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“Une nouvelle étape pour la sociologie de l’État?”
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There are basically two traditions of analyzing “the state” in political science today:

- There is the **liberal American** tradition. Its proponents regard the state as an “agency of society” to govern or regulate common social problems. This perspective belongs to the tradition of Hobbes and Locke, the Founding Fathers up to the classic accounts of “American Government” as by James Q. Wilson or most of the “Regulatory Reform” debate of the 1980s and 1990s. This tradition is mirrored, *first*, in critical (Marxist) political economy which envisions the state as an instrument of the ruling class and, hence, a particular state structure as simply resulting from class struggles in society. And it is also, *secondly*, mirrored in a particular strand of functionalist systems theory, most importantly in Niklas Luhmann’s “Autopoiesis” argument in which the state is dubbed a specialized sub-system of society, originally intended for governing all social problems but nowadays unable to influence anything going beyond its own realm – essentially the state is occupied with auto-centric reforms of its sub-system.
- There is a contrasting tradition – at home mostly in **continental Europe**, maybe especially in France – in which the state is thought of as a sovereign, as an autonomous political structure that is placed opposite to and moves independent from society. I don’t have to detail Hegel’s notion of state as “the realization, the embodiment of the ethical idea”, as the “Verwirklichung der sittlichen Idee”, to convey the basic idea that the state is seen as the ideal institutional structure for the political realm. In many – also American – empirical analyses the emphasis is on the origin of the state as a “war machine” of the reigning dynasties. The state appears not as an agent – surely not one “of society” – but rather as “the central organizer”, even as organizer of society itself to win the war. In this perspective even the birth of nationalism – in the wake of the French Revolution – was orchestrated by a Republican state to defend the new “liberté, égalité et fraternité” against foreign armies attempting to reinstate the Bourbon dynasty.

If I read the literature and the works of my neighbours on the panel correctly we have proponents of both perspectives here. Jonah Levy offers a modern American perspective on the “State after Statehood”, while Desmond King, most recently in an article in “Governance”, explicitly rejected the liberal American tradition and argued: Even the development of the US political system demonstrates that the US state can strategically remodel and restructure its society – his study addressed US affirmative action programs since the late 1950s.

These two perspectives on the state – and on statehood, on “stateness”, in general – also involve different perspectives when we describe and explain transformations the state may be undergoing today. If the state is merely an agent of society, changes in society lead to changes in state structure and state action but the general concepts of the state and of statehood remain “immovable objects”. The debates then boil down to a “runaway bureaucracy” (one of the central themes of the regulatory reform debates), a reigning in of the state by society and, ultimately, to the best solution for the “principal-agent problem”. These would still seem to be the themes which govern the pages of the *American Political Science Review* or of the *American Journal of Political Science* – to just name two.

If one perceives the state as an independent, sovereign, autonomous political structure, changes in state structure might, in reverse, lead to changes in society or changes in social behaviour. If, for example, the European Union were seen as an expression of a “new statehood”, one could, from this vantage point, expect EU-attempts to create a common European public sphere, nourish a shared European identity and, in the end, build a common European *demos* as to reduce the EU’s democratic deficit. And what is even more important: The changes in state structure might go beyond simple transformations of “the state” and involve general transformations in the concept of statehood. What we witness is not just the old Emperor in new clothes but rather a new Emperor, a new Republic, using – and hiding behind – the well-worn clothes of the old Emperor and garnishing them with some new ones.

To sum up: Depending on which perspective we choose on “state and statehood” we will end up with different opening questions and – obviously – also with quite different answers.

Our Bremen Research Center on “Transformations of the State”, in short **TranState**, incorporates both perspectives in its analytical design. We are open to both approaches. This is also the case because our 45 junior and 20 senior researchers come from four social science disciplines: political science, sociology, law, and economics. This compels us to take an open and inclusive approach to our topic. Hence, we rather rely on a general more descriptive understanding of “statehood” characterized by four dimensions. A given “state” reflects a

historically determined blend of these four dimensions. Our approach also allows us “to stay continental” and to interpret the state as an active, autonomous force in the development of political structures.

