

“The Declining Authority of States”

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Structure

1. Strange's Position
2. Patterns of Authority in the International Political Economy
3. Questions

1. Strange's Position

- three main assumptions that constitute her argument
 - criticizes social scientists, people in economics and politics; they work with obsolete concepts and cling to inappropriate theories
- first assumption is that politics is a common activity, which is not only limited to politicians and their officials
 - understanding in the population that national politicians can not control economy
 - politicians increase their interference in other areas of life to legitimize their own position

1. Strange's Position

- second assumption is that power over outcomes is exercised more and more impersonally by markets
 - state has lost most of its influence
 - prime cause of shift in balance of power is the accelerating pace of technological change
 - Strange projects that technological advances will further accelerate in the future
- third assumption is that authority in society and over economic transactions is exercised by agents other than states
 - escalation in the capital cost of most technological innovations
 - governments can benefit from a Transnational Corporation's past and future investments without bearing the costs and therefore have strong reasons for implementing alliances with those TNC's
 - but results in dependency and loss of power

2. Patterns of Authority in the International Political Economy

1. growing asymmetry among allegedly sovereign states in the authority they exercise in society and economy (structural power)
 - there has always been a difference between small and great powers
 - but also some uniformity each state has in control over its own social and economic relations
 - structural power some states have make them a lot more powerful than smaller ones, difference is ever-increasing

2. Patterns of Authority in the International Political Economy

2. authority of the governments of all states has been weakened as a result of technological and financial change and because of integration of national economies into one world economy
 - shortcomings of national economies are not the fault of national governments
 - not to be blamed on other countries as well
 - the weakening influence and authority of the states results from the market economy
 - “states as victims”

2. Patterns of Authority in the International Political Economy

3. fundamental responsibilities of states in market economies are not in their control anymore
 - vacuum in the international political economy
 - “diffusion” of authority away from national governments
 - some to other institutions and associations (EU), or to local and regional bodies (Germany → federalism)
 - has left spaces of non-authority (“ungovernance”)

3. Questions

1. Do we have one world economy like Strange suggests?
2. Do you agree with her view that countries do not have control over their economies at all?