

Actors in Global Politics: Power and Policy





The Power of States and the Rise of Transnational Actors

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For at least three hundred years, sovereign states have been the most important political organizations in the global system. Their preeminence has not gone unchallenged, and there are good reasons to believe that these particular organizations may not allow humankind to deal with problems that have become more serious in the twenty-first century. Even so, states are still a very important kind of political entity and are likely to remain significant. An understanding of global politics necessarily involves a grasp of the essential characteristics of states, including states' power to influence other states. States, however, are not the only international actors on the global stage. Organizations that transcend state boundaries include nongovernmental organizations, multinational business corporations, and terrorist groups. There is indication that the number and significance of these organizations are rising and that they represent a challenge to the power of states, if not to the state system itself.

Nations and States

The terms *nation* and *state* are commonly treated as interchangeable in discussions of international relations. The name of the subfield itself, *international relations*, is an example of this practice. Even though the term includes "nation," the subfield actually focuses on states most of the time. Strictly speaking, *nation* and *state* are not exactly interchangeable terms, and the distinction between them shows signs of becoming particularly important in the future. A **nation** is "a named human population sharing an historical territory, common myths and historical memories, a mass, public culture, a common economy and common legal rights and duties for all members."¹ It is a psychological concept because it concerns humans' attachments to the group with which they identify. The basis of national identity is often shared ethnicity, language, or religion. A state, in contrast, is a political organization, or a government that exercises supreme authority over a defined territory.²

One of the major sources of tension in global politics today is that nation boundaries are not contiguous with state boundaries. There are several states that contain more than one nation; they are **multinational states**. The state of Great Britain, for example, contains the English, Irish, Scottish, and Welsh nations. Most states in Africa contain many, many ethnic groups, some of which identify themselves as nations. Furthermore, there are many nations that cross the boundaries of several states; they are **multistate nations**. The nation of Korea, for example, crosses the states of North Korea and South Korea. Some nations that cross many state boundaries are really not represented in any state; they are **stateless nations**. The Kurdish nation, for example, is a minority in Iraq, Iran, and Turkey. In rare cases, nation boundaries roughly match state boundaries in true nation-states. Most of those who identify themselves as part of the Japanese nation, for example, live inside the state of Japan, and most of those living inside the state of Japan share a Japanese national identity.

nation A community of people sharing a common identity, often based on shared history and culture.



Map: Languages, Atlas page 14



Map: Religions, Atlas page 15

multinational states States that contain more than one nation.

multistate nations Nations that cross the boundaries of several states.

stateless nations Nations that cross many state boundaries but are not really represented in any state.

Chapter 7 will discuss the sources of national identity and the consequences that national identity has for states and global politics. While nations are a growing force of transformation and change in the international system, they have not replaced states as the dominant way the system is organized. States remain the main actor on the global stage.

The Power of States

power The ability of an actor to influence others. State power is largely influenced by state capabilities, but it is a multidimensional concept.

If states have traditionally been considered the most important kind of political organization in the global system, the **power** of states has been treated as the most important concept in the study of world politics. Power, as discussed in Chapter 1, is the central concept in the realist theoretical perspective. States, according to realism, pursue their interests, defined as power. Everything a state does can be explained by its desire to maintain, safeguard, or increase its power in relation to other states.

But what *is* power? Although it is central to the study of world politics,³ the concept has been defined in a confusing variety of ways. Perhaps the two most important types of definitions of power distinguish between what a state *possesses* and what a state is able *to do*. One important definition is provided by Hans Morgenthau in his classic text, *Politics Among Nations*: “When we speak of power, we mean man’s control over the minds and actions of other men.”⁴ This has to do with influence. But it is quite clear that many analysts also think of power as being embodied in resources that a state possesses, such as the size of its population, its geographical size, or the size of its gross national product (GNP; see discussion that follows).⁵ Not surprisingly, the theoretical perspectives introduced in Chapter 1 differ on which components of state power are most important.

The Paradox of Unrealized Power

Most of the confusion about power arises from the complex relationship between a state’s control over resources (what it possesses), on the one hand, and its ability to affect the behavior of others or to control outcomes in international disputes, conflicts, and wars (what it can do), on the other. Some confusion might be avoided if we (1) reserved the word *power* to refer to the resources or capabilities that give a state the potential to control outcomes and (2) referred to the actual ability of states to control outcomes as *influence*. But the confusion surrounding the concept of power in the analysis of international politics cannot be resolved with a couple of simple definitional distinctions. If State A is more powerful than State B in the sense that it possesses more resources, then we expect State A also to prevail in conflicts, at least most of the time. Exceptions to that rule are surprising, regardless of whether we define power as control over resources *and* control over outcomes or whether we reserve the term *influence* for the latter type of control. But exceptions do exist. For

example, the United States, with its vast nuclear arsenal and much larger military force, took on North Vietnam in a conflict over the fate of South Vietnam, and North Vietnam won. The Soviet Union invaded Afghanistan in 1979 and pulled its troops out in 1989, leaving behind a chaotic situation that persists to this day. In short, although the Soviets did not exactly lose the war in Afghanistan, the government the Soviets were protecting did not last long after their departure. It seems fair to conclude that the tremendous advantage in resources that the Soviets had over Afghanistan did not make it easy for them to prevail. They fought for ten years and left behind a shaky government that ultimately fell to Islamic groups that they (the Soviets) had been determined to keep out of power.

paradox of unrealized power A situation in which a state that possesses greater military capabilities loses in conflicts to apparently much weaker actors.

A common response to this kind of **paradox of unrealized power** (in which far more powerful states lose in conflicts with apparently much weaker states) is that the ostensibly more powerful states somehow failed to translate their powerful resources into actual power. The United States did not win the Vietnam War, according to this type of explanation, because it did not want to win badly enough, or at least not as much as the North Vietnamese did. Similarly, the former Soviet Union got bogged down in Afghanistan for so long and with such uncertain results because it did not devote sufficient effort to the task. “He had the cards but played them poorly” is the theme of such explanations.⁶ Explanations of this type are dangerous because they are difficult to disprove. You might devise an argument, for example, that in asymmetric conflicts, the actor with the bigger army will always win. A critic could point out that although the United States had a much bigger army than North Vietnam, it lost the war against that country. You could save your argument by saying that the state with the bigger army will always win unless it does not really want to, and that is what happened in Vietnam. But you could then try to save your argument with that tactic in every imaginable case. In doing so, you would really be admitting that bigger armies are not really that important, that it is indeed the will to win that is critical.

When we try to predict when power, or capabilities, will translate into influence, it is best to realize that there are various types of power, including the will to win, that factor into a state’s ability to influence others. In addition to the military power and resolve, power comes from economic resources, values, control of the agenda, ideas, and cooperative abilities. Thus, states with great capabilities do not necessarily always have influence.

Military Capabilities

The best strategy for dealing with the paradox of unrealized power begins with the realization that such upsets in asymmetric conflicts between states, especially if they escalate to war, are unusual.⁷ The Roman historian Tacitus, as well as Comte de Bussy, Frederick the Great, Napoleon, and Voltaire (among others), have all been credited with aphorisms to the

effect that “God is always on the side of the larger battalions.” In other words, when two states engage in conflict, the leaders and generals of both may pray for success, but usually the state with the greater military force has a better chance of having its prayers answered, thus allegedly revealing God’s preferences in such matters. It is for this reason that realism typically focuses on military capabilities as the primary ingredient in a state’s power.

If, for example, we look at the thirty wars between two states that occurred between 1816 and 1965, we find that the state with the larger armed force won all but nine of those conflicts.⁸ A review of interstate wars involving major powers over the past 500 years shows that major powers usually win wars they fight against minor powers and, further, that in more recent centuries, major powers have become involved more often in wars with minor power opponents only. Not surprisingly, the percentage of victories that major powers achieved in those more recent wars has increased.⁹ “Most interstate wars [are] won by the stronger nation or coalition. . . . Examples of conflicts in which militarily inferior nations emerged as victors . . . are exceptional rather than typical cases.”¹⁰

Still, the theory based on God’s bias in favor of large battalions is much less than perfect, as is demonstrated by the examples of the United States versus North Vietnam and the Soviet Union versus Afghanistan. And, as noted above, nine states with smaller military forces have won wars between 1816 and 1965. Furthermore, asymmetric conflicts that are fought between states and guerilla forces or militarized insurgencies, instead of just between states, are not always won by the most powerful. Unlike conventional warfare in which massive numbers of forces attempt to overwhelm the other side with weight and firepower, guerilla fighting (also called **asymmetrical warfare**) involves ambush tactics to wear down the other side, rather than defeat it or capture and hold territory.¹¹ Insurgent groups have had their successes: “Indeed, they have succeeded against Britain (in Palestine), France (in Algeria), the United States (in Vietnam) and Israel (in Lebanon) in spite of clear battlefield inferiority.”¹²

It is possible to modify the explanation that relies on military capability only slightly, allowing it to deal with the paradox of unrealized power in many cases. If the state with the larger battalions does not win, it can be argued, the state with the smaller battalions must have received help from powerful friends. Thus, the larger battalions do win, in a sense, even if they are not all directly engaged in the conflict. In the case of Vietnam, for example, both Russia and China gave material as well as moral support to the regime in North Vietnam. Some in the United States called for bombing North Vietnam back into the Stone Age or turning it into a parking lot (somewhat contradictory suggestions), and if the contest had been clearly confined to the United States and North Vietnam, there is not much doubt that the United States had the capability to do both. U.S. policymakers rejected those suggestions, and even more moderate ones,

asymmetrical warfare
Unconventional fighting between unequal belligerents that often involves ambush or guerilla tactics to destroy the more powerful side’s will to fight, rather than to militarily conquer it.

at least partly because the moral support offered to the North Vietnamese regime by the Soviets and the Chinese (propaganda in radio broadcasts, speeches in the United Nations, and so on) led them to fear Soviet or Chinese retaliation if they moved too vigorously against North Vietnam. Having accepted that limitation, the United States then found that the material support supplied to North Vietnam by powerful friends (especially the Soviets) made it very difficult to win the war, even if that support was not great enough for North Vietnam to match the United States in military capability.

