

6 January 2014

The State Is Here to Stay

According to Alejandro Quiroz Flores, the modern state holds two comparative advantages over other forms of political organization — it is far better at directing large and complex societies, and it is better at structuring their international relations and security. Yes, he concludes, the state is here to stay.

By Alejandro Quiroz Flores for ISN

Since the Renaissance, large groups of individuals have experimented with different types of political organizations and institutions to regulate their social and economic interactions. These organizations include city-states and city-leagues, as well as the modern state and international and regional organizations based on state membership. Historical evidence suggests, however, that the modern, sovereign, territorial state is the only long lasting, politically feasible, revenue efficient, and military effective organization capable to withstand, and profit from, complex domestic and international challenges and opportunities. This was true in the 17th Century and it is just as true in the new millennium.

Comparative Advantage

The success of the state as the basic unit of political organization permeates our daily lives to the extent that it is quite often taken for granted. Regardless of the definition of the state, we often accept that some sort of higher political organization with sovereignty over a relatively well-defined territory has existed for centuries to collect our taxes and protect us from ourselves and from foreign forces. However, as mentioned above, this was not always the case. The state as we know it is a relatively new organization that just so happened to be more efficient and effective than alternative forms of political association.

This argument was perhaps best articulated by Henrik Spruyt in his 1996 book *The Sovereign State and Its Competitors: An Analysis of Systems Change*. Here, Spruyt echoes previous calls for an answer as to why the state rather than other forms of organization became the essential political unit in the international system. Part of the answer resides in the state's comparative advantage in organizing domestic society (for example, the collection of taxes) and structuring external affairs (fighting wars).

However, the state has an additional and more *modern* comparative advantage—it is better at dealing with growing populations. Multiple examples suggest that there are groups of individuals who can self-regulate their transactions, both economic and political. The same is also true of criminal organizations which have been regulating themselves for hundreds of years. Yet, this kind of self-regulation is feasible only in small groups. It is well known that rational preference aggregation

and collective action—all necessary for companies, drug cartels, and societies to function properly—is almost impossible to achieve as group size increases. A small group of friends can agree on what movie to watch on a Friday night, but a nation of 1.3 billion individuals will have difficulty on making the same decision. Even if a large number of individuals can agree on a single goal, say, being wealthy rather than poor, or being safe rather than not, they are likely to disagree on how to reach that goal, or who will pay for it.

Problem Solvers

Apart from exceptional periods of mass decline in population numbers caused by disease or other disasters, societies have been getting larger, not smaller. What then explains the large number of relatively wealthy, law-abiding societies that millions of people live in? To a large extent, it's the state. States have a comparative advantage in solving problems of collective action ubiquitous in large, modern societies. They provide focal points, enforce rules, and promote cooperation among *millions* of individuals. As Dani Rodrik put it in his 2007 essay [The Limits of Self-Enforcing Agreements](#): "There is no example of a society that has become prosperous without a state machinery."

The state's ability to solve collective action problems has also allowed it to accumulate resources way beyond the limits of what a city or a transnational corporation can produce. Of course, it could be argued that firms are quite profitable. Royal Dutch Shell, for example, had [revenues](#) of \$484,484 million in 2012, while Exxon Mobil accrued \$52,929 million in revenues, and Wal-Mart Stores made \$446,950 million. These revenues (not necessarily the profits) are certainly larger than Haiti's Gross Domestic Product (GDP) in 2009, which amounted to \$3,909 million, and even Sri Lanka's \$25,025 million. Yet, they are incomparable to Brazil's 2009 GDP of \$856,020 million, the United Kingdom's \$1,682,660 million, or the \$11,250,700 million of the United States. Accordingly, companies exist to create profit and the most successful of them cannot compete in the production of wealth with the most prosperous and democratic of states.

Size Matters

Recent developments in the area of national security also suggest that the state retains its comparative advantage in providing it, or at least in implementing mass surveillance (perhaps at the expense of liberty, but this is a different matter). In 2013, [Edward Snowden](#) provided access to thousands of files detailing the "...extensive and intrusive nature of phone and internet surveillance and intelligence gathering by the US and its western allies". Only in September 2013, [Facebook](#) had 1.19 billion monthly active users. Thus, keeping track of the activities of millions of internet users can only be done by the companies providing these services or by state agencies with massive amounts of resources, both material and human. There are, of course, opportunities for international cooperation to be undertaken between states or between states and private corporations in the name of national and cyber-security. As long as threats to national security require of mass surveillance, only the state has the resources to provide it.

Self-enforcing

So, the state as we know it today is effectively the long-term product of the optimal strategies of numerous political and economic actors. As such it is also self-enforcing and, therefore, extremely difficult to replace as long as the preferences of the actors involved do not change. Yet, this does not mean that the state is infallible. At the end of the day, there are failed and weak states. Yet, with the exception of a few very wealthy and small societies such as Singapore, there are no successful city-leagues or city-states. In other words, it seems that the "best" form of organization is the modern

state. Perhaps for this reason the international community regularly assists failed and weak states in order to turn them into modern, well-functioning ones rather successful city-leagues.

In sum, the state is here to stay because it has a comparative advantage in collecting the resources necessary to organize very large and complex societies, and interact with similar political organizations. The state will only lose its place in history when completely new and radical conditions demand a different political chimera to deliver individuals from a life of “continual fear and danger of violent death,” as Hobbes first motivated his case for the modern, sovereign, territorial state.

Alejandro Quiroz Flores is an Assistant Professor in the Department of Government at the University of Essex. His research interests lie at the intersection between International Relations and Political Economy.

Publisher

[International Relations and Security Network \(ISN\)](#)

Creative Commons Attribution-NonCommercial 3.0 Unported

<http://www.isn.ethz.ch/Digital-Library/Articles/Detail/?id=174174&lng=en>

ISN, Center for Security Studies (CSS), ETH Zurich, Switzerland