The State and Its Institutions

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On April 13, 1655, Louis XIV, King of France (1638-1715), addressed the Parliament of Paris, famously declaring, 'L'Etat, c'est moi (I am the state)'. It is also said that on his deathbed he declared, 'I am going away, but the state will always remain'. The difference in these two statements marks the emergence of the concept of the modern state.

Frederick the Great, King of Prussia (1712-1786), declared about a century later, 'A king is the first servant and first magistrate of the state'. The concept and the definition of 'the state' has long been the subject of debate and reflection among philosophers and political theorists, and now, in light of the great and pretentious issues facing humankind, issues ranging from all aspects of the wellbeing of human beings to the very survival of the human race, 'the state' has re-entered political conversation with great force. At the heart of the conversation is the difficulty encountered when we try to define what 'the state' is.

Louis XIV's statement that he is the state summarises with almost frightening clarity, and at a level that remarkably combines abstract theory with a concept of power that is extraordinarily personal and individual, a definition of the state that, in broad terms, was the view of the state throughout the organised political world in the period before the rise of capitalism.

It is a theory that states that the monarch, whatever his (rarely her) title, is the source of policy and political activity throughout society, and that society's purpose is to serve the interests of the monarch. In other words, the interests of the monarch and the interests of the society over which the monarch rules are isomorphic, which is to say that they are the same, and that, theoretically, power moves from the top to the bottom while service moves from the bottom to the top.

This is an extreme definition, of course, and it needs to be modified at all times and everywhere in terms of the conditions that pertained in specific societies. For example, in Imperial China there was a political theory that held that if the emperor misruled, in terms of providing for the welfare of his people, the people had an almost natural right to revolt.

In feudal Europe, power was organised hierarchically and the level of military and administrative technology available at the time dictated that while absolute power belonged to the individual at the very apex of society, or even above that, the reality of power rested upon the acquiescence of the lower orders and upon the ability of each level of society to enforce its will on those beneath it.

Pre-modern theories of the state do not, for the most part, envisage a society without law. And more often than not, the concept of law included the definition of justice (or at least justice for those who held power) and a set of regulations according to which both the exercise of power and the performance of duties could take place within admittedly a somewhat limited set of expectations.

This was true of the traditional Chinese state (based upon a political philosophy that combined elements of Confucian wisdom and Legalist structures); of the ancient Indian imperial state (for example, Ashoka's definition of sovereignty in terms of the Dharma, in which it was the emperor's duty to embody and actualize the Dharma in state policies and actions); or of ancient Rome, where the emperor or the Roman Senate may have been divinely or politically supreme but where social and economic relationships were governed by the evolving complex of laws and regulations.

There were exceptions, of course. For example, while Athenian society as a whole could by no stretch of the imagination be called 'democratic' (despite the mythically symbolic value attached to Athens as the source of democratic ideals), there were periods when Athens was ruled by the collectivity of the members of society, which is to say a very small group of men who constituted Athenian society to the exclusion of women, slaves, etc. But even in Athens, there were periods in which individual leaders exercised personal power above and beyond the power of the collectivity.

In the pre-modern societies, that is to say, in the pre-capitalist world, tyranny was the exercise of power by the ruler's whim outside of the expectations of behavior, however those expectations may have been expressed—by custom, by law, by commonly accepted principles, etc. And, by and large, it is also the case that in these pre-modern societies, what we now think of as the 'economy' was not a phenomenon separate from the social structure of power. In other words, while economic activities, production of goods and services, market exchanges, etc., all existed and were recognisable as such, they were regulated as instruments of power of the pre-modern state.

All of this changed with the gradual development of capitalism beginning most discernibly in the 18th century. Frederick the Great is often cited as the historical

figure who best personifies the emergence of what we now think of as the modern state. A particular set of phenomena began to make their appearance at that time.

First, commercial activity, including cultural and industrial production and the exchange of goods, begins to assume a conceptual and even a practical existence apart from the institutions and power of the traditional state. The struggle for the control of the economy continues down to this very day, but the struggle itself is an artifact of the emergence of the modern state.

Second, the state begins to assume an existence in and of itself, apart from traditional social hierarchies. This means that it collects taxes itself, organizes its own police and military power, and reaches directly down into local society to exercise the powers that it defines for itself. It is no longer dependent upon the lower orders of society for its existence.