Similarly, in the Afghan case, there is considerable evidence that the Central Intelligence Agency (CIA) cooperated with Egypt, Saudi Arabia, Pakistan, and China in efforts to funnel military equipment to the Afghan rebels. In fact, the United States devoted billions of dollars to supporting the rebels during the decade-long war.¹³ Accordingly, the idea that God is always on the side of the larger battalions unless the smaller battalions get help from powerful friends apparently holds true in the case of the Soviet Union versus the rebels in Afghanistan.

This idea also receives interesting support from the results of the Persian Gulf War in 1991. Before that war began, some people expressed fears that the United States might get bogged down in another Vietnam type of situation in the Middle East. There were good reasons for such fears. The location of the conflict—far away from the United States and right next to (as well as inside) Iraq—created difficulties for the United States. But crucial differences between the challenge the United States faced in Vietnam and that posed by Iraq made it very unlikely that the United States would get into difficulties resembling those that developed in its war against North Vietnam. North Vietnam relied on guerrilla warfare in its own territory; by simply staying in the field for years, its troops outlasted the invaders. Iraq attempted to use conventional means to hold territory where its troops were unwelcome. The most fundamental difference, certainly from the point of view of the theoretical ideas discussed here, was that while North Vietnam had powerful allies, Iraq had none. On the contrary, while China abstained on the key votes regarding the resolutions committing the United Nations to the removal of Iraqi forces from Kuwait, every other major power in the world supported those resolutions and the military effort against Iraq. Since Iraq got no support from powerful friends in 1991, and the United States was not only much more powerful but also received help from its powerful friends, it was understandable that Iraq would be defeated, and quite easily. The same occurred in the 2003 conflict as the more powerful United States, with the help of some allies, easily defeated the Iraqi state, which again did not receive any outside assistance. The current war in Iraq, however, is more like the Vietnamese conflict in the sense that U.S.-led military forces face armed insurgent groups engaging in nonconventional guerilla fighting and there is indication that some of these groups are receiving assistance from outside actors.

Overall, powerful friends do seem to be an important part of winning international conflict. Indeed, an analysis of all interstate wars in the years from 1816 to 1975 shows that the initiators of those wars were much more likely to win if their targets did not get help from third parties and, further, that “initiators . . . are likely to attack target states they know they can defeat if these targets are not joined by coalition partners.”¹⁴ But an explanation based entirely on a comparison between the military-industrial capabilities of the two main belligerents, as well as those of their friends, may not completely account for the outcome of the conflicts in Iraq, what happened in Afghanistan, or the difficulty the United States experienced in Vietnam. One must somehow decide whether the help supplied by powerful friends to the smaller battalions is sufficient, given the difference in power resources available to the contestants, to account for the outcome of the conflict. Was the help that North Vietnam received from the Soviets and the Chinese, for example, sufficient to offset entirely the tremendous superiority in power resources available to the United States over Vietnam? Most believe it was not. How about the help supplied by powerful friends to the Afghan rebels? Again, very few would argue that this was the single deciding factor. Was the superiority of the battalions sent into battle by the United States and its allies sufficient to explain the collapse of the Iraqi army in 1991 and 2003 (which was, after all, rather substantial)? Ultimately, if the analysis of power suggested here is to be entirely convincing, the resources of the larger battalions as well as those of the smaller battalions and their powerful friends will have to be measured. As we will soon see, the measurement of military power is not always as straightforward as it seems.



Guerrilla soldiers load a missile launcher in the mountains of Afghanistan during their ten-year fight (1979–1989) against the Soviet Union.

(Robert Nickelsberg/Liaison/Getty Images)

Even if we take into account help from powerful friends, some international conflicts have surprising winners. The winning side in some conflicts appears to have a lot less power on its side, as indicated by military resources. This suggests that in addition to help from third parties, other factors are important in assessing states' power and predicting the outcomes of international conflict.

The Impact of Resolve

What other factors, then, should we consider in cases such as the Soviet Union's war in Afghanistan or the U.S. war in Vietnam? One possible candidate that we have already mentioned several times is the will to win, or resolve. Indeed, it may not be unusual for a weak state to win since it might enter into a conflict with a stronger state only if it has significant resolve. Although the will to win is often difficult to demonstrate, particularly before a conflict takes place, it is tempting to pursue this idea regarding the impact of resolve on conflict outcomes because it is so plausible.¹⁵ In many asymmetric conflicts in the twentieth century, for example, desires of nationalism and self-determination fueled many wars of national liberation that pitted guerilla insurgents against conventional state militaries.

In the case of the war between the United States and North Vietnam, many other factors played a role in determining the outcome. Yet it surely seems logically and intuitively obvious that the Vietnamese did have a greater will to win and that this is one important reason they did win. Although the United States did make a determined effort, devoting billions of dollars, tens of thousands of lives, and eight long years to the cause, it still seems clear that North Vietnam's resolve was greater. The stakes of the conflict were much greater for North Vietnam. The United States became involved in the war in defense of relatively abstract principles or distant goals involving the *domino theory* (the idea that if one state became Communist, neighboring states would "fall like dominoes" and become Communist themselves), the importance of upholding commitments, and making the world safer for capitalism. (We will avoid here the controversy regarding which of these factors was most important.) From the North Vietnamese viewpoint, the purpose of the war was immediate, clear, and important: to rid their land of foreign invaders and to unify the country—in short, to liberate it. The United States did have a much larger military force than North Vietnam. But it also had a large number of other foreign policy issues competing for resources, attention, and effort, such as the confrontation with the Soviet Union, the defense of Western Europe, the protection of Israel, and preservation of the stalemate in Korea. For North Vietnam, the war against the regime in the South and its U.S. supporters was close to being its only foreign policy concern, certainly the only really pressing matter to which it devoted substantial resources and persistent attention.

In sum, the North Vietnamese will to win was greater than that of the United States, which had to devote its capabilities to the pursuit of other goals as well. And one need not rely entirely on logical or intuitive arguments to establish this point. The greater North Vietnamese will to win was reflected, for example, in the fact that the maximum number of U.S. troops in Vietnam at the peak of the war was less than 0.25 percent of the U.S. population.¹⁶ North Vietnam mobilized a much larger proportion of its smaller population; the number of North Vietnamese soldiers killed (about 500,000, or 2.5 percent of the population) was probably equal to the number of Americans deployed. The Vietnamese, then, showed a considerably greater willingness to suffer.¹⁷

Similar arguments can be made regarding the Soviets in Afghanistan. Some estimates indicate that 1 million Afghani soldiers lost their lives in that war out of a population of some 15 million. Soviet casualties numbered about 55,000 (up to 1988) out of a much larger population of 280 million people.¹⁸ Like the United States, the Soviet Union, while it was fighting its war in Afghanistan, had a whole range of other issues with which it was concerned. The rebels in Afghanistan, in contrast, were determinedly single-minded in their goal of ousting the Soviets from their country. Almost certainly, the rebels had a greater will to win the conflict in their own country than did the Soviet army.

Then, too, it seems likely that the Iraqi soldiers who attempted during the 1991 Persian Gulf War to hold their positions in Kuwait against the U.S.-led coalition were devoted to their task with nothing remotely resembling the zeal with which Vietnamese soldiers fought against the American forces during the Vietnam War. The Vietnamese soldiers were fighting for the liberation and unification of their nation. The Iraqi soldiers were fighting to hold on to territory just recently annexed by means of an invasion. Perhaps that is one reason, in addition to the much bigger battalions it faced, that the Iraqi army was expelled from Kuwait with relative ease. In the current conflict in Iraq, however, insurgent groups may have more resolve to expel the U.S. military than the United States has to pursue the difficult goal of stabilizing and democratizing Iraq.

As we have seen earlier, concrete military resources have an important impact on the outcomes of international wars. But even for interstate wars, the balance of resolve may be more closely related to the outcomes than is the balance of power. That is, states with a greater will to win, or resolve, are more likely to win than states that enjoy an advantage only in terms of concrete military resources, such as larger defense budgets.

Economic Capabilities

Extensive military capabilities may indeed reflect a state's economic resources. Realists recognize that economic resources are obviously needed to fund a sizable and good military and to buy a vast number of technologically sophisticated weapons. That capacity indicates the ability of a

state to produce both an abundance of military hardware should a long war like the Second World War recur and weapons based on advanced technology, such as missiles, computers, and (perhaps) laser beams of sufficient quality and in sufficient quantity to deter, or perhaps even fight, a nuclear war. Economic power may be so important to military power that we should think about economic sources as the main determinant of a state's power and its potential to have influence.¹⁹ Yet in the cases that demonstrate the paradox of unrealized power, such as the U.S. conflict with Vietnam and the Soviet conflict with Afghanistan, the victor was both militarily and economically weaker than its counterpart. And in both of these cases, one can argue that it was the economic costs on the more powerful state that forced a reconsideration of policies.

Beyond the ability to fund a war effort, many argue that economic muscle is even more important than military might in contemporary global politics. As discussed in Chapter 1, liberalism proposes that military force is not a very effective means to influence many of the nonmilitary issues, such as trade and environmental problems, that have become increasingly important to states in an era of increased interdependence. Furthermore, even if the issue is military in nature, using military force can harm a state's economic interests. For these reasons, liberals argue that economic power is the most important form of state power. With a strong economy, a state can have influence by threatening to hurt others economically through, for example, trade sanctions or withholding investments, even if it does not have great military capabilities.

The world economic system perspective also places a premium on economic power. The division of labor in the global capitalist system creates a core of the haves and a periphery of the have-nots. For many Marxist interpretations of world politics, military power is the means to ensure economic power. In other words, economic wealth is not viewed as the way to purchase military might, as a realist might see it, but rather, military might is used to perpetuate economic wealth. Thus, dependency theorists argue that the control of the world's largest armies and the control of international security organizations help the core keep the periphery at an economic disadvantage.

