Let us start with a very general statement: widely conceived processes of globalization bring about transformations of an unprecedented nature and scale. The world we have been thinking about in philosophy, sociology, political sciences or political economy – that is to say, depending on the discipline: the modern world founded on reason and rationality, social communication and dreams of the social order, the world separated into national entities and closed in the formula of the "nation-state", the world of a social contract in which there is a strict connection between welfare state, capitalism, and democracy, finally, the world in which there is a clear priority of politics to economy – is disintegrating right before our eyes together with the gradual passage to the global age.

Therefore today, the questions about democracy may require a deliberation in a different vocabulary: the vocabulary that would be able to break away from the less and less socially appealing myth that was at the foundations of modern social sciences, according to which we keep analyzing the world in which the primary point of reference is the territorially-bound nation-state. As Zygmunt Bauman, an eminent Polish and British sociologist, put it with reference to sociology:

the model of postmodernity, unlike the models of modernity, cannot be grounded in the realities of the nation state, by now clearly not a framework large enough to accommodate the decisive factors in the conduct of interaction and the dynamics of social life.¹

It is an enormous challenge to social sciences to adapt themselves conceptually to the new world in which, perhaps, the nation-state may not play the decisive role ascribed to it by modernity. Perhaps the globalizing world will require a brand new

¹ Zygmunt Bauman, Intimations of Postmodernity, London: Routledge, 1992, p. 65,
And let us ask further questions: to which extent the nation-state is still a socially relevant point of reference and to which it can claim loyalty from its citizens? What is the authority of the state that, unavoidably, in face of increasing competition on the market of goods and services gradually retreats from the functions that once, in the moment of their emergence in the cultural surrounding of modernity, were its raison d'être? What is the current resonance to such notions as the "nation" or the "national interest" and where does "national identity" come from? What are the social and political consequences of the state's retreat from the participation in and governance of the very last, until recently strategic, domains of the economy or the last domains of social services (e.g. healthcare or higher education)? What are the consequences of the parallel existence of political multi-power and of the separation of power from the traditional authority of the state? Is the change of balance from relatively autonomous nation-state towards an anonymous, international market as long-lasting as ideologues and followers of neoliberalism want it, or we just have a temporary imbalance from the hitherto existing state-market equilibrium?

And to go even further: is it really the case that the events of "1989" determined the fate of modernity as a certain cultural and political project? Is the end of modernity, or, as some commentators put it, the passage to the late modernity (Anthony Giddens), to the "second, global modernity" and the "new Enlightenment" (Ulrich Beck) or, finally, to "postmodernity" (Zygmunt Bauman) unavoidable, or it was determined by economic globalization and the most advanced inventions in high technology? Do we still live in the modern world of national states and equally national societies, or we have already found ourselves in a "postnational" world in which there are new rules of the game in all social and political domains, as well as in economy? Is it really so that the stakes in current globalization processes are the redefinition of the most essential notions from political philosophy, as some sociologists, political scientists and philosophers want (from freedom to democracy to the state, market and politics), or we can observe a merely exaggerated attempt to conceptualize a seemingly new world in seemingly redefined terms? In other words, do we face the necessity of working out a new formula of a social contract – guaranteed so far by the nation-state – or we are entering an increasingly globalizing new world without any wider social agreements, in the form we used to have in the modern age? Where does the fear of integration take its roots all over the world?

Is globalization, neoliberalism and social, political, economic and cultural processes strictly associated with them an expression of a "new totalitarianism", a "two-headed monster of technology and finance", or "cancer" on the healthy social fabric, a "new faith" and "good word" preached by the most important international monetary and economic institutions, as an influential French leftist critic, Ignacio Ramonet, described them recently? Is globalization a "social process" or "political

---

Is – and if yes, to which extent – globalization a vast political project promoted in the form of a neutral language of economics and social sciences? Or maybe neoliberalism is a political project (of an almost Marxian aspirations) that is engaged in constructing a new "metaphysics of free market" (as mentioned by Beck)? Is it the case that after God, Reason, History – the time has come for the Market, be it free and deregulated? All signs indicate that this may be the case.

