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Globalization, Nation-State, and International Organizations

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Doctor of Philosophy

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Globalization, Nation-State, and International Organizations

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B.A., Renmin University of China, 2004
M.A., Peking University, 2007

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An abstract of
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Abstract

Globalization, Nation-State, and International Organizations

By Xue Li

In the globalization era, domestic institutions have been increasingly shaped by transnational forces, including international organizations (IOs) and transnational flows of trade and investment. This dissertation advances a sociology of globalization by examining 1) sources of International Non-Governmental Organizations (INGOs) (Chapter 2); 2) the association between world society and the global rise of the nation-state (Chapters 3 and 4); and 3) how state size is shaped by the interplay of economic globalization and the development of INGOs (Chapter 5). INGOs data are from the Yearbooks of International Organizations 1953-2003, which provide the most complete data on INGOs worldwide. The data on the rise of the nation-state contains information on 145 territories from 1816 until a nation-state was created. By 2001, 139 of these territories had made the transition to the nation-state. As for the size of state, data are drawn from six cases in East Asia (South Korea, Singapore, Malaysia, the Philippines, Thailand and Taiwan) from 1971 to 2009. Several statistical techniques are employed, including 1) discrete-time event history analysis, estimated via a logistic regression analysis of territory years with natural cubic splines to conceptualize time effects and 2) Error Correction Model to correct biased estimates due to the violation of routine regression assumption in Time-Series-Cross-Sectional data analysis. Analyses using these techniques show that 1) most INGOs remain headquartered in core countries, which may impose significant costs on INGO hosts; 2) global diffusion processes complement the more local processes stressed by historical institutionalism to encourage nation-state creation after WWII; and 3) in East Asian cases, the downsizing effect generated by economic globalization on state size can be moderated by the rise of INGOs which impose an upsizing effect. Thus, the globalization processes have a self-limiting characteristic which limits the size of negative effects. The key contributions of this dissertation include 1) revealing the dynamics of the rise of the nation-state during the post WWII period; and 2) finding the interdependent effects within globalization processes, which mediate the consequences of each aspect of globalization, and thus should be taken into account when investigating globalization effects.

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Obtaining a Ph.D. degree in the United States is one of the most exciting experiences for me. When I arrived at Emory University from China six years ago, I did not expect there would be so many interesting, promising, and adventurous experiences, as well as a lot of frustrating and disappointing moments. Now, the long journey is approaching to an end. I am very grateful to the professors, colleagues, friends, together with my families, all of whom not only share my progress and happiness, but help me get through the tough time as well.

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Chapter 1 Introduction

In recent decades much scholarly attention has been directed to studying the homogenization process brought about by international organizations (IOs). As carriers and dispensers of world culture, IOs exert pressure toward isomorphism. Thus, states adopt similar policies in many domains: education (Bradley and Ramirez 1996), environmental protection (Frank, Hironaka and Schofer 2000b), science (Finnemore 1993), women's suffrage (Ramirez, Soysal and Shanahan 1997), and welfare provision (Strang and Chang 1993). However, little has been written on the sources of IOs, on their consequences for the proliferation of the nation-state itself, and their impacts for the burgeoning size of the state.

In this dissertation, I focus on some of the most crucial, as well as the most manageable, aspects of these neglected topics. Specifically, I focus on the origins of INGOs over roughly the second half of the 20th century, the impacts of both Inter-Governmental Organizations (IGOs) and International Non-Governmental Organizations (INGOs) on the proliferation of nation-states from the Peace of Vienna to the advent of the war on terror, and the impact of INGOs on the scale of states in the 1971-2009 period.

BACKGROUND

International Organizations

An international Organization is an organization with an international membership, scope, or presence. IGOs and INGOs are two main types of IOs. IGOs are organizations that are made up of sovereign states, aiming at improving collaboration, bargaining and coalition formation among sovereign states. The oldest extant IGO is the "Central Commission for Navigation on the Rhine", created in 1815 by the Congress of Vienna, whose role is to "guarantee a high level of security for navigation of the Rhine and environs" (Wikipedia). For IGOs, member states transfer some power to IGOs, which in turn set up goals and agendas, requiring member states to follow. IGOs may also monitor and guide member states to take specific policies. For instance, International Monetary Fund (IMF) provides policy, advice and financing to member states, often subject to compliance with certain conditions—the notorious IMF "conditionality". This conditionality refers to a set of policies or conditions that IMF requires in exchange for financial loans. IMF requires the government seeking assistance to correct its macroeconomic imbalances in the form of policy reform. If the conditions are not met, the funds are withheld.

INGOs are non-profit, non-governmental organizations that have international membership and goals. One of the oldest and most influential INGOs is the "International Committee of the Red Cross (ICRC)", which was founded in Switzerland in 1863. It is a voluntary international organization that initially aimed at providing relief assistance on the battlefields. INGOs pursue activities to "relief suffering, promote the interest of the poor, protect the environment, provide basic social services, or undertake community development" worldwide (World Bank 1999). Developing countries are the main focus of INGOs. Many INGOs activities fill in local governments' fulfillment of basic functions.

IOs are one dominant global actor in the globalization processes. World polity theorists argue that the world has been constituted as a singular polity, a unitary social system and a distinct world culture (Boli and Thomas 1999). This world polity cannot be reduced to states, transnational corporations (TNCs) or national forces and interest groups. On the contrary, a world culture has emerged and has come to be regarded as legitimate worldwide. IOs are carriers, dispensers and facilitators of world culture; and world culture is embedded in IOs (Boli and Thomas 1999). World culture reshapes states in many domains and thus facilitates institutional isomorphism across the world. For instance, most states have granted women suffrage. The adoption of women suffrage is not a result of internal function necessity or international competition. Without giving women the right to vote, a country can remain prosperous (e.g. Saudi Arabia). Rather, women's suffrage has become part of the world culture and has been spread all over the world by IOs and other global actors. It exerts pressures on individual countries in search of global legitimacy to follow, which care not only efficiency but also legitimacy (Berkovitch and Bradley 1999, Paxton, Hughes and Green 2006). The unitary world polity as a singular polity was not formed until sometime in the 20th century (a time that I attempt to pinpoint in chapter 3 and 4). It is only possible when a global network of individual nation-states has emerged, in which individual nation-states are intensively interconnected with and interdependent upon each other.

IOs were born in the 19th century. The population of IO burgeoned after the turn of the 20th century, decreased during two world wars, and swiftly recovered after wars. Figure 3.1 in Chapter 3 describes the development of IGOs from 1816 to 2001. The total number of IGOs is 30 in 1900, and then steadily increases to 6743 in 2001, except for

two big drops during wars. INGO population reaches a peak of 51 foundings before WWI, falls down to 4 foundings in 1915, 10 foundings in 1943, and recovers soon after the end of WWII (Boli and Thomas 1999).