The Power of Agenda, Ideas, and Values

Many would argue that the focus on military and economic capabilities as the primary sources of states' power misses the more subtle ways people and states influence each other. Especially in today's world where capabilities are fairly diffused across a great number of states, using threats or promises based on military and economic assets, so-called hard power, can often backfire. What may be more effective is

a soft or indirect way to exercise power. A country may achieve its preferred outcomes in world politics because other countries want to emulate it or have agreed to a system that produces

soft power Influence based on the attraction of one's ideas or on the ability to set the political agenda in a way that shapes the preferences of others.

such effects. In this sense, it is just as important to set the agenda and structure situations in world politics as it is to get others to change in particular situations. This—that is, getting others to want what you want—might be called co-optive or **soft power** behavior. Soft power can rest on such resources as the attraction of one's ideas or on the ability to set the political agenda in a way that shapes the preferences others express. . . . [P]olitical leaders and philosophers have long understood the power that comes from setting the agenda and determining the framework of a debate. The ability to establish preferences tends to be associated with intangible power resources such as culture, ideology, and institutions.²⁰

Joseph S. Nye argues that the United States has soft power in the form of cultural power—people around the world watch Hollywood films, listen to U.S. rock music, and want to wear Levi jeans—and in the form of agenda-setting power—the United States was able to set up international institutions, such as the International Monetary Fund and the United Nations, after the Second World War and continues to dominate these global forums.²¹ In a sense, this was a recognition “that global rule through coercion was unsustainable, and that it was preferable to establish global institutions that could further American interests and spread American values.”²²

Russian billboards in St. Petersburg show the spread of Western products to the former Communist country. Many see the attraction of Western goods and values as a form of soft power in global politics. (Bonnie Kamin/PhotoEdit, Inc.)



Idealists might agree that cultural power is important, but they would focus on the values, not the materialistic goods, associated with a culture. Cultural values that others respect give states moral authority. The power of moral authority, for idealism, also comes from consistently applying cultural values to global politics. Soft power and the appeal of cultural values are associated with the “battle for hearts and minds” that many see as especially important in contemporary struggles. Democratizing and stabilizing Iraq, for example, may have less to do with the military force used by the United States to capture insurgents and more with winning the acceptance and support of the people.²³ Constructivists argue that power, like any other concept, depends on its social construction. Constructivism sees power as much more than physical capabilities. In this view, power is not something possessed by actors, like states, but rather is a characteristic of ideas and discourse—that is, how actors and their relationships are defined. Constructivists do not ask, “Which state is more powerful?” but rather, “What are the underlying norms and standards of legitimacy that allowed this state to be represented as powerful?”²⁴ In a sense, then, power resides in the ability to determine ideas or the ability to set the rules and norms by which actors are constructed. As ideas will undoubtedly exist in advance of any specific conflict of interests between states, the proper focus for international relations lies not in the physical capabilities and conflicts of interests of actors but in the representation of those entities. Power, for constructivists, is about representing and classifying states as “civilized,” “rogue,” “European,” “unstable,” “Western,” and “democratic,” as these terms generate expectations and structure relationships between actors.²⁵ The power of actors in the international system, in other words, is not determined by military resources but is constructed from the context of existing international practices.

Feminists also question the traditional focus on capabilities as the roots of power. More fundamentally, as discussed in Chapter 1, realism’s definition of power as control contrasts with feminine definitions of power as the ability to act in concert or action taken in connection with others:

Power as domination has always been associated with masculinity since the exercise of power has generally been a masculine activity; rarely have women exercised legitimised power in the public domain. . . . Hannah Arendt, frequently cited by feminists writing about power, defines power as the human ability to act in concert, or action which is taken in connection with others who share similar concerns.²⁶

Matching Capabilities to the Task

Given the number of ways we can conceptualize a state’s powers, we should consider that resources effective against certain targets for some specific

purposes are useless in different situations. In other words, the explanation of a failure to realize power potential may not be, "the card player had good cards but played them poorly," but rather, "the card player had a great bridge hand but happened to be playing poker."²⁷

In the case of the United States versus North Vietnam, this perspective would help us see that the United States had many military resources that were not relevant to the contest. Its vast nuclear arsenal, for example, did not help in the political struggle to win the hearts and minds of the people in South Vietnam. Its clearly superior ability to wage conventional war was not relevant to the contest with Vietcong guerrillas. Despite important differences in the two struggles, the Soviets may have discovered in Afghanistan that their nuclear weapons and their conventional war-fighting capabilities were equally irrelevant there.

In short, when analyzing conflicts between states in international politics, it is sometimes necessary to admit that not all the power resources available to the side with the larger battalions will be effective. No resource, then, not even the tremendous destructive potential of nuclear weapons, gives a state power over everybody with respect to every political issue. Different kinds of resources lead to power over different groups of people with respect to specific types of issues. This point can be summarized with reference to the scope and domain of different power resources. The *scope* refers to the specific issues over which certain resources allow a state (or any holder of those resources) to exert influence. The *domain* refers to the set of people over whom a given resource allows its possessor to exert influence.²⁸ God may usually be on the side of larger battalions, but sometimes larger battalions lose if the resources they possess are not relevant to the scope (the issues) or the domain (the set of people) involved in a particular conflict.

Still, the traditional focus on power as the ability to exert brute force is not entirely misleading. Occasions when force is actually used or explicitly threatened are numerically quite small, but the importance of brute force in international politics always lurks beneath the surface of more peaceful transactions. A state may get its way (exert power) by promising economic aid, but the promise may well be more effective if the potential recipient knows that it could become the victim of force if it refuses the aid. Also, force is not used or threatened very often in international politics, but the occasions when it is used or threatened are often more important than those much more numerous occasions when nonmilitary power resources come into play. Indeed, a state's very existence can be at stake on those rare occasions when its ability to exert brute force is actually tested. For that reason, makers of foreign policy are usually conscious, to some extent, of the possibility of war and of the relative ability of the larger states in the system to wage war.

Measuring Power

Although there are various sources of a state's power, their effectiveness depends on the task to which they are applied. Military and economic capabilities stand out as significant factors in a state's ability to influence others. So, which states are the most powerful, militarily and economically, in global politics? It depends on how power is measured.

Indicators of Military Power

Many important writers in the history of international politics have argued that geographical factors can have a crucial impact on a state's power.

Important geographical factors include a large land mass, which is easy to invade but hard to control, and island status and mountain ranges, which provide natural protection from invaders. All of these are important indicators of military power. **Geopolitics**, or the relationship between geography and political power, is, however, always changing. Alfred Thayer Mahan, a U.S. naval officer, noted in 1897 the coincidence between the rise of Great Britain to preeminence in the world and the development of its navy, and he argued that naval capabilities were the key to national power. Sir Halford Mackinder, a British geographer, responded that Mahan had let Britain's temporary predominance lead him to overemphasize the importance of sea power. Actually, according to Mackinder, history reveals a constant battle between sea power and land power, and whereas technological developments favored naval power in the nineteenth century, the advent of railroads and the internal combustion engine meant that land power would assume the dominant position in the twentieth century.²⁹

geopolitics The relationship between geography and political power.

An appreciation of the importance of land power led Mackinder to analyze the globe as a kind of chessboard on which the game of international politics is played. Three-fourths of that chessboard, Mackinder noted, is water. Three contiguous continents—Asia, Europe, and Africa—constitute two-thirds of the available land. Mackinder referred to this land mass as the World Island. The other one-third of the land on the globe is made up of the smaller islands of North America, South America, and Australia. The key to dominating this chessboard, according to Mackinder, was the heartland, roughly the middle of the World Island occupied by the former Soviet Union and Eastern Europe. Mackinder thought the World Island contained such a large proportion of the world's resources that whoever controlled it would, in effect, occupy an impenetrable fortress from which to rule the world. Nicholas Spykman, a U.S. scholar of international politics writing in the early 1940s, criticized Mackinder's ideas and modified the major thrust of geopolitical thinking. He argued that Mackinder was right to emphasize that the balance of power in the World Island was crucial to the security of the "offshore" states. But Spykman also believed that Mackinder

had overemphasized the importance of Eastern Europe and the heartland. The key to controlling the World Island, Spykman asserted, is the rimland—the area around the outside of the heartland (roughly, western Europe, the Middle East, and southern and eastern Asia). Spykman summarized his view with the slogan, “Who controls the rimland rules Eurasia; who rules Eurasia controls the destinies of the world.”³⁰

Geography and geopolitical ideas may well have served as important bases for assessing the power of nations in the past. But is it not true that contemporary technological developments have made geopolitical thinking obsolete? Surely air power and ballistic missiles with nuclear weapons have made the distinctions and relationships among the heartland, the rimland, and the World Island meaningless. Or perhaps not. It is possible that the new relationship between the United States and the republics of the former Soviet Union, especially Russia, will reduce the significance (as well as the size) of their vast nuclear arsenals in world politics. Furthermore, both traditional geopolitical issues and conventional military means could replace the significance of nuclear technology in the international politics of the Cold War era. If it is not true that future wars will be fought with large arsenals of nuclear weapons and will last only a few minutes, but instead may be more prolonged contests between mostly conventional military forces, then geopolitical ideas may be of renewed importance.

One indicator of military capability that has always been important, and will continue to be so, is a large population. No state with a very small population can be extremely powerful militarily. This correlation does not mean that there is a perfect relationship between military power and the size of a state’s population. India, for example, is the second most populous state (next to China) and Indonesia the fourth most populous state (next to the United States), but neither India nor Indonesia is generally considered among the world’s greatest military powers.³¹ Even so, one of the most obvious criteria for distinguishing powerful from weaker nations is population size. And India and Indonesia may yet succeed in the future in taking advantage of their large populations as a source of influence in the international system.

Other crucial determinants of a state’s military power are the size and quality of its military establishment. The nation with the largest army, navy, and air force, though, is not necessarily the world’s most powerful state. China, capitalizing on its large population, has the largest number of military personnel³² and, while certainly a major military power, is not considered the most threatening. This may be because the total supply of available people is becoming progressively less important as military technology becomes more sophisticated and capable of greater destructive power. An army equipped with tactical nuclear weapons will probably be more than a match for a much larger force that is not so equipped. In a sense, war has become more automated, and the importance of sheer numbers of bodies in the military has diminished accordingly.