Thus, there are serious indications that the nation-state as a political and cultural project is in retreat right now in a surrounding determined by the processes of globalization, which in itself is a subject of heated debates. As Dani Rodrik, an influential American political economist, put it recently, "we need to upfront about the irreversibility of the many changes that have occurred in the global economy. ... In short, the genie cannot be stuffed back into the bottle, even if it were desirable to do so. We will need more imaginative and more subtle responses".

I have to agree once again with the diagnosis suggested by Ulrich Beck who says that the only constant feature of globalization is the overturning of the central premiss of the "first" i.e. national modernity: the rejection of the idea that "we live and act in the self-enclosed spaces of national states and their respective national societies".

Capital, goods, technologies, information and people cross borders in the way that was unimaginable still a couple of years ago: therefore globalization is called "the contraction of time and space" (Bauman), "the overcoming of distance" (Beck) or "the end of geography" (Paul Virilio). Within a new global configuration, economy gets less and less dependent on politics. Therefore I suppose it is interesting to think about the thesis put forward by the above mentioned Dani Rodrik in his book Has Globalization Gone Too Far?:

the most serious challenge for the world economy in the years ahead lies in making globalization compatible with domestic social and political stability - ... in ensuring that international economic integration does not contribute to domestic social disintegration.

The power of the state as such is increasingly seen as merely administration and less and less often as the governance of (national) spirits. Saskia Sassen, an
American sociologist of globalization describes the current situation as "partial internationalizing of national territory" and as a "partial shift of some components of state sovereignty to other institutions, from supranational entities to the global capital market".

4.

The potential decline of the nation-states brings about vast social, economic, and political consequences of a global nature. But what does it actually mean: the decline of the nation-state? This common expression finds numerous explanations. Just to give several most recent examples: Susan Strange in her book *The Retreat of the State* refers to the "reversal of the state-market balance of power" and says that the state is undergoing a metamorphosis brought on by structural change in world society and economy. ... [I]t can no longer make the exceptional claims and demands that it once did. It is becoming, once more and as in the past, just one more source of authority among several, with limited powers and resources".14 Martin Albrow goes even further when he states that "effectively the nation-state no longer contains the aspirations nor monopolizes the attention of those who live on its territory. The separation of the nation-state from the social relations of its citizens is by no means complete, but it has advanced a long way" or, to put it in a nutshell, "society and the nation-state have pulled apart".15 Ulrich Beck describing the "second modernity" claims that

the advent of globalization involves not only an erosion of the tasks and institutions of the state, but also a fundamental transformation of its underlying premises. The second modernity brings into being, alongside the world society of national states, a powerful non-state world society different from previously existing forms of political legitimization, which is made up of transnational players of the most diverse kinds".16

Globalization in his account brings about a society that is multidimensional, polycentric and contingent and in which the national and the transnational coexist with each other. What is at stake in the globalization campaign is not only the fate of the nation-state: it is also political freedom, democracy and the substance of politics, for if global capitalism dissolves the core values of the work society, "a historical link between capitalism, welfare state and democracy will break apart".17


17 Ibidem, p. 62.
Finally, in thinking about the nation-state today it is important to avoid the global/national duality, as Saskia Sassen keeps reminding both in her *Losing Control? Sovereignty in an Age of Globalization* and in recent *Globalization and Its Discontents*: it is not simply so that the national state is simply losing significance, it is not so that "what one wins, the other loses", because "the state itself has been a key agent in the implementation of global processes, and it has emerged quite altered by this participation" and it is engaged in "the production of legality around new forms of economic activity". In this light the alternative "states or markets" may not be as sharp as it looks at first sight and thinking about the nation-state, national identity and democracy leads us to thinking about globalization and the question whether we regard it as still a "choice" or already a "reality". To the question whether the state will disappear, my answer would be: it would not, but what remains would certainly not be the state as we know it. It will no longer be a provider of public and social services and it will become more of an arbiter between competing, mainly economic, forces, guaranteeing fair play of all participants of the game.

