ABSTRACT: Understanding the role of state and non-state actors in the global system is contingent upon a comprehensive analysis of the system through historical perspective. To do so, one, first, needs to conceive the emergence and development of the state-centric system. The phenomenon of state emerged in the seventeenth century with the collapse of imperial powers. Nation-states have played a dominant role in the world politics for about three hundred years. However, with the increased impacts of globalization processes, the power of the nation-state have begun to decline and, eventually, it has been forced to share its power with emerging entities. These new actors of the global system include a variety of units ranging from non-governmental organizations (NGOs) to inter-governmental organizations (IGOs). This paper discusses underlying factors of declining role of nation-state in the international system in the context of new emerging powers of non-state actors.

Key words: Non-state Actors, Nation-state, Globalization, Hegemonic Power.

INTRODUCTION

Globalization has jolted the states with its erosive impacts in terms of authority and power for last five decades. Technological and economic developments transform the nature of the international system have had a significant impact in terms of declining of states’ power. Furthermore, change in the national priorities, powerful transnational forces, and new non-state actors undermine the nation state and traditional national interest as the organizing principles of international relations.

The world has witnessed an unprecedented growth in the number of international actors and spectacular changes in the scope of transnational connectivity particularly after the end of the cold war. Of course, economic and political relations of states have become more interdependent as a result of globalization; however, globalization is not a single factor that explains the decline of the nation-state which was the most powerful actor in the international system.

As the new emerging powers for last five decades, non-state actors such as nongovernmental organizations (NGOs), multinational corporations (MNCs), and intergovernmental organizations (IGOs) have a significant role on the declining powers of nation states. With these facts and developments in mind, it is vital to find answer to various questions such as; “Has the nation-state’s role disappeared in the global system because of the non-state entities?”, “How did non-state actors emerge and generate an influence on state power?” and “What is the impact of globalization on the nation state?”.

To this end, this paper will, first, point out the shifting structure of the international system from the state-centric order to globally-structured multi-centric one. Then, it will examine the forms and variety of non-state actors. Finally, it will conclude by putting forth the importance of non-state actors on state behavior and contemporary global politics.

STATE-CENTRIC STRUCTURE OF THE INTERNATIONAL SYSTEM

States which are described by Langhorne as “the most the contemporary characters to assess,” have roots in history (Langhorne, 2006, p. 71). It can be asserted that the existence of the state dates back to the ancient civilizations of Sumer or classical Greek. The contemporary studies of international relations, however, tend to explain the emergence of the phenomenon of state with the Peace of Westphalia (1648) and the collapse of empires in the seventeenth and eighteenth centuries (Vaughan, 2011). Watson (2009) mentions the role of the Ottoman Empire in this process and argues “The Ottomans played a major part in the European states system from its sixteenth-century beginnings down to this merger into the present global system” (Watson, 2009, p. 216). He concludes that despite the huge political, cultural and religious gap between the Ottomans and European states, the Ottoman Empire became and continued to be an integral and major component of the European states system.

The emergence of the Westphalian nation-state resulted in paramount changes in the political structure of the world. The gigantic empires of the previous centuries with enormous territories and multi-ethnic societies were replaced with “optimum size” nation-states (Langhorne, 2001, p. 5). These sovereign entities had played an important role in the development of international system for about three hundred years. They predominantly controlled trade, wars, peace and other human activities in the world.
power, to increase power, or to demonstrate power. Such power is the determinative factor for the states’ hierarchical status and political autonomy. To effectively control all important international rules, institutions, and agreements by using its military, economic power, coercive militarily, and politically much more powerful than the nation states. In other words, hegemon state is powerful enough to and dominant world power, the international system will remain stable (Hobbes, 1969). The dominant state is economically, and in the process of globalization, states still characterize the world economy (Copeland, 1996). For instance, successful institutions of liberal trade such as world trade organization (WTO) (previously called GATT) and G7 need s to discuss primarily economic issues. The European Union is also represented within the G7 (Smith, 2011).