Map: Largest Countries of the World, Atlas page 10 and Atlas page 35



Map: Military Power, Atlas page 27

Measuring the technological capacity and quality of states, however, is difficult. We may recognize that the number of nuclear warheads is important, but by this indicator, Russia is more powerful than the United States, followed closely by France. One way to indicate both the size and quality of a state's military is to compare military spending (see Chapter 8). By this indicator, the United States clearly emerges as the most powerful, but the next biggest military spenders—the United Kingdom, France, Japan, China, and Germany—are not necessarily more technologically advanced (in the case of China) or are not considered major military powers for other reasons (in the case of Japan and Germany) when compared to states that spend much less on their military.

Indicators of Economic Power

There are also many indicators of economic power. It is safe to say that since the death of Napoleon, the most powerful nation on earth has been the nation with the greatest industrial capacity. Great Britain dominated the world throughout most of the nineteenth century, not only because it had the world's largest navy, but also because it had industrialized earlier and faster than any other country on earth. The rise of U.S. industrial might and U.S. status as the most powerful state in the world in the twentieth century is not coincidental. The two world wars have accentuated the role of industrial capacity in determining a state's power, and the introduction of nuclear weapons into modern military arsenals has continued the trend. Developing and maintaining delivery systems and a large number of nuclear weapons are technologically and economically demanding tasks for any state. A large and sophisticated industrial plant is necessary if a state is to marshal a sufficient quality and quantity of technological abilities and generate enough wealth to bear the cost of nuclear weapons and modern delivery systems.

Economic bases of power also include natural resources. Modern wars and modern economies require large amounts of oil, coal, iron, and other raw materials. If a state has these within its boundaries, its power is enhanced. But this factor alone does not determine a state's power. Both Great Britain and Japan are islands lacking in large supplies of most natural resources, but they both became great military and economic powers. The fact that the United States has, and the former Soviet Union had, great supplies of natural resources within their boundaries gave them an advantage and may be an important reason that both emerged during the Cold War era as the most powerful states in the international system. Furthermore, in an age of interdependence, those that are less dependent on others for natural resources, such as oil, are less constrained in their attempts to influence others. But the history of the past hundred years indicates that access to large quantities of natural resources is sufficient for a state to be powerful; possession is not necessary.



gross national product

The value of all goods and services produced within a state in a given year.

GNP per capita The value of GNP divided by the population of the state.



Map: Life Expectancy, Atlas page 13



Map: Literacy, Atlas page 26

Industrial capacity and natural resources can contribute to a state's **gross national product** (GNP), a measure of the value of all goods and services produced by a country's citizens and often used as another indicator of economic power.³³ According to this measure, the United States is by far the most powerful, followed by Japan and Germany. China is ranked fourth by this measure, and many would argue that GNP overestimates China's economic power, given that China's large population means that its wealth must be distributed over many people. **GNP per capita** takes into account how strong an economy is relative to its size. By this indicator, the four most powerful states are Luxembourg, Norway, Switzerland, and Denmark. The United States drops to sixth place, and China to ninety-sixth.³⁴ Others would argue that both of these measures overestimate the economic power of the United States given that it has a high national debt. Focusing on only this feature of an economy, countries such as Afghanistan and Iran are among the most powerful economic powers in the world.

Human resources, not just natural resources, may also contribute to a state's economic success. How skilled and educated a state's population is surely matters in its economic production. One measure of education, the literacy rate, puts Cuba as the most powerful country in the world. Others would argue that an economy is only as healthy as its people are. One measure of the health conditions in a country is the infant mortality rate. Using this indicator, Iceland, Singapore, Finland, and Japan are the healthiest countries.³⁵ Using life expectancy at birth, Japan comes out on top, followed by Switzerland and Sweden.³⁶

A Simple Index of Power

No index of power can take into account all the factors that allow a state to exercise influence in the international system. But even a simple index based on a few of the important, tangible elements that make a state powerful can reveal key characteristics about the structure of that system. The point is illustrated here by presenting an index based on three concrete factors discussed earlier. The index, shown in Table 4.1, measures a state's power in terms of demographic, industrial, and military dimensions. A state's total population is the indicator that reflects the demographic component of power. Three indicators of industrial capacity are included: (1) urban population, (2) steel and iron production,

◀ Map 4.1 Estimated Gross Domestic Product (GDP) per Capita, 2005

Gross Domestic Product (GDP) is closely related to GNP. Whereas GDP includes only the goods and services produced within a country by all people residing there, both citizens and noncitizens, GNP includes the total product of a country's nationals, whether or not they reside in that country. These differences tend to be offsetting and the figures are quite similar for most countries.

Source: McKay et al., *A History of World Societies*, 7th ed. (Boston, MA: Houghton Mifflin, 2007), p. 1092. Data from *CIA World Factbook*, 2005.

TABLE 4.1

Distribution of Power Among Major Powers, 1900–2001

Year	Index Scores by Rank					
	1	2	3	4	5	6
1900	US (19)	GB (18)	GE (13)	RU (11)	FR (7)	AH (4)
1913	US (22)	GE (14)	RU (12)	GB (11)	FR (7)	AH (4)
1925	US (25)	SU (10)	GB (10)	GE (8)	FR (6)	—
1938	US (17)	SU (16)	GE (15)	GB (8)	JA (6)	FR (5)
1950	US (28)	SU (18)	CH (12)	GB (6)	FR (3)	—
1965	US (20)	SU (16)	CH (11)	JA (4)	GE* (4)	GB (4)
1980	SU (17)	US (13)	CH (12)	JA (5)	GE* (3)	—
1995	US (14)	CH (13)	RU (6)	JA (5)	GE (3)	—
2001	US (15)	CH (13)	RU (5)	JA (5)	GE (3)	—

Numbers in parentheses are index scores

AH = Austria-Hungary

CH = China

FR = France

GB = Great Britain

GE = Germany (* Indicates score for West Germany)

JA = Japan

RU = Russia

SU = Soviet Union

US = United States

Source: Figures reflect the Composite Index of National Capability reported in the National Military Capabilities dataset, version 3.02 compiled by the Correlates of War project at the University of Michigan. For descriptions of this project, see J. David Singer, Stuart Bremer, and John Stuckey, "Capability Distribution, Uncertainty, and Major Power War, 1820–1965." in Bruce Russett (ed) *Peace, War, and Numbers*, (Beverly Hills: Sage, 1972) 19–48 and J. David Singer, "Reconstructing the Correlates of War Dataset on Material Capabilities of States, 1816–1985" *International Interactions*, 14 (1987): 115–32.

and (3) energy consumption. Finally, the number of military personnel supported by a state and the size of its military expenditures are the indicators of the military dimension of power. The index score is derived by taking the sum of all six capability components for a given year, converting each state's component to a share of the international system, and then averaging across the six components.

The index is applied to the major powers in the international system since 1900 at key time periods. At the beginning of the twentieth century, according to a fairly firm consensus among scholars of diplomatic history, the following states were the key major powers: Austria-Hungary, France, Great Britain, Germany, Russia, and the United States. Austria-Hungary's status as a great power was permanently destroyed by 1918; Russia and Germany, having also lost status in the First World War, nevertheless regained it by the 1930s. Japan's great power status is also apparent prior to World War II. The Second World War eliminated the Axis powers (Germany, Italy, and Japan) from major power status, and significantly diminished the relative power of Great Britain and France. China first appears on the list of major powers in 1950. At what point Germany and Japan again deserved to be counted as major powers is debatable. In order to trace their ascent to that status during the contemporary era, Japan and Germany are included in Table 4.1 starting in 1965. Japan and Germany replace France and then Great Britain on the list of great powers by the latter part of the twentieth century.

This index of power has obvious limitations (as do the results of its application in Table 4.1). It focuses on military power and ignores the geopolitical factors discussed earlier. It does not take into account who is trying to influence whom to do what, and so may well distort the relative power of different states in specific situations. This limitation is especially relevant because the index does not take into account alliance ties or any intangible elements of power, such as soft power, skill, will, or purpose—indicators that are much more difficult to quantify. Moreover, the index presented here gives equal weight to each indicator for the whole period under discussion. This is an admittedly arbitrary decision whose main virtue is simplicity, a virtue not to be taken lightly in the context of a preliminary discussion of operational measures of power such as this one. For purposes more ambitious than this discussion, a more complex or refined measure might be justified.

Still, the index quite clearly portrays important changes in the structure of the international system from 1900 to 2001. Notice, for example, the increase in the power of Germany before the First World War. Germany surpassed Great Britain, and by 1913 it had become the most powerful country in Europe. Germany's unseating of the longtime greatest power in Europe (Great Britain) and rapid rise to the top of the power structure on that continent might well have been one of the unsettling elements that caused the system to collapse in 1914. Notice too the extent to which the United States benefited, in terms of its

power advantage over the other major powers, as a result of the First World War. The substantial increase in the power of Germany before the Second World War is reminiscent of that before the First World War. U.S. supremacy in the international system is reflected quite clearly in the figures for the years immediately following the Second World War, and the emerging power of China in later years is also quite apparent. Finally, the data reflect Japan's appearance as a major actor on the world stage by the 1980s.

Did the Soviet Union really become the most powerful state in the world by 1980, continuing in that position right up to the point of its disintegration? Is China really almost as powerful as the United States, as the most recent data available indicate? There are several good reasons to doubt these implications of the index, because it is biased against the United States in several respects in addition to those already mentioned. Total population, military expenditures, and steel production may all be given too much weight. The index also probably does not give sufficient weight to the productive capacity of the economies of the major powers.

Although the estimation of contemporary Chinese power does reflect the opinion held by many that China is the next likely challenger to the United States, most believe that the components used in this index to estimate Chinese power ignore many factors that are critical to comparing these two states. In economic terms, for example, even if economic growth in China means that it will match the size of the American economy in the next twenty years, "the two economies would be equivalent in size but not equal in composition. China would still have a vast underdeveloped countryside—indeed, assuming 6 percent Chinese growth and only 2 percent American growth, China would not equal the United States in per capita income until somewhere between 2056 and 2095. . . . That is impressive growth, but it is a long way from equality."³⁷ In terms of military power, Chinese military spending and capacity have to be assessed in the context of its technological sophistication. While China will certainly develop many important technologies that are key to military power in the information age, many analysts see that technology will favor the United States for many decades.³⁸

In sum, no index of power will capture all the subtle aspects and dimensions of the concept of power as it is used in the study of international politics, although the scores in Table 4.1 are crude indicators that can serve as an important baseline for many efforts to measure power.