Nation-States

In the pre-modern world, most states were non-national: empires, city-states, dynasties, or something else (Tilly 1992). But all these variants have converged on nation-states in the past 200 years. A nation-state is a centralized, differentiated and autonomous state structure; and the nation-state, in broadly regarded terms, is a state whose people share a strong linguistic, religious and symbolic identity (McNeely 1995). As articulated by Wimmers and Feinstein (2010), which I shall draw on in Chapters 3 and 4, the nation-state is ”an independent state with a written constitution, ruled in the name of a nation of equal citizens.” That is, it requires a written constitution and is marked less essentially by dominant ethnic and religious solidarity groups than by the solidarity of its citizens or of “the people.” The global expansion of the nation-state follows a similar pattern as IOs. As Figure 3.1 in Chapter 3 shows, the number of nation-state grew slowly in the 19th century (from 4 in 1816 to 36 in 1900) and increased monotonically in the 20th century (151 in 2001), except for steep drops during world wars.

The nation-state has two aspects. On the one hand, it is an administrative structure governing multiple contiguous regions with a centralized and a differentiated organizational system. By this view, it is capable of beating all other competitors (dynasties, empires, etc.) in extracting, mobilizing and organizing resources and population. As a result, it is the one that survives in wars (Tilly 1992).

Under the influential world polity view, the nation-state is a cultural product, and "self-determination", "individualism" and "rationality" are three basic values of it. Self-determination requires a nation to have a state; individualism and expanding notion of individual rights of all sort –human rights, citizen rights, women's rights and children's rights, grant equal status to every one of the population and create a direct connection between state and individual citizens. Structuring societies around atomized individuals is a foundation of the nation-state. Rationality, or purposive/instrumental rationality in particular, ensure the bureaucratic organizations can organize human activities and systematic processes in an efficient, standardized manner and thus eliminate favorism and corruption. Partly due to the dual aspects of the nation-state, the global rise of the nation-state is the result of the pursuit of both internal efficiency and external legitimacy.

To summarize, as one of the most important organizations in the modern world, the nation-state follows a similar growth pattern as that of international organizations. The symbiotic relationship between IOs and nation-states and the cultural aspect of the nation-state are the entry point of the dissertation.

EXISTING RESEARCH

International Organizations

Research on IOs is extensive and wide ranging, including a large political science literature on transnational and supra-national institutions and a "new institutionalist" literature in sociology on global institutional diffusion and isomorphism (Simmon, Dobbin and Garrett 2007). Much of the sociological research focuses on IGO/INGO membership—or the ties of individual states to IOs—and how such ties help to diffuse

world cultural principles/norms to individual countries (Beckfield 2003, Boli, Loya and Loftin 1999). However, origins of IOs, which may influence the way how IOs take action in the world polity, are rarely discussed.

This dissertation describes sources of INGOs from 1953 to 2003 and how they relate to world system status of states (core, semi-peripheral, and peripheral) in chapter 2. I find that INGO headquarters are highly concentrated in the core countries, which indicates that INGOs might function, whether as consciously wielded instruments of the core or systemic effects of it, to keep its dominant status in the world, and thus become a source of global inequality.

IOs and Nation-States

Boli and Thomas (1999) describe the close relationship between INGO growth and expansion of the nation-state system. They find that INGOs were rare in colonies; after independence, many INGOs emerged. Thus, national citizenship is a precondition for world citizenship. However, this cannot explain how national citizenship, a western political concept, has been diffused and adopted by colonies. In addition, it cannot explain the existence of INGO membership in colonies.

This dissertation investigates the relationship of IOs and nation-states from an opposite direction. Following world polity approach, chapter 3 explores how world culture, which includes the nation-state template, facilitates the nation-state creation all over the world with the assistance of IOs. I find that in post-WWII period, IOs and "extant nation-states", or global accumulations of such states at a given time, both play a significant role in encouraging the rise of the nation-state. Further, chapter 4 explores the

early reach of world polity in 1919-1945 period, and find that the encouraging role of IGOs and existing nation-states emerged as early as 1939, the start of WWII.

Globalization Processes and the Size of State

Globalization processes are intertwined, interdependent and multiple processes; and thus, they may affect states in various ways. Specifically, political globalization, the increasing size and importance of international organizations versus states, has contributed to the structural homology of the nation-state (see Chapter 3 and 4). Economic globalization, the growing volume and scope of international trade and investment, has influenced national policy-making toward an investment/trade friendly direction. In addition, political globalization interacts with economic globalization. For instance, some IGOs, such as IMF, World Bank and World Trade Organization (WTO), support and encourage the development of international trade and investment, which in turn facilitates the creation of new IGOs and INGOs. At the same time, those INGOs who provide social services and enact advocacy initiatives, may lobby local governments to increase taxation and spend more on public services (e.g., education, medical services, etc.); or that less directly affect policy by contributing to a cultural/ideological climate conducive to such services. As such activities are the last things those international traders and investors want to see, INGOs may play a negative role with regard to the economic globalization. In short, results may be biased without considering the interactive effects between economic and political globalization.

Most research focuses exclusively on additive effects of one aspect of globalization at a time and has failed to take "interaction" among aspects of globalization into account.

This dissertation fills in the gap by investigating how globalization processes affect state size in Southeast Asian countries with the interactive effect considered. In chapter 5, I examine whether global civil society—or INGOs—interacts with international trade and foreign investment and whether such interaction influences state size in Southeast Asian countries. Focusing on South Korea, Singapore, Malaysia, the Philippines, Thailand and Taiwan from 1971 to 2009, I find that the downsizing effect of economic globalization on state size can be offset by the existence of global civil society. Further, economic globalization has a "self-limiting" effect. International trade encourages the development of global civil society, which in turn contributes to limit its own downsizing effect.

DISCUSSION

As one of the most influential processes in the world, globalization knits the world into a single entity. It spreads commodities, information, and technology from far-away and exposes local life-style and economy out among the members of the international community; and it does so at a historically unprecedented rate. Every corner of the world has been involved into this process, becomes dependent upon products made in foreign countries, and is shaped by world culture. No one or no society can escape or be totally isolated from it. The importance of globalization is hard to overestimate. This dissertation revolves around globalization and how it affects states—one of the most important political organizations throughout human history. It contributes to the state-of-art research by (1) describing some of the sources of INGOs and suggesting some of their potential influences on global inequality, which has been largely ignored by scholarship; and (2) exploring how world culture encourages the global rise of the nation-state in past

200 years—a new mechanism of nation-state creation worldwide; and (3) investigating how the interacting effects within globalization process complicate the consequences of globalization—a new perspective of looking at globalization effects.