Nevertheless – and that is the second part of our conception of state transformation – we conceive of the state as an **embedded entity**. “*Internally*” the state is embedded in an increasingly transnationally organized and structured civil society. And “*externally*” it is embedded in a progressively inter- and supranationally organized and structured society of peers – that is, of other states –, an edifice we’ve learned to label “structures of multi-level governance”. Two axes for possible transformations are central for us:

- **Privatization**: that is the increased activity of private actors in political decision-making and in the implementation of these decisions;
- and **internationalization**: that is the increased participation of inter- and supranational institutions in formulating and implementing policies.

And certainly both developments can and do coincide or combine.

Now I would like to present the TranState-perspectives of thinking and our first results in three steps:

- First, I sketch our analytical concept of “statehood”, and outline the historical trajectory up to the present blend of these dimensions in the various “states of the ‘state’”.
- Second, I would like to give you an idea of the transformations of the state in recent years.
- And, third, I will present an explanatory horizon for these developments – our “auto-transformation”-thesis.

1. The “democratic, constitutional welfare state” as the historical expression of “statehood” in the “Golden Age” of the nation-state

Our generalized concept of “state” is characterized by four dimensions of statehood:

- The first dimension is about *resources*: It is most prominently the monopoly of (legitimate) force and of taxation. One could add other resources of statehood like citizens or territory, but the monopolies of force and taxation remain the most important ones.
- The second dimension is the *rule of law*: It is about the “constitutionalization”, the legalization of all state action and its institutionalization through an (independent) judiciary.

- The third dimension is (democratic) *legitimation*: The use of the monopolies of force and taxation – every intrusion into the basic human rights of habeas corpus or ownership – requires legitimation. Under Frederick the Great or Louis XIV – in absolutism – sovereign activities needed to be legalized only to prevent an arbitrary use of power. Today, this is not enough: State power itself is anchored in democratic legitimacy, i.e. in the consent of the governed.
- The fourth and last dimension concerns “welfare and market *intervention*”: This usually involves two aspects: *First*, the provision of public utilities, that is of electricity and water, sewer systems, post and telecommunication services or the supply of infrastructure like roads, railways, airports, sea and river navigation; you might call this “the ‘services publiques’ state”. But, *second*, it consists in building classic social insurance systems for pensions, health care, age care, accident and unemployment or providing social assistance to the poor; this is the core “welfare state”.

These four dimensions of statehood are a grid that is useful for assessing the historical development of the state. These four dimensions evolved consecutively over some 400 years. Feudal societies in the high Middle Ages lacked these dimensions of statehood. They were a complex system of economic, legal and power-related dependencies with various overlapping regional and local jurisdictions. A peasant was not only subject to the rule of the lower aristocracy but he was also a tributary to convents or monasteries, parishes, and to other landowners. Over time, a highly complex and, in the end, obscure network of property titles and influences developed: It ultimately secured the political rule of the emperor, who frequently served as final arbiter of the many disputes arising. The feudal structures were fixed and static; any attempts to change them ran up against numerous veto powers and lines of defense.

First, larger towns broke out of this rigid system. As centers of trade and commerce they had accumulated enough wealth, and they began to initiate and adopt measures to develop their economies. The towns came into conflict with the feudal powers of the day, and frequently elaborate efforts were required to abolish the claims which the lower aristocracy and the church held against the towns. Often they had to resort to bribery, occasionally to forgery, but frequently to violence. The Hanseatic League and the Italian city-states testify to the commercial clout which these towns developed.

However, it weren't primarily the towns that ended the feudal system but it was the “incorporation” of feudal powers, their “Mediatisierung”, through the emerging royal dynasties, as it happened in France and England in the late Middle Ages and in early modern

history. The absolutist rulers subjugated regional and local nobility, bestowing on them ceremonial offices in royal households and compensating them for powers lost, while monopolizing domestic power for themselves. The rulers became “sovereigns” in their territories and, in the process, established standing armies and navies to protect their territory. This put an end to the many feuds and disputes, offered more security for “life, liberty or property” to their “subjects”, and paved the way for a mutual recognition of sovereignty amongst the rulers themselves, a system that consolidated with the Peace of Westphalia in 1648.