Transnational Actors: A Challenge to States' Power?

To assess a state's power in global politics, we should not just consider its capabilities vis-à-vis other states. While states have been the primary focus of attention in the study of international relations, and in this book so far, there are actors of a different kind in global politics,

transnational relations

Interactions across state boundaries when at least one actor is a nonstate actor or an intergovernmental organization.

with which states vie for influence. These include intergovernmental organizations, such as NATO and the United Nations, that are composed of states as their members. (Specific international organizations are discussed in several other chapters). But international actors also include groups or organizations that are quite separate from states, referred to variously as transnational, nongovernmental, or multinational actors. Their distinguishing feature is that although they are involved in activities that include people and objects in different states, they are not formally associated with the governments of states. **Transnational relations** specifically refers to “regular interactions across national boundaries when at least one actor is a non-state agent or does not operate on behalf of a national government or an intergovernmental organization.”³⁹ Transnational actors are defined by what they are not (they are not states and states are not their members, as they are in international organizations) and by what they do (they operate across borders).

Transnational actors include both business and nonprofit actors that operate across borders. Both types have increased in number quite rapidly in recent decades. There are, for example, more than 60,000 multinational corporations (MNCs).⁴⁰ The existence of many small, poor, and badly integrated states in the global political system makes many of these MNCs look relatively strong and effective by comparison. Additionally, there are many nongovernmental organizations (NGOs) that are largely issue focused. The organizations that are reflected in Table 4.2, compiled by the *Yearbook of International Organizations*, must have aims that are “genuinely international in character, with . . . operations in at least 3 countries,” must contain members from at least three countries, and must have a constitution giving members the right periodically to elect a governing body and officers.⁴¹ They include such diverse organizations

TABLE 4.2**The Growth of International NGOs, 1909–2000**

Year	Number
1909	176
1954	997
1962	1,324
1970	1,993
1981	4,263
1992	4,696
2000	5,936
2005	7,306

Source: Figures for 2005 are taken from Union of International Associations, *Yearbook of International Organizations: Guide to Global and Civil Society Networks Edition 42 2005/2006* (Munich, Germany: KG Saur, 2005), Appendix 3, p. 2966. Figures for previous years are taken from previous editions of this same source.

as the International League of Antiquarian Booksellers, the International Committee for Mini-Basketball, the International Red Cross/Red Crescent, Save the Children, and the Rainforest Alliance. More rapid and inexpensive communications and transportation have allowed them to organize more effectively and thus to have a bigger impact on the international system.

The growth of transnational linkages is consistent with the liberal theoretical perspective of international relations (discussed in Chapter 1), which expects increasing cross-national networks to foster more peaceful relations.⁴² But nonstate actors that operate across borders and challenge states and their authority may instead choose violence against civilians as their method. "There is no reason to assume that transnational relations regularly promote 'good' causes. Transnational terrorism poses a serious threat to internal stability in many countries, while some scholars have identified Islamic fundamentalism—another transnational social movement—as a major source of future inter-state conflicts."⁴³

Transnational actors began to draw the concerted attention of scholars of international politics in the early 1970s, with the onset of détente between the United States and the former Soviet Union, which helped to decrease the pressing importance of national security problems. Détente, in turn, increased the salience of economic issues and other problems outside the area of national security, which nongovernmental actors could address on a more equal footing with states. The 1970s also witnessed some dramatic terrorist attacks, increasingly occurring across borders. By this time, scholars and policymakers alike realized that international actors without formal, organized military forces would play an increasingly important role in international politics. Although the rebirth of the Cold War toward the end of the 1970s and early 1980s refocused attention on national security problems and reduced the attention being given to nongovernmental transnational organizations, the stage seemed set by the end of the twentieth century for transnational organizations to play a correspondingly larger role on the global political stage and for students of global politics to pay more attention to these types of actors. Indeed, "the end of the Cold War should not be underestimated in its impact on international relations theorizing. The failure of traditional international relations theory to at least recognize some underlying trends, pushed many scholars away from structuralist theories such as realism . . . to a renewed appreciation of . . . transnational relations."⁴⁴

This chapter now discusses three types of transnational actors: MNCs, NGOs, and terrorist groups. None of these is necessarily new to the international scene. Yet they are arguably different from their historical counterparts, undoubtedly more significant to world politics, and related to other trends in contemporary world politics, such as the spread of capitalism, the growing importance of international norms, and globalization. It can also be argued that MNCs, NGOs, and international terrorists challenge, as well as operate independently of and even reinforce, the sovereign state system.

Multinational Corporations

Probably the most important type of nonstate actor to emerge in the past two or three decades is the multinational corporation. But corporations that do business in more than one state are not new. As early as the fifteenth century, the Fugger family engaged in financial and trade activities on a multinational basis in several parts of Europe.⁴⁵ Many companies, among them Singer, Hertz, Unilever, and Nestlé, have been active in several countries since the early part of the twentieth century.⁴⁶ The Krupp organization in Germany sold arms to countries in remote areas of the world before the twentieth century.⁴⁷

Today's MNCs differ from those in the past in three basic ways. First, in the past, companies that did business in several countries were headquartered in one state, and all or most of their production was centered there. This has changed. International commerce is no longer just international trade, but at least a third of world trade occurs within firms.⁴⁸ Today, if a company wants to sell its products in another country, it may set up a subsidiary for manufacturing there, and indeed, sales of foreign affiliates have recently exceeded world total exports.⁴⁹ Furthermore, from 1970 to 2000, the total value of **foreign direct investment (FDI)**—the purchase or subsidy of a corporation in one country by a corporation headquartered in another country—rose from \$12 billion to \$1.3 trillion.⁵⁰ “The total amount of FDI in 2000 stood at an all-time historical high, at almost six times the levels recorded only five years earlier.”⁵¹

Second, there are many of these companies, and those involved on an international scale have dramatically increased the number of their foreign subsidiaries. A combination of opportunities presented by improved

foreign direct investment (FDI)

The purchase or subsidy of a corporation by a corporation headquartered in another country.

Multinational corporations treat the entire world as their marketplace. The largest McDonald's restaurant in the world, shown above, is in Beijing, China.

(AP Photo/AP Images)



and inexpensive communication and transportation, the threat of being closed out of new markets, and a desire to take advantage of cheap labor in some developing countries has led to a rapid increase in MNC activity. There are an estimated 60,000 MNCs, with 820,000 foreign affiliates worldwide.⁵² "Together, the hundred largest MNCs control about 20 per cent of global foreign assets, employ 6 million workers worldwide and account for almost 30 percent of total world sales of all MNCs."⁵³

The third reason that multinational corporations have become so visible is that they have been spectacularly successful. One of the more dramatic ways to demonstrate the degree of their success is to compare economic activities (such as salaries and income) for corporations with the gross domestic products of states. As Table 4.3 shows, many of the largest economic units in the world are corporations, not states. By these measures ExxonMobil is economically larger than Pakistan and New Zealand, and Wal-Mart is larger than Cuba and Uruguay.

In rising to new importance and visibility, MNCs became controversial partly because most of them were American. In the 1970s, seven of the ten largest corporations in the world were American. By 1994, though, out of the ten corporations in the world with the largest annual revenues, only three were American.⁵⁴ About half of the largest MNCs in Table 4.3 are primarily American based. In addition, the U.S. "share of global FDI has fallen, from around 50 percent in 1960, to around 25 percent today."⁵⁵ Multinational corporations in countries other than the United States are becoming increasingly important, but it is also clear that the United States is still by many measures preeminent in competition among global corporations. In the 1990s, for example, seven of the top ten most profitable corporations in the world were American-based firms, 162 of the 500 corporations with the largest revenue were from the United States,⁵⁶ and, if the corporations of the world are ranked according to their market value (instead of their annual revenues), six of the top ten corporations in the 1990s were based in the United States.⁵⁷ Furthermore, in 2000, the U.S. foreign direct investment going abroad amounted to approximately \$1,146 billion; the next most important investors were the United Kingdom with \$834 billion and France with \$584 billion.⁵⁸

Even if MNCs are largely based in the United States, the relationship between MNCs and the state is a debated question. Are MNCs a tool and a source of power for states, as the world economic system analysis perspective asserts? (See Chapter 1.) Or are MNCs a challenge to states' power because of their transnational ties? Some see MNCs as no longer having any loyalty to the countries that serve as their home bases. They are so intent, according to this view, on serving and taking advantage of the global marketplace that national boundaries, and the political entities they define, are viewed primarily as inefficient nuisances. This attitude is summed up in an article by Robert Reich, former U.S. secretary of labor. According to Reich, corporations have lost their national identity.

TABLE 4.3

The Largest Economic Units: States and MNCs, 2000 (in billions of dollars)

Rank	Name of TNC/economy	Value added*
1	United States	\$9,810
2	Japan	4,765
3	Germany	1,866
4	United Kingdom	1,427
5	France	1,294
6	China	1,080
7	Italy	1,074
8	Canada	701
9	Brazil	595
10	Mexico	575
11	Spain	561
12	Korea, Republic of	457
13	India	457
14	Australia	388
15	Netherlands	370
16	Taiwan Province of China	309
17	Argentina	285
18	Russian Federation	251
19	Switzerland	239
20	Sweden	229
21	Belgium	229
22	Turkey	200
23	Austria	189
24	Saudi Arabia	173
25	Denmark	163
26	Hong Kong, China	163
27	Norway	162
28	Poland	158
29	Indonesia	153
30	South Africa	126
31	Thailand	122
32	Finland	121
33	Venezuela	120
34	Greece	113
35	Israel	110
36	Portugal	106

(continued)

TABLE 4.3 (cont.)