Thus, national identity, as we have indicated, seems to cease to play the crucial role in social life of contemporary technologically advanced, free countries of the late modern society (as Susan Strange puts it: "today it is much more doubtful that the state ... can still claim a degree of loyalty from the citizen substantially greater than the loyalty given to family, to the firm, to the political party or even in some case to the local football team").

5.

Finally, to move on to the contemporary "question of the modern university" (as can be seen from such splendid volumes as Currie and Newson's *Universities and Globalization* or Peter Scott's *The Globalization of Higher Education*), the questions asked above could be reformulated with respect to this institution: is the university in danger of introducing practices of management taken directly from the world of business together with the Geist of globalization? Will the university in its late-modern version be still able to give birth to judgements that are critical to

---

21 See the exchange between Thomas L. Friedman and Ignacio Ramonet in "Foreign Policy", Fall 1999 which shows the difference between French and American attitudes toward globalization.
the society and to provide haven to their authors? Are scholars about to become - to use two descriptions from American sociology of the academic profession - "entrepreneurs" and "academic capitalists"? Is the academic activity destined to have an exceptional status, and the university as an institution an exceptional place in our changing culture? Is globalization, to draw a bit larger picture again, a (Postmodellian) "regime of truth", a new intellectual fundamentalism, as one can hear e.g. in France? And, finally, is higher education merely a private commodity or still a public good?

At the same time a less cultural and philosophical and more economic and political context could be described in the following manner: Western democracies are in the process of a vast reformulation of their institutions of the welfare state, and the modern university, as a significant user of public resources, is a part of it. The state, it seems, is unable to satisfy growing needs of the Academy if it wants to satisfy a large number of other needs with decreasing financial resources at its disposal.24

Social and cultural changes today occur with the speed that was unimaginable to us a few decades ago. The world is changing faster and faster and the university has smaller and smaller influence on the direction these changes take (if it ever had). It is no longer a partner for power (of the nation-state); it becomes one among several points of budgetary needs that, preferably, should be cut or reduced. One thing is certain: nothing is permanent or guaranteed in culture: no status or place, no role or social task. This fact is well known by all those whose influence in culture have been radically reduced. Participants in a current debate about the future of the university certainly have to avoid the survivalist mentality; otherwise what Zygmunt Bauman says about globalization in general - "it is not about what we all ... wish or hope to do. It is about what is happening to us all"25 – will come true with respect to globalization of higher education in particular. The ruthless logic of consumerism provides us with the idea that the best American universities greeted with satisfaction: the idea of "excellence in education", behind which there are the ideals of the fast-reaching, most useful and best-selling knowledge. As numerous commentators of the phenomenon write – it is right there that the university as an institution becomes a bureaucratically-governed, consumer-oriented corporation.26

---


26 From a practical perspective, two works are significant: Wise Moves in Hard Times. Creating and Managing Resilient Colleges and Universities by David W. Leslie and E.K. Fretwell Jr. (San Francisco: Jossey-Bass, 1996) and Reinventing the University. Managing and Financing Institutions of Higher Education ed. by Sandra L. Johnson and Sean C. Rush (New York: John Wiley & Sons, 1995) which do not leave a shadow of a doubt about the general direction in which the university as an institution moves. Its aim is "providing an attractive product at a fair price – giving society value for its money" (p. 26). In the other book, one can find such statements as the following: "Higher education will never be the same. Political and
To quote just one recommendation: "The only thing that higher education has to do, it seems, is sell its good and services in the marketplace like other businesses..." The crucial words for the description of the university from this perspective are the following: managerial, corporate, entrepreneurial, as well as corporatization, marketization and "academic capitalism".

6.