Standing armies, and the pomp and splendor called for to obtain and maintain power, as we see in Versailles and Sanssouci, are quite costly. These costs were not easily born by taxing the subsistence-economy of the feudal agrarian era or its trade and urban commerce. Thus, most sovereign rulers looked for a “third way”, and they developed their financial resources through mercantilist policies. “Colbertist” policies vis à vis manufacturing, the admission of Huguenots, land drainage, long-term measures such as these were taken to stimulate the economy and generate more revenue. Also, beyond subsidies, the rulers had something new to offer: the “incorporated” local and regional nobility plus the clergy potentially represented a huge, duty-free “internal market”, and the sovereigns regularly encouraged these developments by standardizing weights and measures and by issuing a common currency.

Although the complex feudal structures of the late Middle-Ages had already relied on some form of law, the emerging national and interregional trade networks paved the way for the modern rule of law. While the Hanseatic League addressed the issue of trust in a rough-and-ready way by relying on family ties, personal relations and a rigid code of honor, a large system à la Colbert could only function properly if the sovereign enforced private agreements reliably. This restricted the arbitrariness of the sovereign massively: The Prussian “Miller of Sanssouci” could be confident that even Frederick the Great could wasn’t able to seize his mill or damage his business because the Justices in Berlin would put an end to that: “Sire, there are still Judges in Berlin [at the Kammergericht]” (“Sire, es gibt noch Richter in Berlin”). The cost of enforcing and securing the sovereign’s monopoly of rule required a mercantilist development of the economy and an encompassing, predictable rule of law, one that would also be applied against the sovereign himself. The government was by no means democratic. Louis XIV could practically make any law he saw fit. However, arbitrariness in implementation was already in decline.

Rallying cries for “no taxation without representation”, will, for us, be always associated with the Boston Tea Party and the American War of Independence. Although citizens had

demanded political participation long before, also in the Hanse or the Italian city-state republics, oligarchies had persisted: Political power remained in the hands of a few patrician families. Not until the American and French Revolution did the “Third Estate”, the well-heeled non-aristocrats, get involved in political decision-making in major and sustained ways. The “ruler” was no longer the sovereign but parliament, though it still wasn’t accessible for “all the people”: Women were denied the vote and the access to the ballot box of the rapidly expanding proletariat was restricted. But the rise of “social democracy” in the second half of the nineteenth century gave “all the people” the democratic sovereign power, a process concluded by the end of World War One.

This, in turn, had consequences for economy and society. At the latest after the Great Economic Crisis of 1929 to 1932 the “Fourth Estate” also insisted on its share in the national income: Through the ballot it pushed for an improved welfare state, amongst others financed by progressive income taxes, and an increased role of the state in managing the economy. The bourgeoisie that had become rich through mercantilism had, inadvertently, paved the way for universal political participation. Now, “the intervention state” seized control and took redistributive measures as it regulated economy and society.

The period we now retrospectively often label the “Golden Age” of the nation state, the 1960s and early 1970s, is historically unique: All four dimensions of the modern state were combined *and fused* in one institution: the nation state that now became the “democratic constitutional welfare state” (or TRUDI as we have called it elsewhere¹). As we look back at the development of our four dimensions of modern statehood, three insights are worth pointing out:

- The “democratic constitutional welfare state” was not the only possible and certainly not the inevitable outcome of history. The Italian city-states fell only when the conscription-based mass armies of Napoleon overwhelmed them in the early years of the nineteenth century, and the Hanseatic Cities lost their independence only in 1868 as the North German Union, the “Norddeutsche Bund”, was established. For a long time, it remained unclear who would prevail in the struggle for political dominance: the primarily economic power of the commercial metropolises or the mainly military might of the territorial sovereigns. England’s secure geographical position gave it a locational advantage in economy and security over other European nations and England shows how both routes could and did coexist for a long time.