Rank	Name of TNC/economy	Value added*
37	Iran, Islamic Republic of	105
38	Egypt	99
39	Ireland	95
40	Singapore	92
41	Malaysia	90
42	Colombia	81
43	Philippines	75
44	Chile	71
45	ExxonMobil	63
46	Pakistan	62
47	General Motors	56
48	Peru	53
49	Algeria	53
50	New Zealand	51
51	Czech Republic	51
52	United Arab Emirates	48
53	Bangladesh	47
54	Hungary	46
55	Ford Motor	44
56	DaimlerChrysler	42
57	Nigeria	41
58	General Electric	39
59	Toyota Motor	38
60	Kuwait	38
61	Romania	37
62	Royal Dutch/Shell	36
63	Morocco	33
64	Ukraine	32
65	Siemens	32
66	Viet Nam	31
67	Libyan Arab Jamahiriya	31
68	BP	30
69	Wal-Mart Stores	30
70	IBM	27
71	Volkswagen	24
72	Cuba	24

TABLE 4.3 (cont.)

Rank	Name of TNC/economy	Value added*
73	Hitachi	24
74	TotalFinaElf	23
75	Verizon Communications	23
76	Matsushita Electric Industrial	22
77	Mitsui & Company	20
78	E. On	20
79	Oman	20
80	Sony	20
81	Mitsubishi	20
82	Uruguay	20
83	Dominican Republic	20
84	Tunisia	19
85	Philip Morris	19
86	Slovakia	19
87	Croatia	19
88	Guatemala	19
89	Luxembourg	19
90	SBC Communications	19
91	Itochu	18
92	Kazakhstan	18
93	Slovenia	18
94	Honda Motor	18
95	Eni	18
96	Nissan Motor	18
97	Toshiba	17
98	Syrian Arab Republic	17
99	Glaxosmithkline	17
100	BT	17

* GDP for countries and value added for TNCs. Value added is defined as the sum of salaries, pre-tax profits, and depreciation and amortization.

Source: United Nations Conference on Trade and Development, "Are Transnationals Bigger than Countries" (press release), <http://r0.unctad.org/en/press/pr0247en.htm>. Used by permission. "How large were the largest TNCs in the world economy in 2000?" from United Nations Conference on Trade and Development (2002). World Investment Report 2002: Transnational Corporations and Export Competitiveness (New York and Geneva: United Nations), p. 90.

He points to such corporations as International Business Machines (IBM), where 40 percent of the employees are non-Americans, and Du Pont, which currently employs 180 Japanese research and development

scientists in Yokohama, Japan. Reich's conclusion is that "American-owned corporation[s] . . . have no special relationship with Americans."⁵⁹ Although this is not exactly tantamount to an accusation of treason, it certainly does suggest that the lack of national loyalty in MNCs makes their motives, and their activities, highly suspect from the point of view of states.

But it is also possible to counter suggestions that MNCs based in the United States have become so cosmopolitan and so tied to foreign economies that they are no longer really "American." Investors from the United States have invested a total equivalent to about 7 percent of the U.S. gross national product (GNP) in countries outside the United States, but that is the same proportion of the GNP that was so invested in 1900. Even with NAFTA, which lessened restrictions on MNCs doing business in Mexico, "U.S. investment in Mexico is modest compared with what we invest domestically. In the eight years after the implementation of NAFTA, from 1994 through 2001, U.S. manufacturing companies invested an average of \$2.2 billion a year in factories in Mexico. That is a mere 1 percent of the \$200 billion invested in manufacturing each year in the domestic U.S. economy."⁶⁰ Some American MNCs do earn most of their profits overseas, but they are exceptions to a very different rule. In short, it is possible to mount a plausible argument that "the power of the home country over the multinational [corporation] has not diminished; if anything, it has continued to increase. Corporations have not become national, multinational, or transnational; they remain wedded to their home governments for both political and economic reasons."⁶¹

Indeed, one analysis of MNCs in the United States, Japan, and Germany found that they remain quite distinct from one another, with "a tendency for MNCs based in those countries to maintain an overwhelming share of the R&D [research and development] spending at home."⁶² This same study, addressing the concern that MNCs have so loosened their ties to their home bases that they can no longer be controlled by national governments, concluded that "power, as distinct from legitimate authority, may indeed be shifting within those societies, but it is not obviously shifting away from them and into the boardrooms of supranational business entities."⁶³ In short, "durable national institutions and distinctive ideological traditions still seem to shape crucial corporate decisions[;] . . . markets in this sense are not replacing political leadership."⁶⁴

The controversy over MNC activities in the world economy and their impact on development of poorer states will be discussed in Chapters 10 and 11. Here, it is important to note the potential power that MNCs have in global politics. For example, "multinational corporations can use their control over capital to shape the foreign policies of developing states, as well as global economic policies."⁶⁵ As discussed earlier in this chapter, many theoretical perspectives see economic power as critical to states' power. For realism, economics is important to power politics because wealth can buy military capabilities to further states' interests. For liberalism, transnational economic power creates interdependence

that constrains states. From the perspective of world economic system analysis, economic power structures divide states into a core and a periphery in the international economy. If economic power is important, as these perspectives argue, then MNC control of wealth, outside the influence of the state, is an important shift in the global power structure.

Nongovernmental Organizations

In addition to MNCs, which work on the basis of increasing their profit, there are a number of organizations globally that attempt to influence policies, help people, or connect people across borders:

A striking upsurge is underway around the globe in organized voluntary activity and the creation of private, nonprofit or nongovernmental organizations. . . . People are forming associations, foundations and similar institutions to deliver human services, promote grass-roots economic development, prevent environmental degradation, protect civil rights and pursue a thousand other objectives formerly unattended or left to the state. The scope and scale of this phenomenon are immense . . . [and] may prove to be as significant . . . as the rise of the nation-state.⁶⁶

Many of these organizations are transnational in scope and are increasingly important players in global politics.⁶⁷ “Although there may be no universal agreement on what NGOs are exactly, there is widespread agreement that their numbers, influence, and reach are at unprecedented levels.”⁶⁸ Early in its history, for example, the United Nations accredited only about forty-one groups as consultative groups to cooperate formally with the UN Economic and Social Council (ECOSOC). Today, more than 1,500 such groups have been recognized by the United Nations.⁶⁹

There is a growing recognition that nongovernmental organizations (NGOs) can have significant effects on state policies and global politics through the creation of international norms, although their degree of influence varies across issues and is greater when they enter the international debate at the initial agenda-setting point of the process,⁷⁰ even in security issues.⁷¹ In 1997, a coalition of more than 350 NGOs, including the Vietnam Veterans of America Foundation, Human Rights Watch, and Physicians for Human Rights, and the coalition’s leader, Jody Williams, were awarded the Nobel Peace Prize for their efforts in bringing about the Anti-Personnel Landmines Treaty (discussed in Chapter 8). The coalition brought about an amazingly quick and successful negotiation and ratification process. “Whether the landmine convention is a harbinger of things to come is an interesting question. A similar process was used for the adoption of the Statute of the International Criminal Court. . . . Here again, like-minded countries moved forward with the support of international and nongovernmental organizations without the active support of the United States. The same can be said for the Convention on the Rights of the Child and the various treaties that emerged from the

humanitarian

relief Assistance to relieve suffering of individuals experiencing hardship.

Red Cross/Red Crescent

NGO established in 1859 that has as its main objective providing humanitarian assistance and protection to victims of armed conflict.

Amnesty International

NGO dedicated to improvement of human rights, particularly for political prisoners.

UN Conference on the Environment and Development (1992).⁷² Indeed, NGOs have become particularly active in the area of environmental politics.⁷³ As discussed in Chapter 13, NGOs such as Greenpeace have become very important, and NGO participation in the Rio Summit and the Convention on Climate Change was unprecedented.

NGOs have been particularly important in the area of **humanitarian relief** and human rights, and their activities in this area have deep historical roots. One of the oldest NGOs, the **Red Cross/Red Crescent**, was started by a Swiss citizen, Henry Dunant, after witnessing the Battle of Solferino (1859) in northern Italy and the nine thousand wounded who were left unattended on the battlefield. After returning to Geneva, Dunant wrote a book about his experience,

concluding [it] with a question: "Would it not be possible, in time of peace and quiet, to form relief societies for the purpose of having care given to the wounded in wartime by zealous, devoted and thoroughly qualified volunteers?" It was this question that led to the founding of the Red Cross. He also asked the military authorities of various countries whether they could formulate "some international principle, sanctioned by a convention and inviolate in character, which, once agreed upon and ratified, might constitute the basis for societies for the relief of the wounded in the different European countries?" This second question was the basis for the Geneva Conventions.⁷⁴

The International Committee of the Red Cross/Red Crescent continues to provide humanitarian relief today. Other groups, such as Médecins Sans Frontières (Doctors Without Borders), established in 1971, coordinate and supply humanitarian relief and health services in times of conflict and natural disasters. This NGO was awarded the Nobel Peace Prize in 1999 for its global efforts. Groups such as CARE and Save the Children also try to alleviate human suffering caused by conflict and poverty.

Beyond humanitarian relief organizations, NGOs have been an important part of the history and development of norms on human rights (see Chapter 9).⁷⁵ In the nineteenth century, transnational antislavery groups put pressure on governments to ban the slave trade. Human rights groups were also key in establishing the UN Charter on Human Rights at the time the United Nations was established. One of the more intriguing human rights NGOs to appear in the past twenty-five years is **Amnesty International**. This organization dedicates itself to the release of political prisoners all over the world, as well as securing humane treatment for political prisoners whom it cannot get released. The organization works for the release of such prisoners "provided that [they have] not used or advocated violence."⁷⁶

Amnesty International's drive to curb human rights violations began in 1961. A London lawyer, Peter Benenson, noticed a newspaper story about Portuguese students who had been imprisoned for taking part in a peaceful demonstration. Benenson organized some friends and acquaintances to

agitate for the release of these students. It was presumed to be a temporary campaign, but by the end of the year, the need for a continuing organization had become evident. In 1962, the movement adopted the name Amnesty International, and in 1963, an international secretariat was set up in London. The group today claims a membership of more than 1.1 million members in over 150 countries and was awarded the Nobel Peace Prize in 1977. "Amnesty International . . . has been using its Urgent Action Network on PeaceNet to mobilize its members to pressure government officials to release political prisoners. It may come as no surprise that dictators and tyrants don't appreciate their actions being made public through this democratic tool."⁷⁷ Supporters of Amnesty International argue that there is little doubt of the need for this organization. Governments now have many sophisticated methods for apprehending political dissidents and abusing them while they are in custody. Miniaturized electronic surveillance equipment to gather information and computerized systems to process information make it difficult for dissidents to escape the clutches of repressive governments. Injections, tranquilizers, cattle prods, electroshock, sleep deprivation, noise bombardment, psychosurgery, and sensory deprivation chambers are among the instruments available to governments bent on torture and behavior modification.