If there is a hegemon state in the international system, the balance of power becomes unipolar (Waltz, 1964). Historical developments, however, demonstrate that the hegemon state in the world scene has changed over time. While Great Britain was the most powerful state that ruled the international system before the World War I, the USA and the Soviet Union were in competition to be dominant power in the system after the World War II. Today, the US is said to be the hegemonic power in the international governance. Nevertheless, the last decade has demonstrated that the leading power of the United States has begun to decline, while emerging big economies like China, India and Russia have gradually increased their power across the world to compete with the US.

The assumptions of classical realism have been challenged by other school of thoughts in the field of international relations. However, the real challenge to realism emerged in the mid-1970s with the new developments (Geerarts & Mellentin, 1995). The proliferation of non-state actors including international institutions such as United Nations and NGOs after the World War II in particular led many to question state centrism. Looking at the liberalism level, Gilpin (1996) argues that three developments in the global system have undermined the nation-state; the shift in social priorities from national interests to economic welfare, the increasing importance of transnational forces that are diminishing authority of states by integrating them into interdependent global economy, and the transforming international affairs that creates new powerful regional and non-state actors such as European Union (EU) and Multinational Corporations (MNCs) that are claimed to be weakening the state as the primary unit in international relations (Gilpin, 2001). The main points that liberal belief contain are economic interdependence among national economies, free trade and borderless world. Thus, these characteristics of liberalism lead us to indicate that non-state actors are playing a crucial role in providing global peace, and the decision making mechanisms of the states are economically and politically less independent (Thou, 2011). Thereby, these rapid economic changes in the global system are said to be invalidate realist thought that states are of still great importance in the international affairs.

We have been witnessing the process of globalization that causes the emergence of transnational economic forces that remove the national boundaries by integrating national economies into international finance for last five decades. The demise of nation state in the global system has gradually taken place over time bring many controversial issues in the international relations. In this context, realists suggest that globalization has restructured the state’s role. Globalization brings about some institutions and laws, and functions of the state become internationalized. In the realist perspective, the extent and importance of economic interdependence are greatly overstated (Copeland, 1996). Even though national economies are highly interdependent in the international economy, states still characterize the world economy (Copeland, 1996). For instance, successful institutions of liberal trade such as world trade organization (WTO) (previously called GATT) and G7 demonstrate that state has considerable
effects on international affairs. Individual states within WTO, for example, take into consideration their national and international economic interests. Moreover, dominant power within the institutions can be effective on other states in accordance with its national economic and security interests. In this point, international institutions which aim to provide global security and economic welfare are seen as the means used by hegemonic powers in the global system (Waltz, 2000). Even if these institutions intend to maintain the global peace, they operate much more in accordance with the interests of the hegemonic powers. According to Milner (1998), the hegemon states generally use the institutions to legitimate their decisions that will politically, militarily and economically affect over other countries’ policy. Therefore, states are gaining power, instead of losing it. They are acting individually and trans-nationally, coming up with the rules to deal with the problems. They still have role to play in terms of decision making mechanism of effective institutions that all dominant states within institutions have veto right (Milner, 1998). Carson & Thompson (2014), in their work, claim that when institution’s decision overlaps the hegemon state’s interests, hegemon state often uses its veto right. For instance, even if majority of countries in the United Nations condemn blockage of Israel over Gaza, they cannot take a sanction against Israel because of America’s veto. In this realm, the interest of the US, today’s super power of the world, correspond to Israel’s interest in both domestic and international scale.

Contrary to this argument, the assumptions of liberalists related to hegemonic stability theory differ from the realist perspective. They state that dominant power provides public goods by means of institutions and seeks the way which is the best interest of everybody. Liberalist approach also asserts that the dominant power maintains global peace by using institutions which are important tools in the providing both global security and welfare. Institutions provide systemic legitimacy for dealing with conflicts either coercively or through peaceful means (Keohane, 1989). Liberalist paradigm looks to spread democracy to other nations in an attempt to foster peace. In this paradigm, the nation state is not superior to other institutions. That is not to say that the state is an inferior institution. Yet the state will generally be inferior to other institutions in the respective fields of special competence of those other institutions. Thus, in the light of current developments, it can be claimed that the state-centric system of the world came to an end and transition to a multi-centric world order has begun. Particularly, fluctuating balance of power between the great powers and enthusiastic increase of individual states caused the emergence of new entities regulating the political order among the states.

