless dimension, are we really that close to a borderless world or even an invisible continent? Ohmae puts his caveat in a parenthesis, but his formulation that 'not many people ... fit this description' casts serious doubts about how far Ohmae believes the world has progressed at present.

The Invisible Continent also portrays a surging trend of global economic activities. The combination of traditional local production, the increasing borderlessness of global business, the spread of knowledge, information, and economic opportunities through new cyber technologies, as well as the sometimes infinite valuations of companies adapted to the new economic reality seems to be overwhelming. The growing power and appeal of business (resulting from the creation of gargantuan wealth) is apparent. Globalisation has enormous repercussions for economics and politics alike, as it has created powerful producers and consumers who see the world as their stage. Again, a cosmopolitan global economic community seems nigh.

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94. *Ibid.*, p. 8.
95. Ohmae, *The Invisible Continent*, p. 5.

> Now these businesspeople see themselves increasingly as serving the global customers at once, not just Americans like themselves. ... The same is true of citizens everywhere. They see the interdependence taking shape around them. They do not need to be convinced that the invisible continent is important. All of us recognize the demands that it places upon us — individually and socially. The problem is, we are only learning how to fulfill those demands. Right now, we are only at the beginning stages.
>
> While the total landscape of the invisible continent is yet to be explored and studied, I hope I have been able to help you develop the feel for its nature, and for the forces that are shaping it.[96]

Ohmae is unclear what he means by the statement that we are only at the beginning stages. Is our knowledge of how to act in the new continent undeveloped? If so, to what extent can he certify that it is real and that it is emerging if people are just learning how to deal with its demands? How inchoate is the invisible continent, given that we only know that it places demands on us, even if it has not yet been 'explored and studied'? In fact, it is impossible to know whether his description in actuality is a prediction. To paint a picture of an overwhelming trend of nation-state decline is inconsistent with statements saying we are 'only at the beginning stages', or that not many people fit the description of cosmopolitanism. Ohmae fails to show how something in its incipient stages can be said to reshape the institution of the nation-state. He does not take into consideration that the apple of economic growth and globalisation is not yet the tree of a global cosmopolitan order even if it carries the seeds for it.

Concluding Comments

Of the three thinkers, Cobden is the only one to hold out the possibility of a future completely without nation-states (and states). He foresees a world of municipalities bound together by free trade. Interestingly, even if Cobden identifies as present already in his own time the forces pushing international relations in this direction, there is a big difference between his understanding of the world around him and that of the distant future. Similarly, as we have seen in the previous two chapters, his prescriptions for the short term do not try to establish a non-state world. The problem with Cobden's long-term vision is that he projects positive trends of the present into the future, and discounts the possibility of setbacks and a perpetual division of the human family into antagonistic groupings. We may say that he is a short-term realist, but a long-term

96. *Ibid.*, p. 233.

idealist. Unfortunately, he never goes into detail about his prophecy. Hence, it is uncertain how he believes the relations between the municipal authorities will be governed. We will have to guess that it will be done through a mix of morality, 'inter-municipalism', arbitration, and 'inter-municipal' law, leaving markets free but under the rule of law.

Mitrany also has a vision of the future. However, compared to Cobden and Ohmae, it is much more conditional on whether his suggestions for international government are pursued. If only nation-states were to establish international functional organisations, then his forecasts for a more peaceful system would be more likely to come true. If only allowed to grow, international activities will overlay and blur political borders between nation-states. Territorial sovereignty will be irrelevant, since relations will be based on how different activities are linked. National or international are not supposed to matter in Mitrany's future. Instead, what will be decisive is, for example, how to coordinate flight altitudes so as to minimise the risk of collision of planes moving between different regions of the world. Similarly to his reticence about providing blueprints for how to organise the government of specific international activities, Mitrany wants to avoid making any certain predictions such as those provided by the Delphi Oracle (even if hers were cryptic). Nevertheless, he reveals a rather idealistic belief in progress towards some form of world unity (or community of shared interests) through increasing interdependence. The implication of his growing world community is, of course, a decreasing need for the nation-state. However, the future role and, indeed, fate of the nation-state and state are unclear. Except for his expectation that borders will have less significance, Mitrany never indicates how much, or what kind of significance they will have. Exactly what kind of international system will evolve only future policy choices based on the needs of the (unpredictable) situation can determine.