However, there are still many interesting issues yet to be studied. For instance, whether and how the IGO origins contribute to global inequality among states? Since both power configurations and world culture encourage the global rise of the nation-state, is there a tradeoff between the weights of the two? Which factors can explain the tradeoff? Does the interactive effect within globalization exist worldwide? If yes, do political globalization and economic globalization reinforce each other, or does one aspect offset the other, as what we have seen in Southeast Asia? How do the kinds of processes of state expansion stressed here operate with a wider Asia indeed, worldwide?

I hope this dissertation has broached the subject and is just the first of many sociological findings in this field.

Chapter 2 Bring the Organization Back In: INGO Inequality in World Polity

BACKGROUND

Does inequality exist in world polity? World system theorists focus on the transnational economic interdependence and suggest that the dominance of the core is reinforced based upon a transnational division of labor in which the core controls the high-skill and capital intensive production and the periphery is pushed to low-skill and labor intensive production (Wallerstein 1974). As a result, the inequality among countries is increasing over time. On the contrary, world polity theorists emphasize cultural diffusion across borders and find isomorphism among states in the domains of human right policies(Emilie M. Hafner‐Burton and Kiyoteru Tsutsui 2005), environmental protection (Frank 1997, Schofer and Hironaka 2005), women's suffrage(Ramirez, Soysal and Shanahan 1997), and education (Francisco O. Ramirez 1996, Meyer, Ramirez and Soysal 1992, Schofer and Meyer 2005). Subsequently, the world polity becomes flat. As a response to the challenge of world polity theory, world system theorists argue that the world polity reflects and reproduces preexisting structure of domination, and international organizations serve as "boards of directors for ruling states" and at least initially benefit them(Boswell and Chase-Dunn 2000). Structurally, this implies a densely interconnected world polity which is highly uneven and centralized around dominant core actors. Following this approach, Beckfield (2003, 2008, 2010) finds that inequality in INGO membership among countries remains stable and can be explained by world

income inequality and world system positions (core, semi-periphery, periphery), while IGO inequality decreases sharply.

However, INGOs have two aspects—(1) the organization itself, including where the headquarter is located, where its financial resources from, and whether it has limitation on its members (universal or regional); (2) organization membership and its distribution. Most research focuses on the latter aspect but ignores the organizations themselves, key actors in the world society. It is still unclear whether and to what extent the inequality in the first aspect of the INGO exists in the world polity. If the world system account is correct that international organizations is just a new strategy for the core to maintain their dominant positions, then such inequality in world polity should more widely exist. In addition, the INGO membership is more of a reflection of INGO penetration of the world cultural principles into individual states, rather than a measure of INGO weight or level of involvement in world polity.

In this chapter I will focus on the inequality in INGOs themselves in terms of (1) the inequality of INGO headquarters and (2) the difference of financial sources of INGOs among the core, semi-periphery and periphery. Furthermore, if as world system theory argues, INGOs are tools to spread Western ideology and reinforce their cultural hegemony, then INGOs that headquarter in the core are more likely to be universal INGOs while the INGOs that originate from the periphery, partly as an imitation of the Western INGOs to serve more particular aims, are more likely to be regional and particularistic (i.e., to have more particular aims)[1]. Thus, I will also examine (3) the

[1] Universal INGOs are non-regional INGOs which do not exclude any individual/organization from membership, while regional INGOs recruit their members from a particular region of the world.

percentage of universal/regional INGOs among the core, semi-peripheral and peripheral countries.

Another problem of the current research on the INGO membership inequality, apart from the existing scholarly focus on the dispersion of INGO membership rather than origins, is that it is difficult to measure the consequences of such inequality at the country level, which is the key to understanding the dynamics between globalization and individual states. My focus on INGO headquarters provides a new approach to measure the inequality consequences at the country level over time.

This research is consequential for our understanding of the relationship between globalization processes and individual states. Does globalization bring about more homogenization among countries, as the world polity theorists argue, or does it aggravate the gaps between core, semi-peripheral and the peripheral countries, in consistent with world system theory? Or if both perspectives provide a particular part of the picture on globalization, then what is the relationship between the economic aspect stressed by world system theory and the cultural aspect focuses by world polity theorists? This chapter is an attempt to understand this process. These immediately preceding questions also matter for understanding the role of international organizations in world polity. International organizations are taken for granted as dispensers of world cultural norms/principles, while evidence is rare on whether and how it influences world inequality levels (for exception please see Cole (2015)). Investigating INGO headquarters and other relevant characteristics provide a start to answering this question.

This chapter extends world system perspective to international organizations and develops new measures to investigate the inequality in world polity and the consequences of it (if any). First, I describe the development of INGOs from 1953 to 2003. Following that, I depict a picture on the distribution of INGOs in 1953 and how it had evolved by 2003, which indicates that INGOs still cluster in developed countries though they spread much more widely in 2003 compared to 1953. Then I analyze INGO membership and INGO headquarters by world system positions, both of which can be well predicted by world system positions. After that, I turn to the financial sources of INGOs. I find that INGOs tend to diversify their financial sources, and the peripheral countries are more likely to receive external funds—evidence that they may be dominated by external forces. Then I report the trend of universal/regional INGOs among core, semi-peripheral and peripheral countries over time. This shows that the majority of INGOs in the core are universal while those in the periphery are regional, and have limited influence. All these suggest that inequality in world polity is extensive. I conclude this chapter by formulating a measure based on INGO headquarters to measure a country's influence in world polity.

DATA AND METHODS

INGO data I use in this chapter are derived from the TSMO dataset 1953-2003 which was taken from the Union of International Association (UIA) yearbook (Smith and Wiest 2012). Though not the perfect INGO dataset that excludes INGOs whose primary work is religion, education, individual transformation or spirituality, or the provision of service, it is the only dataset that covers INGO development in the 1950s to the early 1970s. In order to describe the historical development of INGOs, I rely on this data source.

Data on world system position come from Bollen (1983) and Bollen and Appold (1993)—Both studies are updates of Snyder and Kick (1979). Although numerous measures have been proposed, including GDP per capita, economic growth, inequality, democracy, military power, foreign capital dependence, and combinations of these variables I use Bollen's measure because it captures both economic and military relational power. Bollen's measure is a three-category ordinal variable that categorizes countries as core, semiperipheral, or peripheral. Note also that this measure of world system position correlates strongly with GDP per capita.

RESULTS

INGO Development: 1953-2003

The number of INGOs grows steadily from 1953 to 2003. There are only 103 active INGOs in 1953 while the number increases to 1031 in 2003 (see Figure 2.1). The average age of INGOs is 26.8 years. The INGO "Anti-Slavery International (ASI)" has the maximal life span—164 years, headquartered in London, founded in 1839, and still alive in 2003.