Third, public or 'civic' areas begin to appear in society, areas in which the state may not exercise power or from which the state withdraws. Whether these areas come into existence by virtue of, for example, a compromise between the state, on the one hand, and the 'people', on the other, or whether as a result of changes in political thought and philosophy the state voluntarily withdraws from these areas, the consequence is the emergence of a 'civic space' in which activities may take place and opinions may be expressed outside of the domination of the state.

Now, none of this happened overnight. The emergence of the modern state has always been a field of contention, often a field bloodied by war and revolution; nor has the process of this emergence been one of steady or even intermittent progress towards some ultimate goal. Furthermore, it can be argued with great cogency that, since the beginning of long-distance maritime trade and military, political, and intellectual imperialism, the history of the world outside the West has been marked by the development of the modern state, along the lines indicated, by the exercise of European and North American power.

Indeed, we may suggest that as modern states have developed in Asia, for example, as a consequence of the impact of Europe and North America, some Asian states have themselves become vehicles for modernisation of other polities. India in Bhutan and Nepal, and China in Tibet, Xinjiang and Inner Mongolia, and Japan in Korea and Taiwan are such examples, and may not differ theoretically (from a historical point of view) from the Dutch in Indonesia, the French in what used to be called Indochina, or the Americans in the Philippines. The struggle for, and over, the emergence of

the 'modern state' in all these areas remains a topic of supreme importance for the societies involved, and this struggle only becomes more important as the entire planet faces crises that are no longer limited to one polity or one geographical region.

The modern state everywhere is rooted in the assumption, perhaps all too often honored verbally rather than in action, that the function of the state is the wellbeing of the population that lives within the boundaries defined by the reach of the state's power. The definition of 'wellbeing' and the extent of the exercise and reach of the state's power are everywhere in contention and constitute the core of 'politics', whatever the form those politics take or the course they follow.

The very definition of 'wellbeing' changes according to time and place, and the relative strength of political and even intellectual forces. In many societies, until very recently, indeed until the last decade, it was widely assumed that the material wellbeing of the society would best be managed by the processes of the so-called 'market economy', and the degree of exercise of control over those processes by the state has been a major subject of contention.

Indeed, the 'capitalist state' may be defined as that state in which the state exercises the least amount of power over the operations of the market, that is to say, over the processes of the production and exchange of goods and services, so that the 'market' may function according to what were assumed to be the 'natural laws' that themselves define the operations of the market.

Nowhere and at no time was this absolutely the case, but the demarcation of the state's responsibilities in the production of the 'wellbeing' of the people remains to this day a primary theoretical and political issue. It should be noted that it has become popular in the contemporary period to extend the concept of 'wellbeing' to mental and spiritual affairs as well.

What are the elements that constitute the 'wellbeing' of a society and of its population? And what are the institutions through which that 'wellbeing' is sought?

The state, it is widely assumed, has primary responsibility for the security and the safety of its population. Until very recently, this responsibility involved the protection of the population from the disruption of its normal activities, primarily from war (international) and crime (domestic).

The institutions responsible for the exercise of this responsibility are the military and

the police, which, of course, are institutionalised differently in different countries. One of the reasons why Frederick the Great is often cited as the first monarch of a modern state is that he understood that the exercise of responsibility in this area had to belong not to the willfulness of local magnates, individuals who exercised power in local areas, but had to belong to the state itself.

The emergence of the market as an activity more or less independent of state control and serving its own interests required regularity in the social sphere of domestic activity, and that regularity required the protection and insulation of the economic sphere from both external and domestic sources of potential instability.

The development of institutions for the exercise of military and police power by the state was a necessity if the condition of stability that the market required were to be maintained. That stability, moreover, required that the state have a monopoly over the exercise of military and police power. In other words, the state could not afford the development of centres of military or police power over which the state did not have control lest they challenge the state itself and endanger the stability that the market requires.

In this regard, it is interesting to note that in our contemporary era it can be argued that capitalism has overwhelmed the state, so that we are now witnessing in some countries the privatisation of both military and police institutions. The United States is one such example, in which the growth of private police institutions and prisons and the privatisation of a surprising amount of military activity indicate the subordination of the state to the interests of the market. Globalisation, institutionalised through the WTO and a variety of other bodies, is a further example of this process.

In order for the state to maintain stability and wellbeing (however that may be defined) within its domains, it requires financial, administrative, educational, judicial, legislative, economic, and audit institutions that, together with the institutions that maintain social safety and stability, constitute what we call the 'state.'

The state must be financed. The military, the police, and all the other state institutions require money to support their personnel and activities. This means that a tax system, an institution for the collection of taxes and institutions that will control expenditures, are necessary.