At times, Ohmae implies that region states are about to replace nation-states. But, then on other occasions, he emphasises that is not the case. If we were to take Ohmae's notion of the end of the nation-state literally, we would expect his prophecies to go the furthest the earliest. Not only does the nation-state no longer represent a distinct market, Ohmae suggests it is close to terminal upheaval as a political community and form of organising government as well. However, this is a chimera. Despite his talk about the state being dysfunctional and the need for a supergovernmental body, he never commits himself to the eventual disappearance of the nation-state and state. The main problem with Ohmae's vision of the future is that it is impossible to distinguish from his

description of the globalisation of the world economy. Sometimes he claims that the nation-state is already obsolete and that the state no longer can control economic growth within its borders. However, he also mentions that the process of establishing the invisible continent or borderless world is just at the beginning stages. He tends to hold the view that the future is already here. 'Japan's leaders are trying to hold back a future that has already arrived, in the name of a past that has long since vanished. They cannot succeed, and Japanese consumers will continue to pay for their obstructionism'.[97] This begs the question if the future Ohmae describes has already arrived, what will come next? It seems that, since the economic cross-border civilisation and cosmopolitan consumer already are real, the state and the nation-state can and will continue to exist alongside increasing economic globalisation.

The general problem is that they tend to base their forecasts on the naïve notion that people, politicians, and corporate leaders will come to their senses thanks to the damage that continuing involvement by exclusive nation-states will otherwise cause. Cobden, Mitrany, and Ohmae seem to believe that things will improve because it is against the course of nature and providence for things to worsen. Technological advances and people's growing intelligence are more or less irreversible. In addition, material demands for the most practical and efficient solutions, as well as moral requirements for equality and individual opportunity compel the transformation of the state and the system of nation-states. However, to take the possibility that an appeal to reason and interest in human welfare would, as a rule, make people more likely to cooperate is wholly unrealistic. If it were so easy, the conflicts in, for example, Northern Ireland and the Middle East could have been resolved a long time ago. Both groups in these two conflicts respectively could improve the conditions under which they live if they were to cooperate and find solutions to common problems of issues such as military security and economic development. Similarly, there is a wide consensus among economists that world-wide free trade would benefit the human family. However, what would benefit the world does not always gain the upper hand in decision making. Even if humanity as a whole would benefit from free trade, some groups would not, and this simple fact generates conflict.

The idea of the future decline of the state is an article of faith, not a scientific prediction. To borrow the language of Karl Popper, it is a prophecy based on a belief in

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97. Ohmae, 'Letter from Japan', p. 163.

the persistence of specific initial conditions. Cobden assumes that improvements in communications and the increase in international trade will continue more or less forever. He takes these conditions as given, and the causal relationship between free trade and friendlier international relations is never seriously questioned. Mitrany believes that greater economic and social sophistication require ever more intricate planning and close control. Planning goes hand in hand with the more efficient use and equitable distribution of resources. In addition, given increasing interdependence, national planning is incompatible with uncoordinated international exchange. Ohmae sees the link between the growth of the world economy and less government restrictions on international trade and investments as holding true for all time. However, all three fail to appreciate fully the extent to which their assumptions are specific to their historical period. Free trade was not irreversible. The planning and control of economies and societies did not continue to increase, neither nationally, nor internationally. Instead, the extent of government planning and control seems to wax and wane in response to economic stagnation, financial bubbles, or corporate scandals. Only in the last few years, the trend to call an end to the nation-state has lost much of its appeal. Now, it is much more fashionable to discuss how governments can work together with global market actors, and what states can do to prevent such things as currency crises and the meltdown of national economies.[98] Especially Cobden and Ohmae exhibit a strong belief in the 'irreversible laws of motion of society'.[99] They are predisposed to share with John Stuart Mill the trust in 'a tendency towards a happier and better state'.[100]

As is evident, the inclination to forecast the decline of the state is a rhetorical technique. Cobden, Mitrany, and Ohmae use their prophesies as tools of persuasion. By pointing to the future they accentuate the significance of their proposals and pander the audience with the importance of their particular historical situation. It works well, because very few people would not want to believe that they live at a point in time during which the policies they decide upon, or help influence, will lay the foundation for a much happier and prosperous future.