4. Globalization, the Emergence of Non-State Actors, and Decline of State

The roots of today’s multi-centric world go back to the creation of the Concert of Europe with the Congress of Vienna in 1815. The Concert’s primary goal was to keep European states away from war. However, it could not prevent the Great War of 1914 since there had been significant changes taking place all around the world. The increased need of rapidly industrialized countries for getting more raw material and finding new markets to sell their products initiated a new era in world politics (Langhorne, 2001). This era of globalization was a result of improvements in communications and transportation technologies. The borders between the nation-states became unimportant, and great amount of individuals, assets, money, and arms began to flow through those frontiers (Hirst & Thompson, 1995).

As a result of above-mentioned improvements and conflicts, the state, per se, could not govern the new processes of globalization. Decrease in the state power caused emergence of new actors in the global politics. These actors filled the authority gap to keep the denationalized fields under control (Scholte, 2005). As Slaughter (1997) conveys in her Foreign Affairs article, “Power Shift of Jessica T. Mathews, there is a shift in terms of power “from the state –up, down, and sideways- to supra-state, sub-state, and above all, non-state actors” (Slaughter, 1997, p. 193). She views the revolution in information technologies as the engine of this transition. This transition leads not to a global government but a new form of global governance.

This new form of governance did not only re-shape the power relations between the state and other actors, but also resulted in the emergence of organizations ranging from economic corporations to environmentalist groups and from human rights organizations to cultural, educational and religious associations. Langhorne (2006) classifies these non-state actors as associations of states – also known as inter-governmental organizations (IGOs), global economic organizations, and global civil society, which consists of widely known non-governmental organizations (NGOs). The following parts of the paper will examine these organizations.

4.1. Inter-Governmental Organizations (IGOs)

The decline in the dominant role of nation-state in the international system resulted in a need for re-definition the concept of sovereignty. While it previously based on the autonomy and independence of states from each other, sovereignty has recently been viewed as the control of trans-border movements (Krasner, 2001). For Taylor (2005), it is a unit of participation, and establishes “a right to participate in the institutions and arrangement of the international community” (p. 52). In this context, Luxembourg is a sovereign state but Quebec is not. It is not because Luxembourg has less functional independence in the EU than the Quebec in Canada, but rather, the former has the right to participate in the range of international forums with state members, whereas the latter does not.

As the meaning of sovereignty changed and the links between states became complicated, a body (or bodies) coordinating and regulating the relations between states became a necessity. Inter-governmental organizations emerged as non-state entities with supervisory and regulatory roles to co-ordinate the relations between states. The Central Commission for the Navigation of the Rhine (1815), International Telegraph Union (1856), and Universal Postal Union (1874) can be considered as the first examples of the international organizations (Langhorne, 2006). It is impossible to enumerate this sort of organizations in today’s world. Nevertheless, it is difficult to meticulously understand the role of these organizations without mentioning the most important ones.

First and foremost, the United Nations (UN) is an organization, which was established after the World War II, and functions to maintain international peace and security, to develop friendly relations among nations, to achieve international co-operation in solving international problems, and to be a center for harmonizing the actions of nations in the attainments of these common ends (UN, 2014). With the participation of South Sudan in 2011, the UN currently has 193 members. The principal organs of the UN are General Assembly, Security Council, Economic and Social Council, Trusteeship Council, International Court of Justice, and
Secretariat. In addition to these organs, it has a variety of sub-organizations and specialized agencies such as Food and Agriculture Organization (FAO), International Atomic Energy Agency (IAEA), International Labor Organization (ILO), United Nations Children’s Fund (UNICEF), and World Health Organization (WHO) to achieve the goals mentioned in the Charter. Considering the number and scope of these organizations, one can realize the impact of the UN as a non-state actor on the global politics (UN, 2014).