¹ „A multi-functional state that combines the **T**erritorial State, the state that secures the **R**ule of Law, the **D**emocratic State, and the **I**ntervention State“ (Leibfried/Zürn 2005: 3).

- The “democratic constitutional welfare state” does not imply that only this configuration is possible, or that it is “the true and only” standard, the benchmark, while all other forms turn into “deviations”. As modern statehood itself evolved in the “Golden Age” it turned out to be quite a heterogeneous configuration: These “varieties of statehood” do share a high common denominator, however, and they certainly exclude some other patterns of public authority as “non-states”: Neither Somalia, nor the Palestinian Authority, nor Taiwan are characterized by fusing all four dimensions of statehood.
- If the “democratic constitutional welfare state”, if TRUDI, is not “the natural outcome” of history, it also does not imply “an end of history”. The modern state has developed further since its "Golden Age" of the 1960s and 70s. It has re-configured, and maybe it did so decisively, in its national fusion of the four dimensions.

2. The disintegration of the Golden-Age nation state? The transformations of the State since the late 1970s

Now, I can't recount all the social science literature dealing with the transformative pressures on TRUDI, on the “democratic constitutional welfare state”. We all have been discussing these pressures for nearly two decades: globalization, liberalization, privatization, individualization, demographic changes or the transformation of social norms and values. Whole libraries have been filled with these debates. Important for our research in Bremen is, however, one consequence of these pressures: Modern statehood – “the state of the state” in the 21st century – is characterized by transformations which may be ordered along two axes:

- First, there is a *territorial*, a spatial axis: states can be transformed by being either en route to more *internationalization* or – the opposite – more *nationalization*. When, for example, the European Union integrated the monetary policies of its Member States and created the Euro as common currency (EMU), it transferred the competences for monetary affairs from the national to the supranational level, from national central banks to the European Central Bank. These competences were, thus, internationalized (europeanized).
- Second, there is a *functional* axis: the production of public goods can be shifted towards more private or – the opposite – more state supply. The globalization of the world financial markets, for example, forced a relocation of the “regulation” of these markets from informal gentlemen's agreements among the CEOs of large investment banks to newly created regulatory agencies – in Germany to the “Bundesaufsichtsamt für das

Finanzwesen” (BaFin) and in France to the “Autorité des marchés financiers” (AMF). This development, actually, can be best understood as a strengthening of the state in financial market regulation. But, at the same time we observe a weakening of the state in the 1980s and 1990s as the large-scale privatization of public utilities unfolds: electricity, water supply, post and telecommunication services, sometimes even the railways go private.

The original hypothesis of TranState research in Bremen was: Each and every dimension of statehood – all four of them: resources, rule of law, democratic legitimacy, and “intervention” – will be transformed in a different way along these two axes. That is way always speak of transformation in the plural: about transformations. Each and every dimension will undergo a transformation different in kind, direction and speed – and such de-synchronisation even happens *within* a dimension. Hence, we seem to be witnessing the “disintegration” of the classic “democratic constitutional welfare state”, of TRUDI. We are observing, so our major hypothesis – the unravelling, the unbundling of the Golden-Age nation state. We first thought that for resources – the monopoly of force and taxation – we wouldn’t find much of any transformation: the state clings to its resources and neither internationalization nor privatization can change that. For the rule of law we expected large-scale internationalization and some privatization, while for democratic legitimation we saw only the European Union as an example for some form of internationalisation. In the case of welfare and intervention we expected large-scale privatization only, no internationalization.

But what did we actually find? Four years of research led us to a more refined, a more complex picture of state transformations. In Bremen four aspects of this process met the eye: **First**, the state is transformed by an internationalization and privatization of the production of public goods which the classic nation state had traditionally supplied. This holds for all four dimensions of statehood. However, the responsibility for producing these goods was not transferred en bloc to a few international or private actors. Rather, it was distributed to various non-state or international institutions. That sounds trite. But we should be careful. We do not see large-scale “globalization”, “Europeanization” or the general empowerment of multinational corporations paralleled by a weakening of the nation-state – although the media and even scientific literature often present us with such perspectives. Rather, the network of actors assembled around the nation-state has multiplied in different ways. How industrial norms and standards are set is just one example: Various private and international actors cooperate with states in complex processes which result in ISO norms or common standards for DVD players.