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98. The Cato Institute and *The Economist* organised, for example, a conference on 'International Financial Crises: What Role for Government?' at the Waldorf-Astoria, New York, 17 October, 2002.
99. See Karl Popper, *The Poverty of Historicism*, ARK Edition (London: Routledge, 1986 [first edition 1957]), especially pp. 116 and 129-30.
100. *Ibid.*, pp. 118 and 128.

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CONCLUSIONS

We have become accustomed to claims of state impotence regarding the regulation of flows of information, money, people, crime, and trade across national borders. Global market actors are also believed to inflict fiscal prudence, limiting governments' ability to carry out demand-managed growth strategies and provide for social security by subjecting governments to close economic scrutiny. If states do not balance their budgets, privatise inefficient state-run companies, and deregulate finance and trade, global market forces now have the ability to throw national economies into the abyss through currency speculation and through the instantaneous movement of 'footloose capital'. What then can we learn from a historical study of these ideas?

The Idea of the Decline of the State

Cobden, Mitrany, and Ohmae each have a notion that they are living in a new age. To Cobden, it is an age of improvement through economic growth and technological innovation, reform, and increasing humanism. Cobden senses that he lives at a historical turning point with new modes of production putting new demands on governments and society. It is a time that requires new ideals, ideals of liberalism, education, economical government, free trade, and international peace through non-intervention. The extension of commerce should be the primary objective of any government, not by force, not by keeping a large standing army and navy,[1] but by setting an example for other nations to follow. Cobden looks to the manufacturing middle class as the representative of a more enlightened group, as their interests lie in free and friendly commerce, innovation, the education of labour, and reduced duties on imports, especially of food and raw materials for production.

Empirically, 'the decline of the state' for Cobden means governments cannot control or steer economic activities for any extended period. A government may increase trade for a short time by forcing another country to open its ports, but this is a

1. Cobden does not object to the British navy policing international trade and protecting it against pirates. In addition, he agrees that the role of the British navy should be to deter foreign aggression. Despite supporting these uses, he is staunchly opposed to any (in his view) unmerited increases of government spending on the navy. When it comes to the protection of trade, he insists on keeping expenditures on the navy proportionate to the benefits gleaned from it.

costly enterprise and, as soon as the threat of force is relaxed, the victim would turn its back on British products. Only by keeping their prices lower than their competitors can British manufacturers and traders prosper. The state is not in decline as an administrative or economic unit in the short run. In contrast to Ohmae, Cobden does not make a distinction between the new and the old ages primarily based on what governments were once supposed to have been able to do to promote national economic prosperity. Ohmae argues that governments in the old days were able to steer and control the economies of individual nation-states, but Cobden sees the old state as a war and security organisation, not an organisation primarily concerned with steering and promoting national economic growth. The old state is an organisation of and for aristocratic privilege. In the new age — based on free private enterprise and a liberal international order of national self-determination — war is no longer the best way to promote or secure the interest of any community within states. Instead, Cobden conceives that he lives in a time where commerce has assumed centre stage, and relations based on economic interactions are best maintained by merchants, not governments, their ambassadors, and politicians. The concept of decline signifies a desire for smaller government expenditure, lower taxes, and reduced import duties. Ignoring America's high tariffs on international trade during much of the nineteenth century, Cobden believes that it is a good example of a commercial society, and that it will just be a matter of time before other states follow suit and adapt their policies to the requirements of the age. In contrast to Mitrany, he often focuses his criticism on individual politicians, diplomats, aristocrats, or generals. However, he also makes a more general argument about the European states-system and its grounding in the doctrine of a balance of power. According to Cobden, as a result of the state's profligacy and its tendency to fight unnecessary wars, it is irrevocably coming closer to the date when it has become an anachronism.

Mitrany also believes that he lives at a historical turning point. It is an era of socialism and mass democracy. The upheavals of the two world wars signal the shortcomings of the previous century. Nineteenth-century ideals tried both to keep nations peacefully apart by applying the principle of national self-determination at the same time as they tried to tie them together through written pacts. However, the nineteenth century also bequeathed an economic and social system of international interdependence, requiring the use of new ideals such as economic planning — for a

more rational way of using productive resources — and social democracy — as way of decentralising decisions of cooperation and government.