While the content of the taxes, the way in which they are collected, exceptions to the rules, etc., may vary from society to society and are always contended, they

are an absolute necessity for the existence of the state and they must always be predictable in any particular period of time for the stability of the society to be maintained. Extraordinary circumstances may sometimes require extraordinary taxes, for example during wartime, but regularity must be the primary condition that defines the extraordinary. Tax revolts, political and sometimes even violent, are not uncommon in the modern history of many states.

Tax systems and, indeed, all the state's activities require personnel who together are the bureaucracy of the state. One of Frederick the Great's innovations was the employment of administrative personnel by the state rather than by competitive local power centers.

Although it is not uncommon in our contemporary era to encounter ideologies and policies that intend the diminution of the bureaucracy, it may well be argued that the smaller the bureaucracy the weaker the state. Of course, many argue that a bureaucracy may become unwieldy and uneconomic, but the real question may concern the efficiency rather than the size of the bureaucracy. To the extent that the bureaucracy diminishes in size, the ability of the state to maintain stability and well-being may also diminish.

Education is crucial for the administration of the state and society in all its aspects. Personnel who understand and can operate the mechanisms for the collection and disbursement of money, the administration of the military and police, and even the exercise of education itself must be available for the use of the state.

In traditional China, for example, the entire state apparatus, which was very ramified, depended upon the existence of a well-trained body of personnel. Napoleon in France thoroughly understood the central significance of education for the very existence of the modern state and consequently instituted a highly developed state-controlled educational system.

Some societies today think of education as a necessity for economic competition, but the truth of the matter is that that misses the mark by far. Indeed, the failure to recognise that the primary function of education is to serve the functioning of the state and its institutions is an indication of the weakening of the state in the face of the economy.

All states require mechanisms for the resolution of conflicts that may arise, on the one hand, from the exercise of state functions or that, on the other hand, may disturb

the stability and regularity of the processes of society. This is the 'judicial function' of the state, and specialised institutions are necessary for that function, albeit they may differ in structure from society to society.

It is important to note that modern judicial institutions, like all other state institutions, require financing and trained personnel. They also require ancillary institutions that will ensure the enforcement of the judicial institutions' decisions. This is a good example of the intrication, the interdependence, of all the institutions of the state, such as finance, police power, bureaucracy, education, and law.

All the institutions of the state ultimately focus on the performance of the policies, that is to say, on the conscious expression of the ways in which the state exercises its functions. In different states policies are defined in different ways, but all states require 'political' institutions for the development of policies.

It is in this context that a vitally important distinction has to be made between the 'state' and the 'government'. The state consists of all the institutions, many of which we have defined above, whose purpose is the maintenance of the stability and wellbeing of society. The 'government' is the institution which defines the ways in which a society's stability and wellbeing are maintained and may, indeed, even define the particular way in which 'wellbeing' is understood at any particular moment or under a particular set of circumstances.

The relationship of the state to the government depends upon the particular arrangements through which a society defines its institutions. These arrangements may range from autocratic, in which the state and the government are synonymous for all intents and purposes, at one end of a kind of political spectrum, to a rather extreme direct democracy (still a myth but nonetheless the subject of considerable speculation in our contemporary world) in which the 'people' are the state and define their policies in deliberative assemblies of the whole.

The definition of the relationship of the state and the government is not only very particular to any society but also often subject to great ambiguity. For example, in the United States of America, which has a 'presidential' governmental structure, it is quite unclear where the demarcation between government and state is. The president, defined constitutionally as the chief executive, has increasingly over time both made and executed policy, while the Congress, defined constitutionally as the legislative power, has exhibited a declining ability to either make or legislate policy.

In China, the primary policymaking power appears to lie with the Party and the state may be defined as the executive instrument of the Party. In parliamentary polities, the government is constitutionally the executive instrument of parliament, though in some societies that distinction is blurred either by intention or lack of clarity of constitutional definitions. Whatever the conditions that pertain in any particular modern society, the relationship between the state and the government is often contentious.

What, for example, is the function of the parliamentary institution? Is it to make broad policy through legislation initiated internally or proposed by the government? Is it primarily to respond to legislative initiatives that come primarily from the government? Is it to attempt to control administration by passing extremely detailed legislation or to outline broad policy objectives through general legislation while the bureaucracy's function is to translate parliament's broad objectives into the details of administration?