I categorize INGOs based upon their goals, and code those INGOs that take up at least 2% of the whole INGO population as independent categories. It turns out that seven categories—human rights INGOs, developmental INGOs, environmental INGOs, women rights INGOs, Integration INGOs, peace INGOs and democracy INGOs—hold around 70 percent of the whole INGO populations. Figure 2.2 describes the relative proportion of each of INGOs over time. It suggests that environmental INGOs (from 2% to 17%) and developmental INGOs (from 4% to 9%) increase fast from 1953 to 2003, while

integration INGOs (from 22% to 7%) and peace INGOs (from 13% to 9%) drop eventually over time. This is in consistent with the change of global discourse. In the 1950s immediately after the WWII ended, "anti-war" and "inter-regional communication" are two urgent tasks for the world. Thus, INGOs that aim at "peace" and "integration" develop very fast. In 2003 by contrast, the world had seen over 50 years of largely peaceful development, consequences of this development, such as environmental degradation and cross-national inequality had become global issues. As a result, environmental protection and sustainable development became major themes worldwide, resulting in an increase of environmental INGOs and developmental INGOs.

How is the increased INGO population distributed? Boli, Loya and Loftin (1999) point out that INGO headquarters are more concentrated than memberships, and Europe accounted for more principal headquarters than the rest of the world combined using data from 1960 to 1988. I extend Boli et al.'s work by adding data from earlier and later years. Figure 2.3 describes the distribution of INGO headquarters in 1953, when 88 out of 103 INGOs located in Europe. There is no INGOs in Africa or Asia, and only 2 INGOs in Latin America. In 2003 as shown in Figure 2.4, INGOs spread all over the world and over 100 countries hold INGO headquarters. At the same time, Europe is still the region where INGOs are most densely distributed. Among the 1032 INGOs that have headquarter information, 632 of them are located in Europe. In a word, INGOs are still concentrated in western developed countries in the early 21st century, indicating that western culture and ideology still dominate in world society.

INGO Membership and Headquarters: 1953-2003

World polity theorists hold ambiguous points of view on the relationship between economic development and INGO membership. On the one hand, they find associations between the number of INGO membership and GDP per capita; on the other hand, they hold that poor countries are more interested in INGOs that promote education, individual rights and welfare, and environmental protection, while rich countries are more active in INGOs that focus on industry and trade(Boli, Loya and Loftin 1999). However, their correlation analysis is based upon scattered data—INGO data from 1994 and GDP per capita data from 1990, world trade share data from 1975—and cannot provide systematic evidence on such argument. It appears that at least in some fields, the gaps in the number of INGO membership between rich and poor countries has shrunk, providing more opportunities for the poor to catch up with the rich. I extend their work by adding panel data spanning 1953 to 2003, and find that although the raw counts of INGO membership in the peripheral countries caught up with the core in 1981 and then surpassed it afterwards, the average level of INGO membership, as well as raw count and average level of INGO headquarters, perfectly replicate the relationship in world system among the core, semi-peripheral and peripheral countries.

Figure 2.5 describes the total number of INGO membership held by the core, semi-periphery and periphery over time. The blue line represents the core, red line represents the semi-periphery and the grey line represents the periphery. The core countries hold more INGO membership than the semi-peripheral and peripheral countries from 1953 to 1981, when the peripheral countries exceed the core countries and eventually expand their leading edge till 2003. It is also true that the poor countries increase their INGO memberships at a faster rate than did rich ones, as Figure 2.6 reports. The periphery takes

up 26% of INGO memberships in 1953, and increases its proportion to 43% in 2003. At the same time, the proportion of the core drops from 48% in 1953 to 31% in 2003. The semi-peripheral countries remain surprisingly stable in terms of their proportion in the whole INGO membership: it fluctuates within 26% to 27% from 1953 to 2003.

The shrinking gap between the core and periphery in terms of INGO membership at raw counts shown in Figures 2.5 and 2.6 is exactly the picture that world polity theorists describe. However, it ignores the fact that there are more peripheral countries (67 in our analysis) than the core (16) and semi-peripheral countries (25, and there are also more population in the periphery than in the core). Thus, the fact that the number of INGO membership in peripheral countries grows faster may be simply the result of a bigger population of periphery.

Furthermore, I investigate the per country average of INGO membership by the core, semi-periphery and periphery, which shows an opposite fact as world polity theorists describe (see Figure 2.7)[2]. As Figure 2.7 shows, core countries have 58 INGO memberships on average in 1953, which increases to 532 in 2003; semi-peripheral countries have 20 INGO memberships on average in 1953, and 288 average INGO memberships in 2003; peripheral countries have only 7 INGO memberships in 1953, which grows to 175 in 2003. Thus, the average INGO membership level is consistent with world system position of countries.

INGO headquarters remain clustered in the core from 1953 to 2003. Figures 2.8, 2.9 and 2.10 describe the INGO headquarters distribution at raw level, proportion and

[2] Per country average of INGO membership is calculated as the total number of INGO membership divided by the total number of countries.

average level. In 1953, there are 57 INGO headquarters in the world, and all of them are located in the core. In 2003, 672 INGO headquarters are located in the core, while the numbers of INGO headquarters in semi-peripheral and peripheral countries increase to around 110 from zero. As for proportion, core countries hold as high as 74 percent of all INGO headquarters in 2003, and the semi-peripheral and peripheral countries both take up 13 percent of all headquarters. Regarding average level, each core country holds 4 headquarters in 1953, and 42 headquarters in 2003. The semi-peripheral and peripheral countries by contrast, only hold 4 and 1 headquarters at average level in 2003. In short, the distribution of INGO headquarters replicates the world system positions of countries at average level. For the raw count and proportion level, the core possesses far more headquarters than the total of the non-core countries. In short, the concentrated distribution of INGO headquarters shifts our perception of the INGOs' global role in a decidedly inegalitarian direction.

Financial sources of INGOs play an important role shaping how INGOs communicate with fund providers and other actors in world society. But evidence on INGO finance is rare. INGOs that raise money on themselves are more likely to be independent in action, while INGOs that rely on external funding are more likely to be influenced by the external forces. In addition, as the globalization processes grow over time, INGOs tend to diversify their financial sources, a result of densely interaction between INGOs and other world society actors, such as transnational corporations, foundations, as well as governments and IGOs[3].

[3] Foundations and governments include ones headquartered outside and inside a given INGO site country.

Figure 2.11 report INGO financial sources over time. In 1953, 74 percent of INGOs relies on themselves for money raising, while this number drops to 51 percent in 2003. At the same time, foundations, governments, as well as IGOs have eventually become important sources for INGOs. The ratio of foundation funding increases from 18 percent in 1953 to 24 percent in 2003, and governments and IGOs contribute 21 percent of funding in 2003, a big increase from 6 percent in 1953. Corporations is another source of INGO funding, fluctuating from 0 to 3 percent. The diversification of INGO financial sources suggests that INGOs have involved in an increasingly interconnected network of global communication. It also indicates that INGOs are more likely to be shaped by external forces, yet it is still unclear that which INGOs are more likely to be externally affected.