Second, the state is transformed differently according to *types of responsibility* for the production of public goods. These types are affected differently by internationalization or privatization. The “democratic constitutional welfare state” fused and monopolized not only the four dimensions of statehood. TRUDI also monopolized three types of responsibility for the production of public goods:

- *The responsibility for decision-making*: The nation-state alone decided about form, quality, quantity and the mode of production for the public goods produced on its territory.
- *The responsibility for producing public goods*: The state also *implemented* its own decisions-making; the state (and its bureaucracy) produced the public goods itself.
- *the ultimate political responsibility*: The state was held responsible by its subjects for any problem that came up in producing and distributing these public goods. Whatever the cause for such problems, the state that had to shoulder the political blame.

The classic “democratic constitutional welfare state” of the Golden Age sucked up all three types of responsibility for producing public goods in all four dimensions of statehood. But internationalization and privatization affect these responsibilities quite differently:

The responsibility for **decision-making** is being largely *internationalized*. Collectively binding decisions about the quality and quantity of public goods (at least in the EU) are not made solely by the nation-state anymore. Increasingly these decisions move towards international institutions. This is even the case in the resource dimension, where we originally expected marginal transformations only. Even in security and taxation issues international institutions are progressively involved in the decision-making processes – or they establish at least a political frame-work for decisions left to the nation-state. Implementation is still mostly a nation-state task. Just one example: Today international organizations decide whether and when we may speak of human rights violations and about whether and when humanitarian interventions are called for. And the EU – through its European arrest warrant – redefines the legal frame of the internal security of its Member States, while executing the warrant remains a domain of the national police forces only.

The responsibility for **producing** public goods is marked by a different trend, by *privatization*. Less and less public goods are exclusively produced by state bureaucracies. Increasingly private actors take over these tasks. The state retracts from providing public utilities – electricity, post and telecommunication services. The state surrenders responsibility for the production of these goods; but it largely retains the responsibility for decision-making through public regulatory agencies for the freshly privatized utilities markets. Just take as

examples for such new agencies the area of telecommunications: in Germany it is the “Bundesnetzagentur”, in the UK the Office of Communications (Ofcom) and in France the “Autorité de Regulation des Télécommunications” (ART).

The transformation of the **ultimate political responsibility** for the supply of public goods reveals a different side of the elephant again. The ultimate responsibility still resides *wholly with the nation-state*. If something goes wrong – private air planes falling from heaven, the mad-cow disease, or companies moving from France to the UK – the clamouring is: “the state is responsible, do something!”

Two examples from *Germany*: In 2003 two aircrafts collided near Lake Constance due to mistakes of the private air traffic control company at Zurich airport. The German federal government had transferred the responsibility for air traffic control to a foreign company. Nevertheless, in 2006 the German government was held responsible by a German court for the failure of that private company and it had to pay damages to the victims’ families. Another example is the political fallout produced by the delay in the introduction of a toll system for heavy trucks on the German interstate highways. Although it was the private consortium operating the system that was responsible for a one year delay, it was the German federal government that the public instinctively held responsible for the problems.

The state’s attempts to get rid of its ultimate political responsibility for supplying public goods are largely unsuccessful. Internationalization and privatization seem to have no influence whatever on the ultimate political responsibility of the state to guarantee the supply of public goods.

We have seen internationalization and privatization transform the various types of responsibility for the supply of public goods quite differently.

Third, the state is transformed in a certain mode: Internationalization and privatization don’t effect wholesale transfers in competences. The “modus transformandi” rather is the addition, inclusion and incorporation of additional actors into a planetary network that hovers around and is attracted to the state. Only rarely does the state loose its competences to international institutions or private actors: One of the very few examples for a zero-sum game is the European Economic and Monetary Union (EMU) in which the national central banks lost their competences to the European Central Bank System. In most cases we witness the incorporation of new actors into the network responsible for the supply of public goods. Internationalization and privatization usually lead to the creation of new international or private structures “in the shadow of the state”. These new structures also have to cope with new decision-making or organizational problems for which the state never had any or never

had so much responsibility. International Organizations, for example, create *new* sources of democratic legitimation by incorporating non-governmental organizations into their work. They help themselves to additional sources of legitimacy that are independent from the state sphere. These developments do not interfere with traditional state-based processes of legitimating international organizations but they complement them.