Thus, I would like to link the question of the role of the university in society and culture today with two parallel processes: first, the questioning of the nation-state in the global age and, second, the gradual decomposition of the welfare state in the majority of OECD countries. The first theme is much more historical and philosophical, the second much more sociological and public policy-oriented. The university in its modern form was closely linked with the nineteenth-century political invention of the nation-state and that the university in the last half century was more and more dependent on the welfare state as it was gradually passing from its elite to the mass (and in current predictions) to near-universal participation model. What happens right now, in very broad terms, is, first, a major redefinition of both the state’s responsibilities we are familiar with in the model of the welfare state and, second, a major revision in thinking about the role of the state in contemporary politics and economy brought about by globalization processes and the possible demise of the nation-state.

There are few institutions in contemporary world that are affected at the same time by both reconfigurations, for there were few institutions so closely dependent at the same time on the two fundamental paradigms, the nation- and the nation-

corporate America have already responded by fundamentally restructuring the way they operate” (p. 22). The time has come for the universities to respond...


28 It is important to note the two significant books that have appeared within a decade: Janice Newson, Howard Buchbinder, *The University Means Business. Universities, Corporations and Academic Work* (Toronto: Garamond Press, 1988) and already mentioned *Universities and Globalization. Critical Perspectives*. Both present a precise report and details interpretation by sociologists and political scientists of the phenomena occurring at the anglophone universities. They show the way the ideology of free market enters the university in the form of practices drawn directly from the corporate world (high-level management, rectors as CEO’s, nominated rather than elected deans; accountability, privatization, performance indicators etc.).

29 “Academic capitalism” is the term coined by Sheila Slaughter and Larry L. Leslie.I fully agree with the diagnosis they present: “globalization of the political economy at the end of the twentieth century is destabilizing patterns of university professional work developed over the past hundred years. Globalization is creating new structures, incentives, and rewards for some aspects of academic careers and is simultaneously instituting constraints and disincentives for other aspects of careers”, *Academic Capitalism. Politics, Policy and the Entrepreneurial University*, Baltimore: Johns Hopkins UP, p. 1.
Certainly, the modern German-inspired university in the form we know in Europe (as well as with some modifications in America) is one of them.

As a recent American publication *The Challenges and Opportunities Facing Higher Education. An Agenda for Policy Research* states in its conclusions: "First, policy for the coming decade cannot be fashioned successfully by fine-tuning policies that are currently in place; policymakers need an entirely new conceptual approach to policy frameworks and subsequently to the individual components of policy. Second, policy — and policy research — must be conceived holistically. Although policy is likely to be implemented piecemeal, it must be designed within the context of a broader perspective". What I am trying here to do is to provide that broader perspective in question. Hard times have come for higher education all over the world. It is not accidental that following the end of the Cold War, the collapse of Communism, and together with further spread of free-market economy and neo-liberal economic views all over the world, public higher education institutions and the universities in particular are under siege worldwide. Current problems of public higher education are connected with much deeper problems of the public sector in general. Financing and managing higher education institutions was on the top of the agenda worldwide in the 1990s. Interestingly enough, the patterns of reforms and the directions thought about were similar in countries with different political-economic systems and different higher education traditions, not to mention their different technological and civilizational advancement. No matter what fiscal prosperity we could expect — the general conclusion went on in numerous recent educational policy reports — hard times are coming for our educational institutions and their faculty (as Philip G. Altbach recently phrased it: "the [academic] profession’s ‘golden age’ ... has come to an end"). Budgets are going to squeeze, state support is small and is expected to be even smaller, owing to other huge social needs, universalization of higher education, its expansion in scope, diversity and numbers, and a growing social dissatisfaction with the public sphere in general, higher education included.

So the global direction taken by governments worldwide, with huge intellectual backup provided by supranational organizations, is toward lifelong learning for all and a near-universal participation at more and more market-oriented, financially independent, institutions of higher education. This direction is nowadays quite

---

explicit. As Harold A. Hovey claims in a penetrating report *State Spending For Higher Education in the Next Decade. The Battle to Sustain Current Support*, higher education generally is not competing successfully with the attractions of other forms of state spending. In his account, "the underlying question about spending will be whether, at the margin, higher education spending is contributing more than spending at the margin in other programs. This question will be raised in a political dimension with the adverse electoral consequences of cuts in higher education compared with cuts affecting public schools, healthcare providers and others active in state politics". Generally speaking, the fiscal predictions for public higher education spending are bad: mere maintaining of current services – in this case in the USA – seems very difficult.