Figures 2.12, 2.13 and 2.14 show the dynamic of INGO financial sources over time in the core, semi-periphery and periphery, respectively. The core countries have a higher self-funding proportion—from 0.74 in 1953 to 0.51 in 2003 (0.67 on average) —than the semi-peripheral and peripheral countries. At the same time, funding from foundation grows from 0.18 in 1953 to 0.24 in 2003 (0.17 on average), and funding from governments and IGOs increases from 0.06 to 0.21 (0.12 on average). Other financial sources and money from corporation are never higher than 0.04.

In semi-peripheral countries, although money from INGOs themselves still takes the biggest part (from 0.75 in 1953 to 0.52 in 2003, and 0.55 on average), the gaps between self- funding and other founding resources are smaller than core countries. The sources from foundations fluctuate from 0.13 in 1953 to its peak of 0.26 in 2000 (0.18 on

average), and money from governments and IGOs reaches its peak at 0.37 in 1991, and remains 0.26 in 2003 (0.24 on average).

In the periphery, each of the financial sources from INGOs themselves, foundations and governments and IGOs holds similar weight as time goes by[4]. For instance, in 2003, the self-funding, foundation funding and government/IGO funding shares take 0.37, 0.32 and 0.28 proportion of the whole funding. In 1993, self-funding and foundation funding share are equal at 0.38 of the whole. This suggests that in the periphery, the civil society is not capable of supporting such INGOs, which turn to government, IGOs and foundations for money. Compared to INGOs in the core and semi-periphery, INGOs in the periphery have less funding from themselves, more funding from external forces, including foundations and governments and IGOs. This indicates that the goals, tasks and agendas of peripheral INGOs are more likely to be shaped by external sources, given the fact that it accepts over 50 percent funding from outside after 1990. The external financial sources— IGOs, foundations and government—are more or less related to world system. In particular, IGOs are essential for the neo-liberal structuring in developing countries which was promoted by developed countries as a prescription for developing countries, resulting bigger gaps between the core and periphery (Henisz, Zelner and Guillén 2005). Governments as important actors in world system are also capable of conveying and replicating world system structure via funding INGOs. In short, external financial support for INGOs in the periphery may be a path through which the core keeps its superior position worldwide.

[4] The proportion of self-funding in the year 1959, 1963 and 1973 are all 1, because only 1 INGO is recorded for the three years.

Universal/Regional INGOs

World system theorists regard INGOs as tools for the core to maintain its dominant status in world system. By this view, INGOs that headquarter in the core tend to found non-exclusive organizations in an attempt to recruit and manipulate memberships from peripheral countries under the INGO framework. By contrast, INGOs which are located in the periphery and semi-periphery aiming at more particular goals are more likely to be confined at regional level. Figure 2.15 describes the proportion of universal INGOs in core, semi-periphery and periphery overtime. INGOs in periphery always have lower proportion of universal INGOs than those in non-peripheral countries. It is as high as 0.75 in 1953, and 0.6 in 1959, partly because the total headquarters hold in the periphery is very small: 4 in 1953 and 5 in 1950. Since the 1960s, the proportion fluctuates around 0.4 and remains relatively stable over time (0.38 on average). The proportion of universal INGOs in the core is much more stable at a higher level—it starts with 0.81 in 1953 and reaches 0.69 in 2000 and 2003 (0.76 on average). The semi-peripheral INGOs, in contrast, have changed dramatically over time. It drops from 1 to 0.51 in 2003, with an average level of 0.73.

To summarize, world system argument holds: peripheral INGOs are more likely to found regional INGOs rather than universal ones than semi-peripheral and core INGOs.

DISCUSSION

Until recently, the dominant theoretical paradigm on world society focuses almost exclusively on INGO membership. World polity theorists argue that the membership gap

between the developed countries and developing countries is narrowing down and international organizations have an equalizing effect by spreading world cultural principles/norms all over the world. However, as crucial actors in the world society which may shape the structure of world society and the relationship between globalization processes and states, the international organizations themselves are ignored by most research. This chapter fills in the gap by investigating INGOs as *organizations* in terms of headquarter distribution, financial sources and whether memberships are exclusive or universal, and finds that INGO characteristics reflect the existing inequality in world system. INGOs are more likely to be headquartered in the core, and INGOs in the core are more likely to be financially independent, and more prone to open membership to all countries. By emphasizing INGOs as organizations in world society, we may depict a different picture of world society from what world polity theorists provide—a decentered, dispersed and flat polity.

This chapter also reveals that the fact that poor countries are catching up with the rich on INGO membership is artificial, for this catchup is partly due to a bigger population of the poor countries. By considering the average level of INGO membership in core, semi-periphery and periphery, this chapter suggests that the INGO membership level is also a reflection of world system positions.

In addition, this chapter also contributes to the current research of inequality in the world polity by proposing organizational, INGO-centered measures of countries. For instance, the number of INGO headquarters in a particular country in a year can be used to measure the leverage of a country in world polity.