Decline for Mitrany means that the nation-state (founded on the principles of exclusive territorial sovereignty, international legal equality, and the ideology of nationalism) is no longer adequate as an international organisational unit. Scientific advances bind all peoples in a common fate, either to live and prosper together through economic cooperation and coordination, or to vanish together in a system of competitive nationalism and the use of nuclear weapons. In contrast to Cobden, Mitrany does not write in response to a growing international economy. Instead, he reacts to war and systemic breakdown. Despite a similar notion to Cobden and Ohmae of economic interdependence, Mitrany concludes that unrestrained capitalism does not necessarily solve the problem of providing for peoples' needs. Decisions about how to allocate resources need to be taken closer (than in centralised state institutions) to producers and consumers, in bodies consisting of those with a stake in each issue area independently of nation-state borders. Paradoxically, Mitrany sees the ideological foundation for such an international system in the ideal of the welfare state.

For Mitrany, the process of state decline should involve, not retrenchment as Cobden and Ohmae would have it, but, paradoxically, increased government. However, Mitrany favours government by people in organisations such as guilds or cooperatives, not by politicians and their advocates who are restricted by their territorially defined perspective on management. Mitrany directs his critique primarily towards the nation-state and its emphasis on exclusive territorial borders; borders that no longer define limits of human interaction. His writing does not focus on any one particular country as Cobden and Ohmae's do. He writes to instigate tentative steps towards a peaceful world system. Mitrany differs from Cobden and Ohmae in his acceptance of quite extensive planning of the economy in the 'new society'. However, he overlaps with them in his idea that *nation-states* should not be the primary planners and protectors of economics and business. As Cobden, Mitrany also tends to perceive of the state as an organisation for war. Mitrany wants world politics to move away gradually from having war as the primary concern to promoting the wellbeing and welfare of all nations. The trend towards new forms of government is everywhere apparent, both domestically and internationally. And, the world depends on it.

Ohmae's rhetoric gives the impression of a radical denial of the nation-state. We are entering into a completely new era, he claims. *The Invisible Continent* argues that

the world is embarking on a discovery of a new world based on the high stock valuations of the new economy. This era is (as is Cobden's) based on the economy, not warring states. People are no longer primarily nationalistic citizens, but consumers with desires that can only be met by the global economy. To Ohmae, the world used to consist of economically integrated and hard-shelled nation-states. Now, the corporate ethos of multinational companies and the converging preferences of cosmopolitan consumers are fostering a new trans-national outlook. New technologies are requiring managers to treat each of their companies' units, personnel, and customers as being 'equidistant' in response to the globalisation of corporate strategies and products. Societies such as Singapore and Hong Kong, with their regimes of free trade, deregulation, and low government expenditure are showing the way for other governments to follow.

Empirically, decline to Ohmae means that people within nation-states are now just as dependent on the outside world as they are on their own nationals. The former role of governments was to steer, control, and boost economic growth at lower levels of economic development. Nation-states are now dinosaurs, clumsy and obsolete bureaucratic monsters when it comes to providing for their citizens' economic needs. However, they neither are, nor should they be declining as national defence organisations. Ohmae stresses that nation-state governments retain certain roles. Primarily, they should provide companies and individuals with opportunities for buying and selling in (as he variously terms it) the global world economy, invisible continent, interlinked economy (ILE), borderless world, or Triad. Prescriptively, states should reduce government spending, decrease protectionism, slim their bureaucracies, and stop appealing to atavistic forms of the national interest in order to get re-elected. The more people become aware of their governments' ill-conceived policies, the more the world will move towards an integrated world economy. In the world economy, there will be no nation-states, while in the world of politics, which is only secondary, nation-states will retain their positions. The new era has not quite arrived yet, but the power of global markets, the knowledge of individuals, and the desires of consumers are bound to deliver it.

Ohmae is not busy setting up guides for action to attain more peaceful relations between states and people in different communities. He focuses on state economic regulations and state spending, arguing in line with Cobden that states have a disposition to spend too much money on the wrong things (*e.g.*, on bridges between

remote Japanese Islands that no one uses) and that they, to the detriment of society at large, attempt to protect pet industries and interests. Similar to Mitrany, Ohmae argues that economic activities no longer follow national borders, but, he continues, follow their own inherent logic creating (economic) region states.