Fourth and last: As the state is transformed interesting changes in the variance of national structures come about: They lead to changes in the width and height of the “corridors” – of the “possibility spaces” for trajectories of state development – in which different national structures may unfold. Privatizations leads to *convergence* of national systems while internationalizations results in *divergence*. The OECD countries converge on the functional axis but do not do so on the spatial one.

That is not simply the case because all states are **privatizing** the provision of public goods at the same time. Some states with traditionally private systems partially nationalize them and move closer to the rest of the flock. One prime example is the health care system of the US since the 1960s.

In contrast, **internationalization** leads to *divergence*. Internationalization transforms all states. But some states especially in Europe are much more prepared to – and do – transfer competences to international institutions than others, like the US, so. Hence, the last remaining super power sometimes behaves like the last “national container state” – to borrow a phrase from Ulrich Beck.

The general process of state transformation process can, thus, be characterized as one of “converging privatization” and “diverging internationalization”.

In sum, we can report from our TranState findings that the state is transformed in four respects:

1. The state is transformed because the production of public goods is farmed out to various public, private and international actors – a distribution of responsibility takes place.
2. The state is transformed because the responsibilities for decision-making, producing, and ultimate political liability concerning the supply of public goods are dispensed to different actors.
3. The state is transformed through the incorporation and inclusion of new actors and not by wholesale transfers of competences from the nation-state to private or international institutions.
4. And the transformations of the state are characterized, at the same time, by “converging privatization” and “diverging internationalization”.

The state, therefore, is neither an *obsolete* institution, nor has it *stayed the same*. “The state as we know it” from Golden Age in the 1960s is being transformed, massively changed.

3. Explaining transformations: the auto-transformation hypothesis

After four years of collecting empirical evidence for state transformations, we at **TranState** are now looking into the causes for these developments. We started with a broad conceptual grid that allows us to integrate a wide array of different explanations. We distinguish *two* basic concepts:

- There are large-scale driving forces, *engines of transformation*: Basically one can envisage large-scale secular trends like globalization or individualization as driving forces. Or one could think about the classic dynamics of “modernization” like “functional differentiation” writ large or – as Ulrich Beck puts it – “reflexive modernization”.
- But such large-scale dynamics do not exert a unified general pressure on states. The original idea that globalization basically leads to convergence is simply wrong. Large-scale secular pressures are mitigated, checked and changed by “*switches*” which influence the direction of transformation. Essentially four such switches are important: first, power and power relationships, second, material and functional interests, third institutional dynamics, and fourth ideas, worldviews or norms.

These driving forces and switches, and especially the interrelationships between them, are addressed in the current four years. And, we have an idea about “who could be the important suspect”, “who done it” – both as an engine and as a switch: the state itself.

Our opening hypothesis was and is: Quite a lot of the transformation dynamics are due to some form of “auto-transformation” effected by the state itself. Just one empirical argument: Major pressures on welfare states from world markets have been driven by developments in financial markets, much more than by markets for goods and services. Two figures: The daily turnover at German “mercantile exchanges” amounts to some 35 to 40 billion €. The turnover at financial exchanges (stocks, money, etc.) is around 1.500 billion €s daily. These vast sums create enormous pressures: Liberalized financial markets, however, did not develop by pure chance or natural evolution. At the very beginning of this dynamic were two very political decisions: Margaret Thatcher’s and Ronald Reagan’s deliberate policies of the early 1980s to deregulate their national financial markets and open them for capital from off-shore centers. They wanted to avoid capital shortages and improve the investment climate. Both Thatcher and Reagan may not have foreseen most of the consequences flowing from these decisions but one fact is obvious: The crucial moment in the rising pressures from financial

markets on states was not the invisible hand of the market, nor some unavoidable structural or functional necessity, but rather a deliberate, maybe short-sighted political decision of the state itself, of two states. What in the literature often is perceived as a large-scale secular trend might just as well – at least in parts – be understood as the result of deliberate political action. So we can detect, again, the state *in some of the engines* that transform the very concept of the classic nation-state.