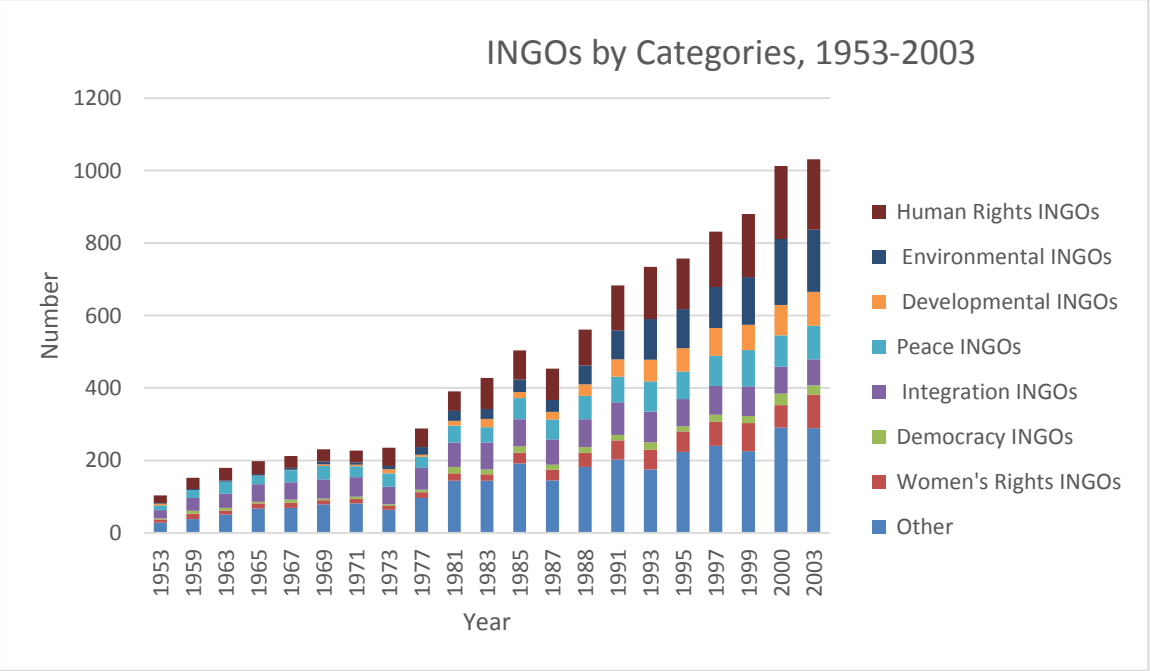

Figure 2.1. INGOs by Categories, 1953-2003

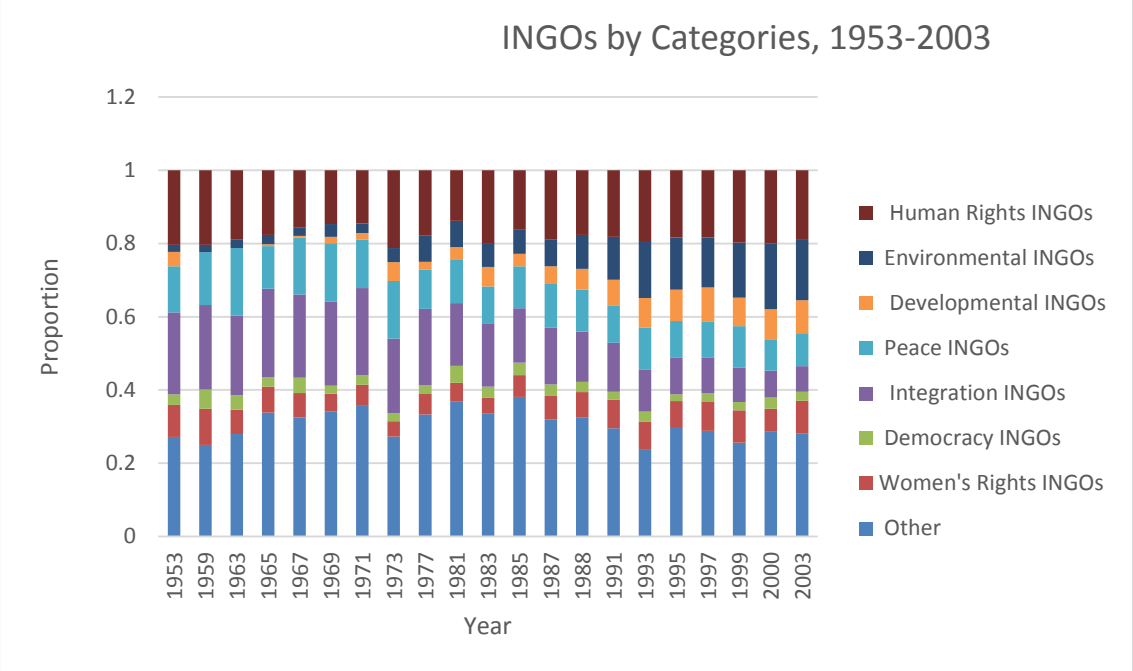

Figure 2.2. INGO Proportion by Categories, 1953-2003

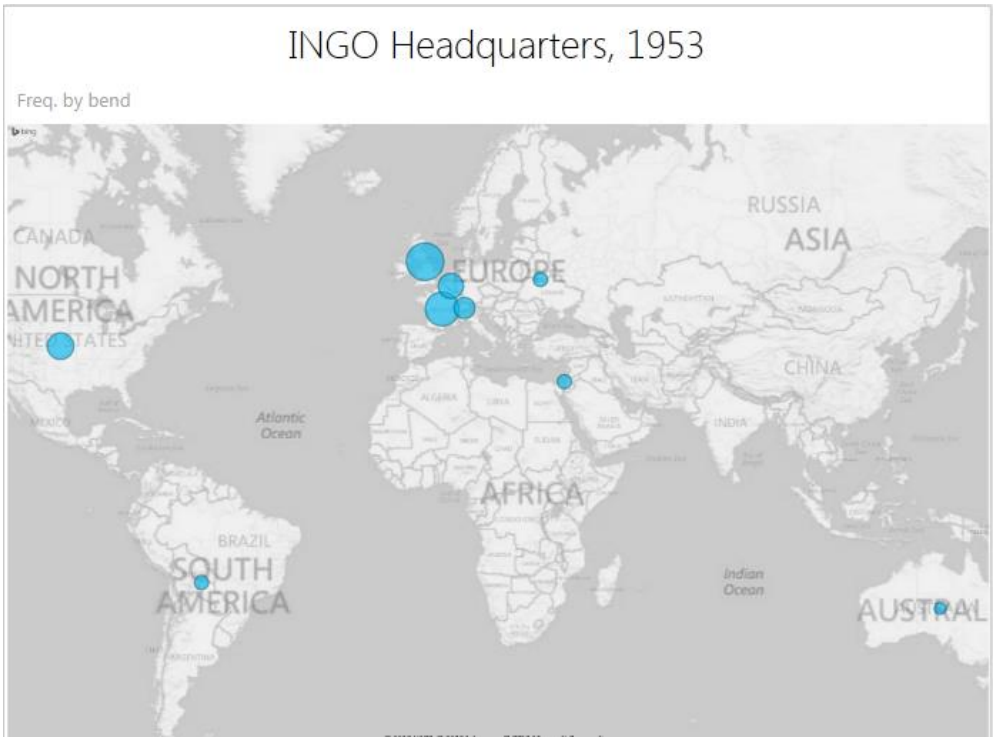

Figure 2.3. Distribution of INGO Headquarters, 1953