The Myth of State Powerlessness

In *The Myth of the Powerless State*, Linda Weiss argues broadly that, despite what global enthusiasts contend, the state plays a key role in the creation of economic prosperity and accumulation of wealth.[2] However, Weiss is not alone in postulating the existence of a myth. In its 1995 survey of the world economy, *The Economist* also addresses state ineffectiveness. Even if more in agreement with state doomsayers than Weiss, the cover of the issue announces 'The Myth of the Powerless State' and features the hand of a giant, 'gulliverised' by the computer cables of bankers and global currency traders.[3] Weiss emphasises the adaptability of states as well as their potential to use tools and resources other than traditional fiscal and monetary policies to forge industrial change and development within their borders. Her book is an important antidote to the widespread belief that the relationship between the state and globalisation is inherently inimical. Governments may, as 'midwives' or 'catalysts', use economic globalisation (or, which is more often the case, internationalisation) to their advantage when initiating and controlling domestic economic innovation.[4] In contrast to her state-denying opponents, but similar to, for example, Richard Rosecrance, Weiss advocates a cooperative relationship between governments and business interests in combination with regional and international state-to-state alliances in order to govern international economic relations.[5]

Weiss opens with an epigraph written by Ohmae where he rhetorically denounces nation-states as 'unnatural — even dysfunctional — as actors in a global economy'. And, in an oft-quoted passage, he further claims they 'are no longer meaningful units in which to think about economic activity'.[6] According to Weiss, Ohmae is an 'orthodox

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2. Linda Weiss, *The Myth of the Powerless State: Governing the Economy in a Global Era* (Cambridge: Polity Press, 1998).
3. *The Economist*, 'A Survey of the World Economy: Who's in the Driving Seat?', 7th October 1995
4. Weiss, *The Myth of the Powerless State*, in particular, pp. 204-11.
5. *Ibid.*, in particular, pp 209-12, and Richard Rosecrance, *The Rise of the Virtual State: Wealth and Power in the Coming Century* (New York, NY: Basic Books, 1999).
6. Kenichi Ohmae, quoted in Weiss, *The Myth of the Powerless State*, p. 1.

globalist' who uses the language of 'strong globalisation' which 'is fundamentally to claim that the nation-state is no longer important either as an actor or as a site of economic accumulation'.[7] In short, according to Weiss, Ohmae represents 'strong globalisation' which signifies 'state power erosion'.[8] As this thesis demonstrates, however, Ohmae, despite using a globalisation rhetoric, does not argue that the state is powerless. Indeed, one of his main incentives for writing is that he thinks the state is too powerful or officious in many areas of economic activity. Nor does he fail to differentiate between different state capacities. That is, he does not claim that the state is dysfunctional in all its activities. Weiss correctly identifies recent 'state denial' with a revival of liberal or libertarian ideologies, and mentions that decline-of-the-state theses are culturally bound. According to her, it is largely an Anglo-American brainchild, which waxes and wanes according to real world events and fashions in academic studies.[9] But, despite *laissez-faire* rhetoric, Ohmae does not claim that the state should be completely displaced or that it is powerless. In other words, the title of Weiss' book and her definition of 'state denial' leads us to think that authors such as Ohmae claim that states either are or are becoming powerless in all areas of economic activity. Weiss also maintains that 'the phenomenon of state denial has ... long roots in the tendency in social science to ignore or conceptually de-emphasize the state's importance in structuring social relations'.[10] However, at close inspection, we find that neither Ohmae, nor Cobden and Mitrany for that matter are insensitive to the importance and power of the state in domestic as well as world affairs.

Additionally, by addressing such a wide range of issues (such as the decline of the welfare state, the futility of industrial policy, global homogenisation, as well as the end of the nation-state) under the common heading of 'state denial', Weiss imparts a misleading impression of uniformity between the theses she disputes. She acknowledges differences between them but argues that in one key respect they are of one piece: 'they remain quite blind to the *variety* of state responses to international pressures, and to the *sources* and *consequences* of that variety for national prosperity'.[11] This further helps to create and sustain the very same myth that she purports to disprove because they are far

7. *Ibid.*, pp. 168-69, and 225.
8. *Ibid.*, p. 169.
9. *Ibid.*, p. 3
10. *Ibid.*
11. *Ibid.*, emphases in original.

from 'blind' to variations in state policy. On the contrary, the debate of the decline of the state is to a large extent ideological. Weiss favours state involvement in economic development, because she thinks it (implemented correctly with appropriate strategies) has net positive effects on growth and equality. On the other hand, Cobden, Mitrany, and Ohmae, for various reasons, emphasise the negative effects of state dominance primarily in economic affairs. State institutions have a propensity unnecessarily to politicise relations between nations and individuals as well as corporations. Cobden, Mitrany, and Ohmae tend to see states as mercantilist war organisations. Another general theme in their writing is that national governments have a tendency to produce nationalistic nation-states with bloated, ineffective, or parochial and myopic bureaucracies and should therefore be reduced.