7.

Thus, from a wider perspective, globalization processes and fierce international competition brought back to the world agenda the issue of the role of the state in contemporary world: as the World Bank publication *The State in a Changing World* put it in the opening paragraph:

Around the globe, the state is in the spotlight. Far-reaching developments in the global economy have us revisiting basic questions about government: what its role should be, what it can and cannot do, and how best to do it.

We have to remember that rethinking the university today is inseparable from rethinking the state today: first, the modern university was put by its German philosophical founders at the disposal of the nation-state, and, second, the university is traditionally a vast consumer of public revenues. And rethinking the state goes in two parallel directions: the nation-state today and the welfare state today.

Both ideas are clearly linked with the modern institution of the university, and fundamental reformulations of them will surely affect it. Generally, the state is increasingly seen as a "facilitator", "regulator", "partner", and "catalyst" rather than direct provider of growth or of social services. What it means is a redefinition of state's responsibilities towards society and high selectivity in activities supported with public funds. "Choosing what to do and what not to do is critical", as the World Bank publication nicely phrases it – and in this context hard times are ahead for higher education worldwide.

OECD's *Redefining Tertiary Education* speaks of a "fundamental shift" and a "new paradigm" of tertiary education for all, as well as about a "historic shift" and a "cultural change". I fully agree when the report says that "it is an era of searching, questioning, and at times of profound uncertainty, of numerous reforms and essays in the renewal of tertiary education". The question about the university today cannot be answered in isolation; it goes hand in hand with questions about cultural and civilizational changes brought about by the Internet and information technology, with the issues of globalization, the welfare- and nation-state, etc.

As a result of all these changes it may happen that certain activities traditionally viewed as belonging to the state's sphere of responsibilities may not be seen in this way anymore. Higher education is certainly a serious issue in this context, and a general trend towards subsidizing consumers rather than providers, that is to say, students rather than institutions of higher learning (or "the client perspective" in OECD terminology) as well as a shift not only from government, but also from higher education institutions and their faculty to their "client" - is symptomatic.

To sum up: rethinking the social, political and cultural consequences of globalization is a crucial task for social sciences. The decline of the nation-state - even seen as only giving some terrain of power to new transnational political players - is strictly connected with violent globalization processes, which, consequently, should lead to the redefinition of such notions fundamental for social sciences as democracy, freedom or politics. In the situation generated by the emergence of the global market and global economy, a constant deliberation is needed about new relations between capitalism and democracy, as much as about new relations between economy and politics. Philosophically speaking, the decline of the nation-state goes hand in hand with the end of modernity, and postmodernity philosophically seen as the end of the Enlightenment political and cultural project (called "The Modern Project" by Habermas) may turn out to be merely the vanguard that signals processes leading in a more or less unavoidable way towards a new, unknown, global age. Philosophy that gave conceptual framework to modernity and Enlightenment (and at the same time to the modern institution of the university and the modern figure of the intellectual) should try to prepare its instruments to meet brand new challenges brought about by globalization: it is its prime social responsibility today.

**Acknowledgments:** I would like to acknowledge the generous support provided by the Center for Policy Studies, Central European University, Budapest, in the form of an International OSI Policy Fellowship.

---


WORKS CITED:


Ramonet, Ignacio, "A New Totalitarianism", "Foreign Policy", Fall 1999


VON DER EMANZIPATION
ZUR INTEGRATION
theory of the state and a renewed theory of democracy in a situation in which the
nation-state, although has not disappeared and surely will not disappear, but never-
theless becomes weaker and weaker in its confrontation with new global political
entities, such as e.g. supranational political entities, or in its confrontation with
international organizations, transnational corporations, nongovernmental and inde-
pendent system of commercial arbitration, ratings provided by international rating
agencies or with limitations of various military, political and economic treaties and
unions. In face of the unavoidable, as it seems, giving at least some way to new
political players (including transnational corporations, no matter how they view
themselves), classical questions concerning freedom, democracy, state and politics
in my view may require a radical reformulation.