These interconnections and interdependencies are complex. But it should already be obvious that the background for the transformations of the state in our time is neither a simple principal-agent situation nor a wholly autonomous sovereign state structure (à la Poulantzas). Neither is it the anonymous neo-liberal capitalism that shrinks a powerless nation-state to some dependent laissez-faire agent. Nor is it about the deliberate attempt of a “run-away state bureaucracy” that uses international institutions for scape-goating and credit-claiming its way out of the political pressure cooker of national constituencies and interest groups. Non of this is completely off the mark but these lenses are much too simple to observe the complex landscape of multi-level governance today.

Renate Mayntz recently remarked: “Governance, that is governing without a subject”. Thirty years ago, in the heyday of the nation-state, everybody would have cried out: “This is utterly absurd: politics without politicians, governing without government?”

Today we tend to oscillate between two extremes: helpless structural explanations – globalization was unavoidable –, and over-simplified conspiracy theories – the multi-nationals or the Eurocrats did it. The recent financial crisis is a grim reminder that the world is more complex. Yes, the states are not *in control* of the “subprime mortgage derivatives”. But no, without states and their national banks the crisis would have escalated into a deep financial market disaster. Since we do know this, we simply need better explanations for the transformations of the state that we have lived through in the two last decades.

In Bremen, that’s our job (until 2014)!

Thank you very much!

A short note on some major results of TranState research accessible in English:

If you want to immerse yourself in our work the following volumes will provide you with a good entering wedge:

- I. There are two overview volumes which confront the research program in toto:

- a. Stephan Leibfried & Michael Zürn, eds., *Transformations of the State?* Cambridge: Cambridge University Press 2005
- b. Achim Hurrelmann, Stephan Leibfried, Kerstin Martens, and Peter Mayer, eds., *Transforming the Golden-Age Nation State*, Houndmills, Basingstoke: Palgrave Macmillan 2007 (in print -> November)

The volumes cover all the various (13-15) subprojects in TranState. The introductory chapter (“Reconfiguring the National Constellation”) to Leibfried and Zürn (2005) gives a detailed account of the analytical research programme in our first phase of research (2003-2006) and the introduction to Hurrelmann et al. (2007) brings that à jour for the present stage of research (2007-2010).

- II. There are six other volumes coming out in 2007 in the Series *Transformations of the State* that is published with Palgrave Macmillan at Houndmills, Basingstoke:
 - a. Achim Hurrelmann, Steffen Schneider, and Jens Steffek, eds., *Legitimacy in the Age of Global Politics* 2007 (in print)
 - b. Kerstin Martens, Alessandra Rusconi, and Kathrin Leuze (eds.) *New Arenas of Education Governance: The Impact of International Organizations and Markets on Educational Policy*, 2007 (in print)
 - c. Joan de Bardeleben and Achim Hurrelmann (eds.) *Democratic Dilemmas of Multilevel Governance: Legitimacy, Representation and Accountability in the European Union*, 2007 (in print)
 - d. Klaus Dingwerth, *The New Transnationalism: Private Transnational Governance and its Democratic Legitimacy*, 2007 (in print)
 - e. Peter Starke, *Radical Welfare State Retrenchment: A Comparative Analysis*, 2007 (in print)
 - f. Jens Steffek, Claudia Kissling, and Patricia Nanz (eds.) *Civil Society Participation in European and Global Governance: A Cure for the Democratic Deficit?*, 2007 (in print)

All these volumes result from TranState projects, two of them (Dingwerth and Starke) are monographs. Several volumes will follow early in 2008. One volume comes from outside TranState but is quite topical (De Bardeleben/Hurrelmann 2007).