Another important international organization, the European Union (EU) has appeared in international scene since the end of twenty century. European Coal and Steel Community (ECSC), as predecessor of the EU, was established in 1951 with the Treaty of Paris. The main goal of the six founding members of the Community was to promote economic expansion, increase employments and raise life standards in the Community members by generating a common market (Archick & Mix, 2011). The ECSC underwent a series of transformations over the course of time; first it became European Economic Community in 1957, and then European Community in 1973. With the Treaty of European Union, also known as the Maastricht Treaty, in 1992 the Community was officially designated as the European Union (Guzzetti, 1995). The EU currently has twenty eight member states; and six candidates including Turkey which are conducting membership negotiations with the Union. There are significant functional and organizational distinctions between the UN and EU. The EU is a regional organization. There is a robust administrative connection between the EU and its members via the EU Constitution, single currency (Euro), etc. The Union imposes its standards and values on the region states; and they willingly carry out regulations in line with the instructions of the EU bodies. As a non-state actor, the EU has a significant impact on other states as seen during the last Ukrainian crisis in 2014, and reconciliation between West and Iran on the Iranian nuclear program.

There are plenty of other inter-governmental organizations such as African Union (AU), Organization of American States (OAS), Organization for Economic Cooperation and Development (OECD), the Arab League, G-7, G-20, and so forth. The main goal of such organizations is to achieve some objectives (economic, political, or security) by building a form of governance that cannot be achieved because of the limitations of national governments.

4.2. Multi-National Corporations (MNCs)

Several important developments in the global economic structure have been observed over the last century. International political and economic actors such as the World Trade Organization (WTO), the World Bank, and the International Monetary Fund (IMF), regional institutions such as NAFTA and EU have placed a significant position within the liberal economic order especially after the World War II. During this period, the role of MNCs in global political economy should not be ignored.

Another challenge to power of the nation-state is Multi-National Corporations (MNCs). MNC can be defined as a company that has ownership managing production facilities in two or more countries (Oatley & Education, 2012). There are three types of MNCs: (1) multi-domestic corporation which is a collection of subsidiaries, (2) global corporation that views the world as a single market, and (3) transnational corporation (TNC) which combines global efficiencies with local responsiveness (Cantwell & Iammarino, 2000). Regarding the importance of MNCs Peterson (1994, p. 261) emphasizes that “MNCs are major driver of global economic integration and established unprecedented linkage among economies worldwide”.

According to Gilpin (1996), MNCs have a significant impact on the contemporary global economy. They have ability to transfer large amounts of money, technology, and managerial skills all around the world. As a nature of MNC activities, firms such as General Motors, Exxon, and General Electric try to internationalize commerce and seek new markets to gain more profit. While providing resources, innovation and technology to host countries, they are, at the same time, threat for local savings and local firms (Cantwell & Iammarino, 2005). Thus, it is clear that in today’s world, MNCs have immense flexibility in moving goods, money, personal, information and technology across national borders, and this flexibility provides them huge bargaining power with national governments (Bennett, 1988). However, it should be noted that national economies, particularly developing countries like Turkey, Brazil, Malaysia, and Argentina, open their doors to big companies and try to attract them to invest in their country so as to increase their GDP.

The Great Depression of the US in 1930s had shown that finding solution for the global crisis was really difficult without communication among countries about international economic activity. Although states have defined their rules of trade, emergence of new actors was needed in order to determine and regulate national and international economic rules. In this climate, in 1944, as the result of the Bretton Woods System, the General Agreement on Trade and Tariffs (GATT) was established (O’Rourke, 2002). The GATT became an international forum for trade diplomacy and negotiation on trade liberalization. In 1995, the World Trade Organization (WTO) replaced the GATT with the purpose of creating consensus on a global scale in order to regulate international trade and enhance economic cooperation among the members of global economic system (Oatley & Education, 2012). In fact, during the same period, apart from the GATT, decision makers of the international economic structure also planned to create two more institutions such as The International Monetary Fund (IMF) and the World Bank to reformulate international economic order that would increase cooperation in the world economy to prevent further economic downturns. These multilateral institutions mentioned above consist of their own rules and mechanisms to help expand the global trade and they can also force states to take action and change their policy (Spar, 2001). In this context, Gilpin (2001) states that in order to solve global economic problems that resulted from increasing economic interdependence, national governments emphasize the importance of international institutions during this period. However, without political support of major economic powers, international cooperation within these institutions is not possible. On the other hand, to many economists, it is necessary to reform the WTO and other international organizations as a reaction to changing nature of the global economy.