Weiss also claims that the possibility of states acting as facilitators of globalisation 'has not yet been canvassed by those researching in the field'.[12] This statement makes the myth of state powerlessness even more deceptive, since Ohmae argues emphatically that facilitation should be the role of central as well as local (or regional) governments. He also points out that some of the economically most successful states foster economic growth and industrial restructuring by promoting access to the world economy. In the same vein, Mitrany holds in order to promote international governance and peace, state governments should transfer authority over issues of common concern to international organisations. Thus, states would be willing agents of a growing international community. To be fair, Weiss is not alone in creating the myth of powerlessness. Cobden, Mitrany, and Ohmae have significant elements of what Weiss refers to as 'state denial' in their writings and speeches. Quite frequently, they confuse descriptive, predictive, and prescriptive statements about the state and they often use flamboyant rhetoric overstating their cases. Hence, Cobden, Mitrany, and Ohmae certainly are guilty accomplices in mythmaking. After a close analysis of these three 'decline-of-the-state prophets', we find that the myth of the *all powerless* state is indeed a myth perpetuated by both sides in the debate.

12. *Ibid.*, p. 204.

Lessons

In answer to the main question of the present thesis, whether we believe in the imminent demise of the state and the nation-state or not, we can draw at least five lessons from a historical study of the liberal version of this idea. First, the liberal hypothesis of the decline of the state is much more complex than it first appears. Cobden, Mitrany, and Ohmae reject some forms of the state and some government policies. Cobden discards what he describes as the militarist and feudal state, and aristocratic government; Mitrany the nationalistic and territorial state, and exclusive planning; and Ohmae the nation-state as representing a uniform market, and profligate government. However, they accept other forms and policies. Cobden endorses national self-determination (indeed the nation-state) and economical government; Mitrany the Western-liberal social service state seeking cooperation and coordination internationally; and Ohmae the federal state providing regions with autonomy to welcome foreign capital. The study shows that we cannot take their decline rhetoric at face value. The point is not that, for example, Weiss describes Ohmae as hyper-globalist, but that she does not to emphasise his significant qualifications to his argument about the effects of the borderless world economy and the rise of 'region states', and indeed his emphasis on the lingering power of the nation-state. In fact, Ohmae is in agreement with Weiss that nation-states have an important role to play in promoting economic growth through industrial policies and encouragement to certain sectors. In other words, the almost exclusive emphasis by Weiss and *The Economist* on Ohmae's 'anti-statist' attitudes lead them to fight a straw man. While it is necessary to simplify and generalise, simply to refer to Cobden, Mitrany, and Ohmae as 'proponents of state decline' conceals the complexity of their thought. This thesis provides a more detailed and complicated picture of their ideas than do many of the standard accounts. In addition to providing a critique of Cobden, Mitrany, and Ohmae, it also attempts to set the record straight.

Second, and related to the first, the proponents of decline contradict themselves on several points. Cobden, Mitrany, and Ohmae make sweeping statements about the inappropriateness, anachronism, obtrusiveness, and end of the state and the nation-state. Cobden cold-shoulders diplomacy and international treaties, but ends up supporting both, albeit in revised forms. Mitrany argues for attempts to think beyond and transcend the nation-state. However, he proposes nation-states should continue to determine international policies in general assemblies and leaving it up to each to ratify decisions

taken in concert. Ohmae purports state governments no longer have the means to promote economic growth within their borders, only to claim that they must continue to provide an open and stable business environment for their economies to prosper. These contradictions are not only a source of weakness and confusion in their thought. They also expose the dubiousness of stereotyping.