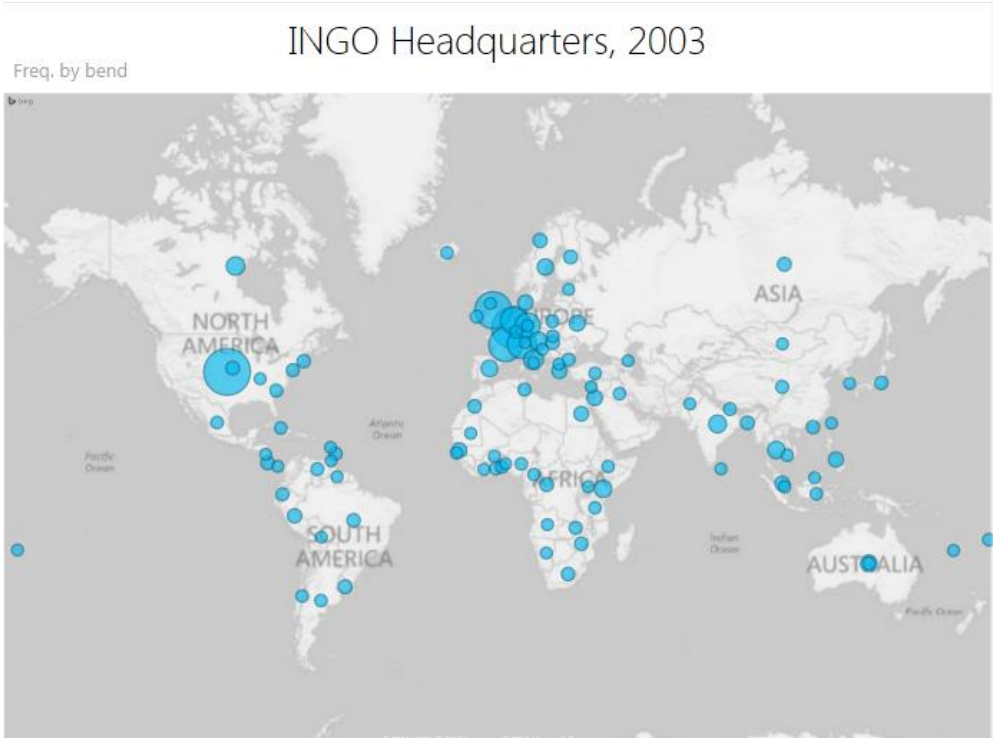

Figure 2.4. Distribution of INGO Headquarters, 2003

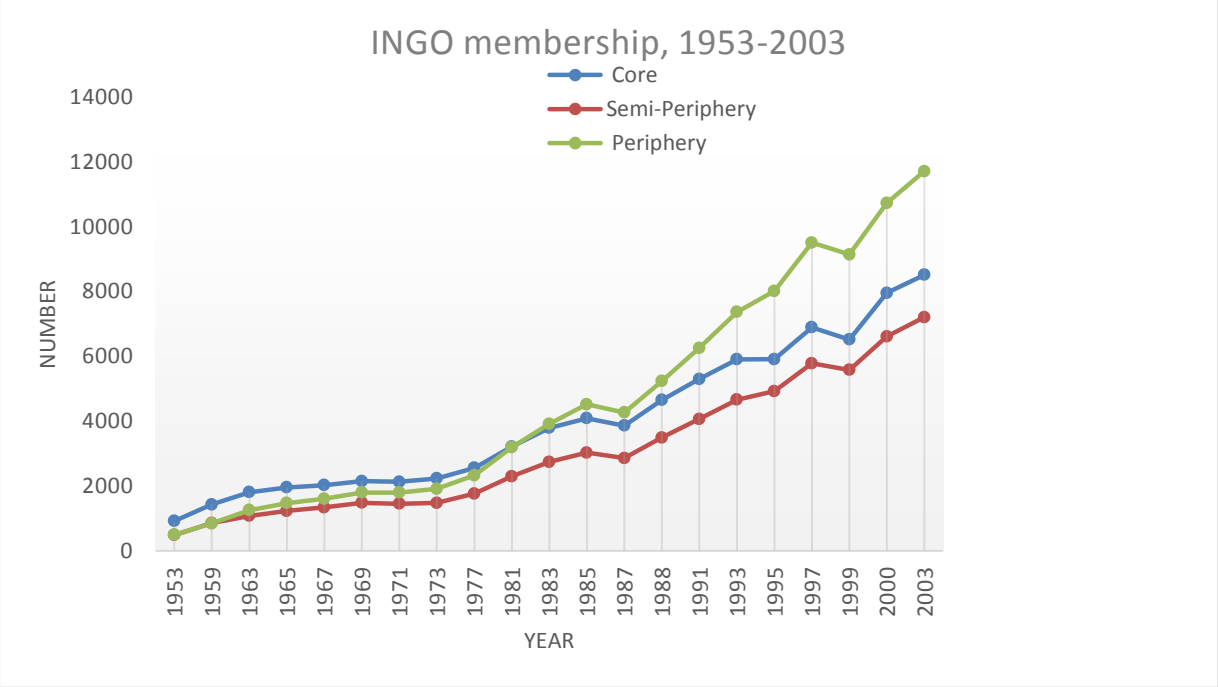

Figure 2.5. INGO Membership in Raw Number, 1953-2003

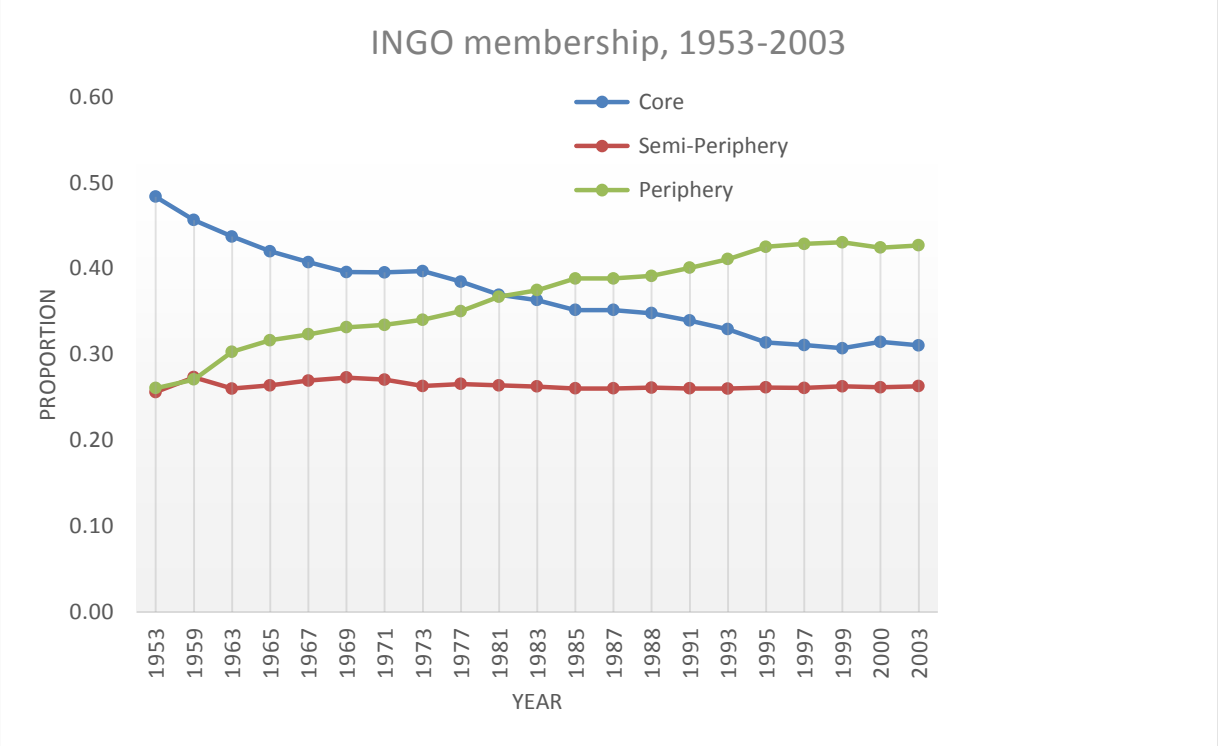