Obviously, there is no single or correct answer to any of these questions. Any polity's political vitality depends upon the ongoing conversation about these, and other, issues. Without such conversation, the polity may well become incapable of responding creatively to changes in the environment in which it exists.

With the modernisation of society—whether the term 'modernisation' is used to refer to 'westernisation' or simply to change away from 'what was' before 'what is' began to develop—the erosion of traditional belief systems and traditional cultural forms and performances (which in very simplified terms may be understood as the 'glue' which provided the foundation for the sense of sociality that the interconnectedness of the parts of a given society require if they are to hold together) has become a very significant characteristic of the 'modern'. This has required the state to actively undertake the encouragement and sometimes even the production of 'culture'.

The encouragement of literature, dance, and art in all instances has become a concern for the modern state, so that we find institutions now developing this purpose in the production or, in some cases, the 'maintenance' of culture. Of course, it is more often the case that *that* culture which the state claims to be 'maintaining' or 'conserving' is itself modern invention.

On the other hand, the state may often endeavor to create a wholly new culture, as has been the case in, for example, China or the former Soviet Union. But just as the traditional culture in which the modern state tries to conserve may itself be an

innovation, so the new culture that some modern states try to create may be, when all is said and done, simply rearrangements of the physical or mental artifacts of the old culture. In any event, the 'production of culture', new or traditional, has certainly become a function of the modern state. The sense of belonging that a common culture may provide is understood to be crucial to the maintenance of a sense of wellbeing in the population.

Expressions such as 'governance' and 'failed states' have become commonplace in discussions of the state today. A failed state, or a state in the process of failing, is one that is increasingly incapable of providing for the security and wellbeing of its population. Many different kinds of conditions may contribute to that, including the growth of military and police powers outside the control of the state itself. The inability of the state to maintain that minimum of control over the economy that is required for the wellbeing of the population may be another contributing factor. Both these conditions pertain, for example, in those states that are overrun today by drug cartels.

However, a state's failure may also involve loss of control over its currency, its frontiers, or even its culture. The word 'governance', an archaic form 'government' or 'governing', in modern usage has come to mean the way in which the institutions of the state are managed and the consequences of that management for the stability and wellbeing of society.

The consequence of bad 'governance' may well be social instability and even the failure of the state. But it is important to keep clear the distinction between an institution and the way in which the institution is used. All too often these days the misuse or malfunction of an institution serves as an excuse for doing away with the institution or for modifying it into something that it was not intended to be in the first place.

For example, the privatisation of education or of medical care delivery may not be due to the malfunctioning of the systems of education or medical care delivery but, rather, to their mismanagement or to the failure of their leadership. In some states institutional changes may be the consequence not of issues of governance but of ideological commitments.

Any evaluation of the state and of its institutions needs to be based, first and most importantly, on the success with which they meet the needs for which they are intended; if they do not meet those needs, a rigorous examination of the reasons for

those failures must be undertaken. No state institution is, *a priori*, good or bad. It is successful or unsuccessful.

Such determinations need to be made through research and evaluation, not through ideological preconceptions. Institutions such as parliamentary commissions of inquiry in Great Britain or the Congressional Bureau of the Budget in the United States are examples of mechanisms for self-analysis that modern states require for good governance. Such institutions may be understood as 'audit' mechanisms not in the narrow sense of budget or corruption control but, rather, more broadly as mechanisms for self-evaluation.

Finally, a characteristic of modern states is their complexity. This characteristic often stands in the way of good governance, in the sense that it contributes to the diminution of the wellbeing of the people in a society because of their inability as individuals to negotiate their interactions with the institutions of the state. In some societies, often considered among the more progressive, the institution of the ombudsman—an individual or an office whose function is to represent individual members of society to the bureaucracy and to facilitate their interactions—is a vital element in the maintenance of good governance.

The statement that the primary function of the state is to ensure the stability and wellbeing of society is very fraught today, faced as we are, throughout the world, with an ecological crisis that is global, not local, and the challenge it presents at every level of society and in every corner of our natural environment.

The question this crisis poses is very stark: Are the state and its institutions, whatever particular form they take in different places, capable of maintaining the stability and wellbeing of society in the predictable future; or is it necessary now for us to begin to think about new structures, new institutions, to govern a rapidly changing and endangered world?

This suggests one further element in the definition of the state. The state must possess imagination in order to encourage thinking and planning 'out of the box', even to imagine its own transformation. Political imagination and institutional innovation may now become more important than modernisation in the evolution of the state.