As a reflection of multinational business strategy of policy makers and multinational firms in national, regional and international level, economic regionalism gained a rapid increase in the mid-1980s. Today, it is believed that global economy is moving in the direction of regional economic blocs due to its dominant power in the world (Gilpin, 2001).

As to the role of MNCs on state behavior, it is inevitable for a weak state to stand against the interests of a global-scale MNC. Even for the powerful states, economic factors play an important role. For instance, despite some potential causes of conflict
between the US and China—such as the form of administration in China, ideological differences, and so forth—the interests of huge companies may prevent a possible conflict between the two. To Miyoshi (2003), since MNCs main objective is profit maximization, they are very influential on foreign policy of states, including that of the most powerful ones, and they bring their own agenda for international politics (Ataman, 2003, p. 48). By doing so, they have currently become one of the major actors in decision making process of national economies.

Within the current international economic structure, economic policies of states and regulatory works of institutions are of significance in the governing of liberal international order. As governments have been reforming various structure of economic integration, many businesses have fashioned their strategies in accordance with new trends in the international regulatory environment.

4.3. Non-Governmental Organizations (NGOs)

Apart from international organizations and multi-national corporations, there is another form of organization that has an impact on the decline of the state power. This form is global civil society. Civil society is “an intermediate sphere of voluntary association and activity standing between the individual and the state” (Ehrenberg, 1999). Global civil society refers to the increasing institutionalization of citizens and non-governmental networks in the governance of today’s complex world. Thus global civil society cannot be reduced to NGOs, but neither can it be understood without them (Langhorne, 2006, p. 121).

International Typographical Associations (1852), World Alliance of Young Men’s Christian Associations (1855), and International Committee of the Red Cross (1863) can be considered as the first examples of NGOs. The number of such organizations has grown exponentially (Clarke, 1998). While there were about 1,500 civil society organizations in the 1950s, their number reached 10,000 in 1981, and 25,000 in 2001 (Clark, 2008). As for the Yearbook of International Organizations, there are currently over 63,000 civil society organizations in three hundred countries and territories. What do all these organizations and associations mean for the state? They generate a focus of power within and/or against the states. A single NGO may not be as powerful as a state; however, it, at least, has power of reaching other NGOs in other countries and international organizations. As discussed in the previously mentioned article of Mathews, the power of NGOs in Canada, Mexico and the US, forced the governments of these states to revise the conditions of the North American Free Trade Agreement (NAFTA) (Mathews, 1998). Consequently, they have become a tool and also part of the power shift.

5. Conclusion

The state has been playing an important role in the world politics for centuries. Changing condition of the world with the influence of globalization processes has caused a change in the role of the state. It has no longer been the unique actor of the game; it was forced to share its power with some other entities.

The emergence of new form of governance partially changed the predominant character of the state, and brought about some partners to it. These partners are international and regional organizations established with certain agreements between the national governments; economic corporations generating global impacts on supply and demand chains, and finally, the associations of individuals and societies. State’s absolute authority is somewhat dispersed to sub-state governmental institutions, international institutions, MNCs, and NGOs. Whereas all these entities broke the monopoly of it, the state did not completely vanish from the stage and still plays an important role in the international system. Globalization, only, brought about a new form of governance, which is based on a trade-off between the state and other entities, and reframed state’s authority and brought new actors of governance to the fore.

As a result, the nation-state and its policies are of importance in the international economy. Global, multinational and transnational corporations are still essentially national firms. It is believed that even though the states have increasingly interdependent between each other in the international system because of globalization, they still hold a virtual monopoly over human loyalty. Additionally, new institutions and non-state actors have growing effects on the global scene during the last five decades along with nation state. Nobody knows whether the nation-state will be completely ineffective on sub-national, national and international issues in the future. Nevertheless it is clear that as long as there are hegemon powers in the international system, nation state naturally will exist, and they will continue to play a key role in the determining of international rules.

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