NGOs also perform a variety of functions in international and state governance. They often carry out policy research, monitor state commitments to various international agreements, participate in international negotiations, provide information to international and domestic constituencies about state and business activities and positions, and facilitate ratification.⁷⁸ NGOs also function outside traditional governing structures:

NGOs are increasingly taking up functions that were once performed by states. Feeding, public health, development, and education functions have been largely abdicated to NGOs in many regions where states are weak or collapsing, such as sub-Saharan Africa. In Nigeria, public education has generally disappeared under the military regime. The only education taking place in the country is provided by faith-based NGOs such as the Jesuit Mission Bureau.⁷⁹

In addition, NGOs today deliver more official development assistance than does the entire UN system (excluding the World Bank and the International Monetary Fund), and states often use them as intermediaries in foreign aid. Donor governments often see NGOs as more accountable and more efficient than developing states.⁸⁰

NGOs have also had their share of criticism:

One recent study on NGOs and peacebuilding in Bosnia criticized the use of advertising (from signboards to T-shirts) by NGOs to promote their reconstruction programs to potential donors. Such advertising, the study noted, had the effect of

denigrating local rebuilding efforts and raising questions about where NGOs were actually putting their money. In Sudan and Somalia, NGOs have subsidized warring factions by making direct and indirect payments to gain access to areas needing assistance. In other conflict settings such as Ethiopia and Rwanda, NGO-constructed roads and camps for civilian assistance have instead been used by combatants.⁸¹

Another criticism of NGOs concerns their fairly undemocratic nature. Although these organizations often profess to speak for the powerless and voiceless, they themselves are often unaccountable to any constituency and can be closed in their internal decision making. It is also difficult for governments, international institutions, and corporations that want to include NGOs and NGO input to know which NGOs are reputable and which out of the many they should consult. Including all relevant NGOs in policymaking would be a quite cumbersome process.⁸²

Nevertheless, the argument can be made that the global political system needs to have organizations that operate outside or possibly above the state framework to put pressure on states to, for example, protect the environment. Similar arguments can be made for analogous organizations, such as Amnesty International, regarding human rights issues. For these and other reasons, probably a growing number of observers of the global political system feel that "the relative power of states will continue to decline. . . . Both in numbers and in impact, nonstate actors have never before approached their current strength. And a still larger role likely lies ahead."⁸³

The growing number and importance of nongovernmental organizations is a bit unexpected from the traditional, realist view of global politics. But although realist accounts of international politics typically do not consider transnational organizations because of the importance of states as the central actor in realism (or see them as puppets of states),⁸⁴ realism's focus on anarchy as the key characteristic of global politics allows for such nonstate actors to exist since there is no overarching authority to control them. When state and nonstate interests collide, realism would expect power to be the final arbiter, just as it is between states. Thus, from a power-politics perspective,

when there are conflicts between the state . . . and transnationals, outcomes will depend upon power. . . . For transnational actors, one critical issue is whether or not they must secure legally recognized territorial access, a . . . prerogative possessed by all states, even the smallest and least developed. In some areas, such as raw materials exploitation and civil aviation, access is essential. In others, such as international broadcasting, it is irrelevant. If territorial access is important for transnationals, then states will have bargaining leverage; if it is not, the position of central decision-makers, even in very powerful countries, will be weak.⁸⁵

Other theoretical perspectives stress different forms of power that NGOs can use vis-à-vis states. Constructivism suggests that the use of socially constructed norms has been important for NGO influence.⁸⁶ "Nongovernmental organizations have deployed normative resources to compel targeted states to alter their policies through a strategy of shaming."⁸⁷ Shaming involves bringing to bear moral pressure to force states to live up to their international obligations or stated values.⁸⁸ One study, for example, found that

States do care about their international reputation and image as "normal" members of the international community. . . . Very few norm-violating governments are prepared to live with the image of a pariah for a long period of time. The Moroccan king, for example, almost completely changed his rhetoric when faced with increasing external criticism . . . [regarding human rights abuses under his leadership]. His self-image as a benign patriarch who cares about his people was shattered by the domestic and international networks. In response, he indicated his desire to belong to the community of civilized . . . nations.⁸⁹

This study concludes that the pressures from nongovernmental organizations were important in improving human rights conditions in Morocco, as well as in Indonesia, the Philippines, Kenya, South Africa, Chile, Guatemala, and Communist Eastern Europe.⁹⁰

NGOs, however, may not be in competition with states or a challenge to the state system. From a liberal, institutionalist perspective, NGOs are important, and not necessarily a threat, to states.

States have incorporated NGOs because their participation enhances the ability, both in technocratic and political terms, of states to regulate through the treaty process. . . . NGO participation provides policy advice, helps monitor commitments and delegations, minimizes ratification risk, and facilitates signaling between governments and constituents."⁹¹

From an NGO perspective, states are not competitors either. Indeed, many NGOs rely on states for funding and other means of support.⁹²

Other theoretical perspectives would also recognize, and welcome, the role of NGOs alongside the state system. Idealism, for example, would find it natural and valuable that some NGOs are stressing values such as humanitarian relief and human rights, particularly when states do not attend to these issues. For feminist perspectives, NGOs have been particularly important, outside the male-dominated state system as they are, for advocating issues such as women's suffrage and women's rights as human rights and putting them on the international agenda.⁹³

International Terrorism and Terrorist Groups

international terrorist groups Terrorist groups with membership, support, targets, activities, or aims that cross state borders.

Terrorist groups are the third type of transnational actor that we consider in this chapter. Like MNCs and NGOs, today's **international terrorist groups** are related to other trends in international relations, such as globalization, and they represent a potential challenge to states. Also like MNCs and NGOs, contemporary terrorist groups are not new to global politics, although they are arguably different from, more numerous than, and more significant than their historical counterparts. Finally, like these other actors, terrorist groups can be transnational. Although many terrorists operate solely within a single state's borders (such as Timothy McVeigh and associates and their bombing of a federal building in Oklahoma City in 1995), other terrorists act in a transnational fashion, across state boundaries. Operating in many parts of the world, they include the Basque separatist group ETA in Spain and France, the Jaish-e-Mohammed group with activities in Pakistan and India, and Al Qaeda with members reportedly worldwide.

Terrorist incidents are transnational when the actions or targets involve more than one country.⁹⁴ The kidnapping and killing of Israeli athletes by members of al-Fatah's Black September terrorist group at the Munich Olympics in 1972 was "the first major contemporary terrorist incident that was truly international in scope."⁹⁵ There have since been many more. In 1982, the Lebanese Armed Revolutionary Faction claimed responsibility for shooting U.S. Lieutenant Colonel Charles Robert Ray in Paris. In 1981, twenty people were injured when a bomb exploded at a U.S. Air Force base in West Germany; the German Red Army Faction claimed responsibility. In 1985, Palestinian gunmen hijacked the *Achille Lauro*, an Italian cruise ship, off the coast of Egypt, killing one American on board. Also in 1985, Abu Nidal's Revolutionary Army Fatah claimed responsibility for attacks on the Rome and Vienna airports. In 1988, a Japanese group, the Organization of Jihad Brigades, claimed responsibility for a car bomb explosion outside a USO club in Italy.⁹⁶ "Given the perpetrators' citizenship and the multiple nationalities of the victims, the four simultaneous hijackings on September 11, 2001, were transnational terrorist acts" as well.⁹⁷ More recently,

the 3/11 [train bombings in Madrid, Spain] are transnational because they involved Moroccan terrorists on Spanish soil and killed or maimed victims from a number of countries. The kidnappings of foreign workers in Iraq in 2004 are transnational terrorist events intended to pressure foreign governments to pull out their troops, workers, and diplomats. These acts are also meant to keep other governments from assisting the U.S.-backed fledgling Iraqi government. Clearly, terrorist incidents whose ramifications transcend the venue country are transnational.⁹⁸

Terrorist groups are transnational actors in other ways. "An act can be transnational owing to the foreign ties of its perpetrators, the nature

of its institutional or human victims, the target of its demands, or the execution of its logistics."⁹⁹ Even groups that operate primarily within a country may receive money from international sources. The Irish Republican Army, for example, was partly funded by Irish Northern Aid, an assistance group established in the United States. Terrorist organizations also share information, weapons, and training facilities, and they create networks and alliances across borders. In 1986, the Red Army Faction of West Germany and Action Direct of France issued a communiqué declaring their intention to attack the North American Treaty Organization (NATO) jointly. This was followed by several attacks—the killing of a French arms sales official and a West German defense businessman and the killing of two Americans in a bombing of a U.S. air base in Frankfurt—for which the groups claimed joint responsibility.¹⁰⁰ An international conference of terrorist groups, all aligned against U.S. forces in Europe, took place in Germany in 1986, with reports of 500 people attending.¹⁰¹

Terrorist groups can also be multinational corporations, with businesses in various countries to support their operations. The PLO, or Palestine Liberation Organization (itself a political organization with several terrorist groups historically associated with it) owned farms and shops in Sudan, Somalia, Uganda, Guinea, Tanzania, Mozambique, and Zimbabwe and invested profits in stocks and bonds in Europe and the United States.¹⁰² Osama bin Laden's Al Qaeda group is reportedly involved in banking, agricultural, transportation, and investment companies.¹⁰³ Indeed, "it is striking how closely transnational terror groups like Al Qaeda and the Tamil Tigers [of Sri Lanka] have come to resemble large multinational corporations."¹⁰⁴

The international community has only recently put international terrorism on the global agenda:

The evolution of terrorism as a major international policy issue . . . occurred only in the last quarter century. Before that, it was generally viewed as ancillary to some other problem. For example, Middle East terrorism was generally viewed as a subset of the Arab-Israeli problem. . . . The perception of a terrorist threat distinct from an insurgent threat emerged in the late 1960s from the worldwide student antiwar protest movement in reaction to the Vietnam War. It spawned such terrorist organizations as the Baader-Meinhof Group in Germany, the Italian Red Brigades, and the Japanese Red Army."¹⁰⁵

While various efforts to combat terrorism took place in the 1970s, 1980s, and 1990s, the attacks on the United States on September 11, 2001, placed international terrorism front and center on the global agenda.