Third, our study reveals that the particular form of the idea of state decline is highly contingent on the historical, personal, social, and ideological context of the thinker. Cobden reflects the ascendancy of liberalism and growth of the middle class in England. Mitrany writings and thought mirror the struggle to come to terms with socialism, nationalism, and the growing welfare state. Ohmae is a sign of the hubris surrounding technological inventions such as computers, the Internet, and the rapid growth of the world economy after the second world war. His writing also echoes the rise of neo-liberalism in the 1970s and 1980s. The dissertation also shows that the claim to be living at a historical turning point is old. It is not original to claim to be original. This finding suggests that in order to make the decline of the state credible, future thinkers need to do more than to refer to technological innovations in communications and other material differences.

Fourth, the hypothesis of the decline of the state is prescribed in deliberately exaggerated and vague forms. Cobden acknowledges pandering his audience. Mitrany does not want to be too specific, as he thinks it may inhibit flexibility and, thus, progress. Ohmae, by his own admission, does not aim towards academic perfection. The exaggerations are understandable because, as most astute politicians and academic scholars are well aware, people do not rally behind tentative or subordinate clauses, such as 'the state may be in decline ...' or 'if my interpretation of the effects of the growing world economy is correct ...'. All three play along to some degree with interpretations of their ideas as discerning a fundamental shift away from an international system dominated by the politics of states because it serves their purpose of raising the issue of the proper role of the state in domestic as well as in international affairs, and which groups in society should dictate state policy.

Fifth, and finally, the liberal idea of the decline of the state is more of a desire than an empirical observation or prediction. Many of Cobden, Mitrany, and Ohmae's themes regarding the decline of the state appear as descriptions, prescriptions, and predictions. In other words, the world they claim to be describing is not much different from the world they predict and prescribe. This points to the fact that their ideas of the

decline of the state are wishful thinking, but designed so as to effect a rolling back of the state in both domestic as well as in international affairs. The decline-of-the-state hypothesis is more of an ideological statement in response to contemporary political, social, and economic problems than an objective observation of an empirically verifiable phenomenon. In other words, despite including descriptions and predictions, the 'decline-of-the-state hypothesis' is, first and foremost, a yearning emanating from historical developments and ideological trends.

Neither Cobden, nor Mitrany, nor Ohmae believe unequivocally that the state is disappearing as a powerful and important actor in international economic and political relations. Instead, their contentions are driven by an instinctive aversion towards the state, which, in turn, suggests that much of the literature trying to refute the decline-of-the-state hypothesis is misdirected. Their writings and speeches are examples of the claim that 'the wish is father to the thought'. While the misunderstanding between the two sides of the debate of the state is not complete, proponents of the decline of the state and their opponents tend to talk about different things. One side wishes to see less state, while the other points out that this is not happening. The problem, however, does not rest exclusively with 'realists'. Cobden, Mitrany, and Ohmae develop various forms of anti-state idioms: the state is no longer the useful and powerful actor it once may have been; the state should roll back its involvement in, and control of, economic activities; and the power and appeal of the state will decline as the world economy grows and as social contacts across borders forge new allegiances and communities of shared interests. This anti-state rhetoric, however, is an art of persuasion. Cobden, Mitrany, and Ohmae exaggerate their claims of decline in order to gain a hearing, and they mention only in passing the continuing significance of the state and its various institutions.

In short, the thesis demonstrates that attempts to compress the essence of liberal critiques of the state and the nation-state into concepts such as 'the decline of the state' or 'the myth of the powerless state' give a superficial appearance of unity, clarity, and simplicity which proves illusory when put under close examination.[13] The idea of the decline of the state covers a litany of charges against state institutions emanating from views of the state as a war organisation, levying unnecessarily high taxes, and

13. This is an adaptation of an argument by Justice Robert H. Jackson regarding the treatment of treason in the Constitution (Article III, Section 3). Neil A. Lewis, 'U.S. Ponders How to Handle Seized American', *The New York Times*, 4 December 2001, p. B4.

restricting a flourishing international community. It indicates that recent contentions about the nation-state in decline resulting from globalisation and the growing world economy are to a large extent old liberal ideological ghosts garbed in new scientific and technological cloaks. Importantly, it also reveals a shortcoming in International Relations literature, which has tended to treat the argument as substantially descriptive. However, a more nuanced understanding of the various elements is necessary in order to develop more appropriate responses and criticism.

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