The key question would be about the chances of a new social justice and the
possibility of accepting a new social contract in the situation in which the connec-
tions between the nation-state and society are becoming weaker and the choices
made by traditional politics of the state are being replaced by nongovernmental
choices of an increasingly economic character. Ulrich Beck, an influential German
sociologist, warns us that in the case of globalization "everything we have is at
stake. Political freedom and democracy in Europe are at stake". I would add, fol-
lowing Beck – in Europe, and not only there. The issue gets really global.

In the face of globalization on the one hand and the cultural passage to the late
modernity on the other, the questions about the decline of the nation-state are asked
continuously by sociologists, political scientists, philosophers, economists or histori-
ans. The nation-state as a product of modernity is under questioning: in this context,
the crucial oppositions are for instance those between "national disintegration" and
"international integration", "globalization" and "national social stability", "market" and
"society", "market" and "state", "economy" and "politics", "economy" and "democ-
acy" etc etc. The current question about the nation-state is at the same time the ques-
tion about the future of capitalism or the future of the market economy, the future of
democracy and the welfare state; it is also the question about political freedom and a
still binding, modern social contract according to which there is a clear connection
between social and material safety and political freedom.

The question about the possibility of the decline of the nation-state in my ac-
count is parallel to that about the human and social consequences of globalization
and that about the end of modernity (and, at the same time, about the decline of the
institution of the university in its modern formulation). These questions form a web
that modern thought without modifying its guiding premises seems unable to cope
with. New cultural, social, political and economic surrounding brought about by

1 See my recent text “The Identity Crisis? Philosophical Questions about the University as a Modern
Institution” in a volume ed. by. Z. Drozdowicz, P. Gerlich and K. Glass, Europaisierung der
Hildungssysteme (Vienna: Oesterreichische Gesellschaft fuer Mitteleuropaische Studien, 2000).
processes and practices of globalization seems to require a brand new vocabulary. As we obviously do not possess it yet, we keep approaching the phenomena of the new (global) world with old measures and outmoded languages.

Speaking in the most general terms: there is quite an astonishing consent with the view that globalization as a specter of social and economic practices introduces to our world a new quality: "a sense of rupture with the past pervades the public consciousness of our time", as Martin Albrow puts it in his *Global Age. State and Society Beyond Modernity*, and Ulrich Beck in his important study *Was Ist Globalisierung?* describes in sociological terms the current passage from the "first" (national) to the "second" (global) modernity as a "fundamental transformation, a paradigm shift, a departure into the unknown world of globality". It can be said that we are facing the decline of the world we have been accustomed to: as Malcolm Waters put it, that is "the end of the world as we know it". The question of the role played by the nation-state in contemporary world and of its future in face of globalization is a crucial one.

2.

The questions I would see as the most important in this context would be the following: is Francis Fukuyama right, after almost a decade passed since he formulated his initial stance, when he says in his *The End of History and the Last Man* that the vast part of the world does not know the ideology that could "challenge liberal democracy", and, which still more difficult to accept off-handedly, when he says that we are unable to envisage the world "essentially different" from our own world, and better at the same time? Is George Soros, a successful practitioner of capitalism, right when he mentions in his recent *Crisis of Global Capitalism* a "weak" and "difficult" relations between capitalism and democracy? Can increasingly advanced processes of international integration lead to national political and social disintegration? To which extent the nation-state has participated and still participates in an increasing disintegration of itself, by liberalizing the economy, reducing duty barriers, privatizing, deregulating and giving bits and pieces of it sovereignty to various political entities by introducing new legal regulations? Is the nation-state still a necessary guarantor of contracts signed and economic promises made? Is it possible for democracy to exist without classical social guarantees, that is to say, in separation from what Beck has called "work society" – a society that to a smaller or greater degree guarantees material safety to its working citizens? Does globalization introduce a zero-sum game – for someone to win, someone else has to lose? Who will be winners and who losers of globalization?

---