Terrorism's Challenge to the State System

The history, origins, and definitions of terrorism will be discussed in detail in Chapter 7. Here it is important to note that along with multinational

corporations and nongovernmental organizations, terrorist groups represent another significant actor outside the authority of states. If contemporary terrorism represents a challenge to the state sovereignty system:

The use of terrorism implies an attempt to de-legitimise the concept of sovereignty, and even the structure of the state system itself. . . . The gradual transition at the end of the twentieth century away from direct state sponsorship of terrorism, and towards more amorphous groups . . . is a potentially serious development. Obviously, states are far from helpless, but in an increasingly globalised international environment, the traditional state-centric means of responding to such a threat will not work and may even be counterproductive.¹⁰⁶

Terrorism in the contemporary global context challenges many theoretical perspectives for understanding international politics. Realism, with its focus on states as the primary actors, has particular difficulty accounting for the power of terrorist groups and the policies designed to deal with them:

For realists . . . transnational terrorism creates a formidable dilemma. If a state is the victim of private actors such as terrorists, it will try to eliminate these groups by depriving them of sanctuaries and punishing the states that harbor them. The national interest of the attacked state will therefore require either armed interventions against governments supporting terrorists or a course of prudence and discreet pressure on other governments to bring these terrorists to justice. Either option requires a questioning of sovereignty—the holy concept of realist theories.¹⁰⁷

When states do face terrorist actors, their overwhelming military power, also a key concept of realism, may not translate into victory because the terrorists may engage in asymmetrical warfare (as discussed earlier in this chapter), which is often a challenge for states to resist. Osama bin Laden, for example, has spoken about “the asymmetric virtues of guerilla warfare. Indeed, the al Qaeda leader has often cited the victory he claims was achieved with this tactic against American forces in Mogadishu, Somalia, during October 1993—when eighteen U.S. Army Rangers and Delta Force commandos were killed in fighting with Somali militiamen and, according to bin Laden, al Qaeda fighters too. . . . For bin Laden, the withdrawal of American military forces that followed is proof that terrorism and guerilla warfare defeat more powerful opponents.”¹⁰⁸ Nonstate actors also rely on other forms of power. In the “battle for hearts and minds,” for example, groups like al Qaeda, Hezbollah, and Hamas win support and recruit members by providing public services. “Indeed, in most Islamic countries, radical groups of fundamentalists have developed a social and cultural infrastructure to build an Islamic civil society and fill

a vacuum that their countries' governments have neglected. For example during the 1990s in Egypt, Jordan, the West Bank and Gaza, Afghanistan, and Pakistan, radical movements provided health care, education, and welfare for those nations' poor."¹⁰⁹

Terrorism may indeed be a reaction to weaknesses in the sovereign state system, brought on by other global processes and transnational actors:

Rather than religious nationalists, transnational activists like bin Laden are guerrilla antiglobalists. Bin Laden and his vicious acts have a credibility in some quarters of the world because of the uncertainties of this moment of global history. Both violence and religion historically have appeared when authority is in question, since they are both ways of challenging and replacing authority.¹¹⁰

Globalization is undoubtedly connected with contemporary terrorism.¹¹¹ Technology, as one engine of globalization, has been a tool that terrorist groups have used to their advantage. And the backlash against globalization has advantaged terrorists, as it is "fueled by a resistance to 'unjust' economic globalization and to a Western culture deemed threatening to local religions and culture."¹¹² Globalization and its backlash will be discussed in more detail in Chapter 14.

For some, then, terrorism represents a new age of global politics, a more transnational, globalized age. Others disagree:

Even the most prominent international terrorist threat of today, from radical Islamist political organizations, are in reality strongly rooted in the politics of individual sovereign political states. Islamist groups involved in terrorism in Egypt, Israel/Palestine, and Algeria, for example, are far more interested in creating revolutionary Islamic regimes in their own countries than in some utopian desire to submerge them into a larger Islamic political entity.¹¹³

Yet even if the state system is largely intact, the current wave of terrorism has certainly changed some relationships in that system:

While we have obviously not seen the last of inter-state war, war between organised states will no longer be the main driving force that it has been in the last 400 years or so. . . . We have already seen evidence of a remarkable shift: States are entering coalitions not to fight a traditional "war" or to deter such a war fought by other states or coalitions. They are aligning in surprising ways to fight the major non-state threat that has successfully targeted the leading state power: the United States. There is a new relationship evolving between formal rivals like Russia and the United States, and China and the United States, and the guiding principle around which they align is not military power but the stability and integrity of the state system itself.¹¹⁴

One observer sums up these points nicely, proposing that “the classical realist universe of Hans Morgenthau . . . may therefore still be very much alive in a world of states, but it has increasingly hazy contours and offers only difficult choices when it faces the threat of terrorism.”¹¹⁵

Transnational actors have proliferated in number and grown in significance because of the changing nature of power and the changes in world politics discussed in previous and subsequent chapters. The end of the Cold War (see Chapter 3), the increase in the number of democratic political systems and their possible implications for state-to-state relations (see Chapters 3 and 6), the changing nature and significance of international law and international norms of democracy and human rights (see Chapter 9), and the rise of global environmental issues on the international agenda (see Chapter 13) all contribute to, and also stem from, contemporary transnational politics.¹¹⁶ Globalization (see Chapter 14) is also inextricably linked to these trends.

It seems increasingly reasonable to argue that states need to give way to some extent to these nongovernmental political entities. Even the larger and more important states, which dominate an anarchic and politically decentralized global political system, seem ill equipped today to deal with a growing variety of problems such as global environmental issues. Indeed, “the activities of these organizations are increasingly impinging upon functions which previously were jealously guarded by states. Not only have health, education, welfare, and development functions been carried out by nonstate actors, but MNCs and NGOs are now also active in law enforcement and police training, economic and environmental policy making, land use, and even arms control.”¹¹⁷

This development represents a potential challenge to the historical and legal sovereign system of states. According to one analyst of these nonstate entities, “National governments are sharing powers . . . with businesses, with international organizations, and with . . . nongovernmental organizations (NGOs). The steady concentration of power in the hands of states that began in 1648 with the Peace of Westphalia is over, at least for a while.”¹¹⁸ Thus, transnational actors lead many to question the future of the state as the dominant actor in world politics. Others see a change in the international system that accommodates both state-centered and non-state-centered political relations.¹¹⁹ Some, for example, argue that a world civil society is growing alongside the state that not only seeks to influence state behavior but involves actors who have political significance in their own right relating to each other outside of state-to-state relations.¹²⁰ Others have suggested that the world has bifurcated into a state-centric world, in which states interact much as they have historically, and a multicentric world, in which transnational actors and international organizations dominate, and that these two worlds operate simultaneously, sometimes independently and sometimes influencing one another.¹²¹

SUMMARY

- *Nation* is a psychological concept, referring to a group of people who identify with each other based on a common language, ethnicity, or religion. *State* is a political concept, referring to a government that exercises authority over a territory. State boundaries are rarely contiguous with national boundaries.
- Power is a confusing concept because it often refers to capabilities (what states possess), as well as influence (what states can do). Since occasionally states that seem powerful in terms of capabilities fail to have influence, it is important to separate these issues and deal with the paradox of unrealized power.
- There are a variety of sources of a state's power. Military capabilities, primarily the size of armed forces, are a fairly good predictor of influence in international conflict, especially if the capabilities of allies is considered. However, less tangible factors, such as the will to win, seem to be important in many cases of conflict, including conflicts between states and nonstate actors engaging in asymmetrical warfare.
- Economic power, especially given changes in the international system, is another source of state power. Alternative conceptions of power include soft power, based on what others want to emulate and the control of the agenda, and moral authority. Others argue that power should be thought of in terms of ideas that make influence possible and in terms of the ability to cooperate. It is important to think of power according to the type of task for which capabilities are employed.
- Both economic and military capabilities can be measured in a variety of ways. Different measures often point to different power rankings. An index of power seeks to include multiple measures and can show the relative change in states' power over time.
- Transnational relations that involve multinational corporations, non-governmental organizations, and terrorist groups may represent the wave of the future. Certainly these types of transnational actors are having a significant impact on global politics. The global political system today faces numerous problems that a state-dominated system may find impossible to resolve. Transnational organizations have become increasingly visible in recent decades and may pose a challenge to states' power.
- MNCs have proliferated in the past twenty or thirty years and have been very successful. MNCs are controversial because they have been dominated by American firms and they are seen as a potential challenge to states because of their size and their transnational interests.
- NGOs have proliferated over the past few decades and now perform a variety of functions in international and state governance. Their impact

in human rights, development assistance, humanitarian relief, security issues, and environmental politics is significant. In many ways, the rise of NGO activity represents a challenge to the state system and the perspectives that place states as the central actors in international politics. In other ways, though, NGOs appear complementary to states and offer avenues for addressing issues that cross state boundaries.

- Many terrorist groups operate transnationally and have international targets. International terrorism is not new but has recently been placed at the top of the international agenda. As non-state actors, terrorist groups are another challenge to the power of states, the concept of state sovereignty, and the ways we think about global politics.

KEY TERMS

nation	97	geopolitics	109
multinational states	97	gross national product	113
multistate nations	97	GNP per capita	113
stateless nations	97	transnational relations	117
power	98	foreign direct investment (FDI)	119
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