Figure 2.6. INGO Membership in Proportion, 1953-2003

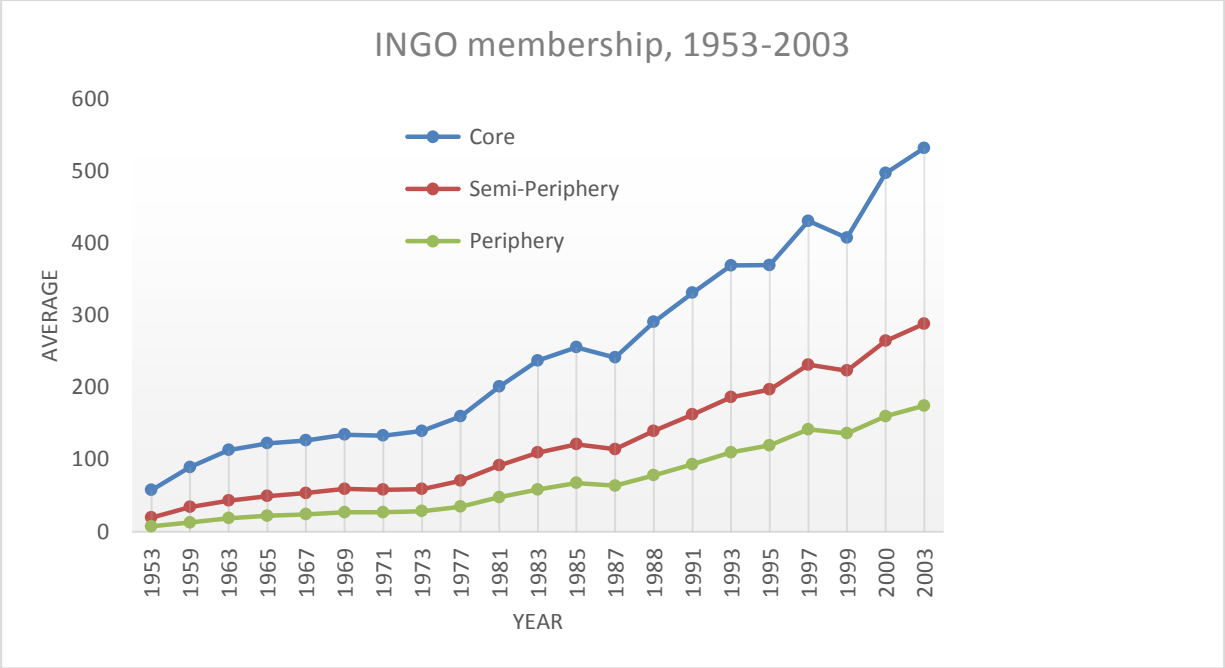

Figure 2.7. INGO Membership Average Level, 1953-2003

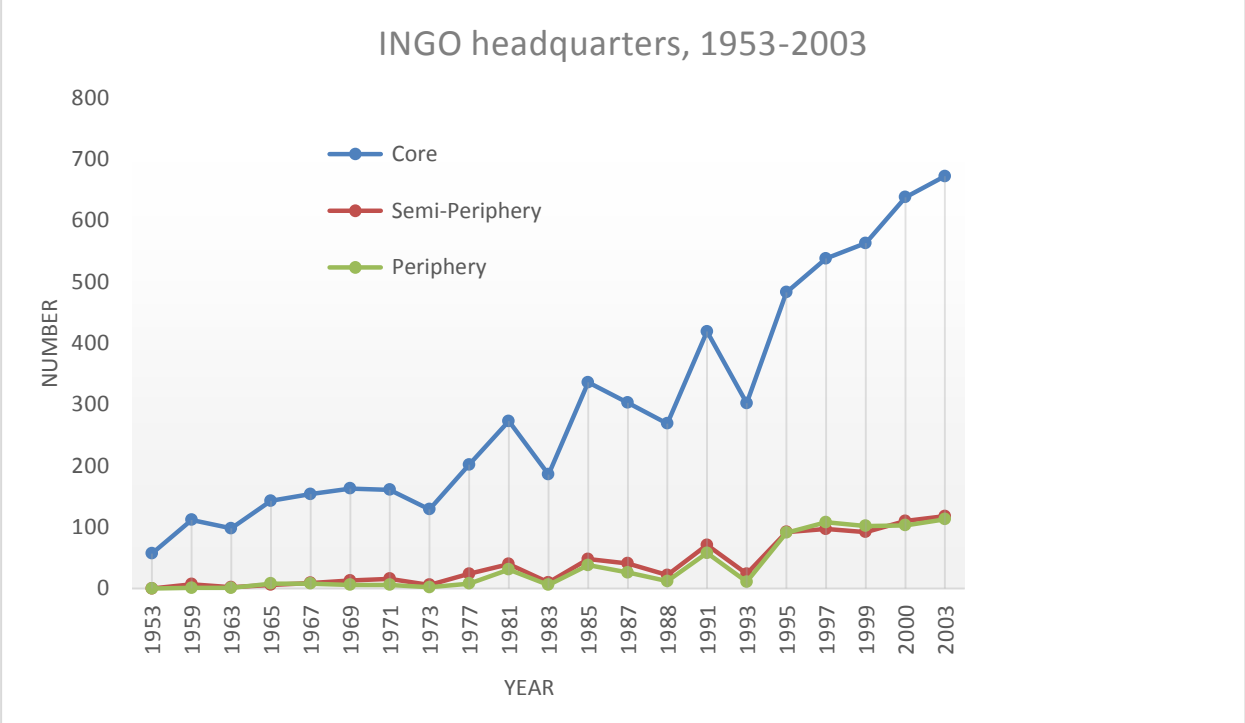

Figure 2.8. INGO Headquarters in Raw Number, 1953-2003

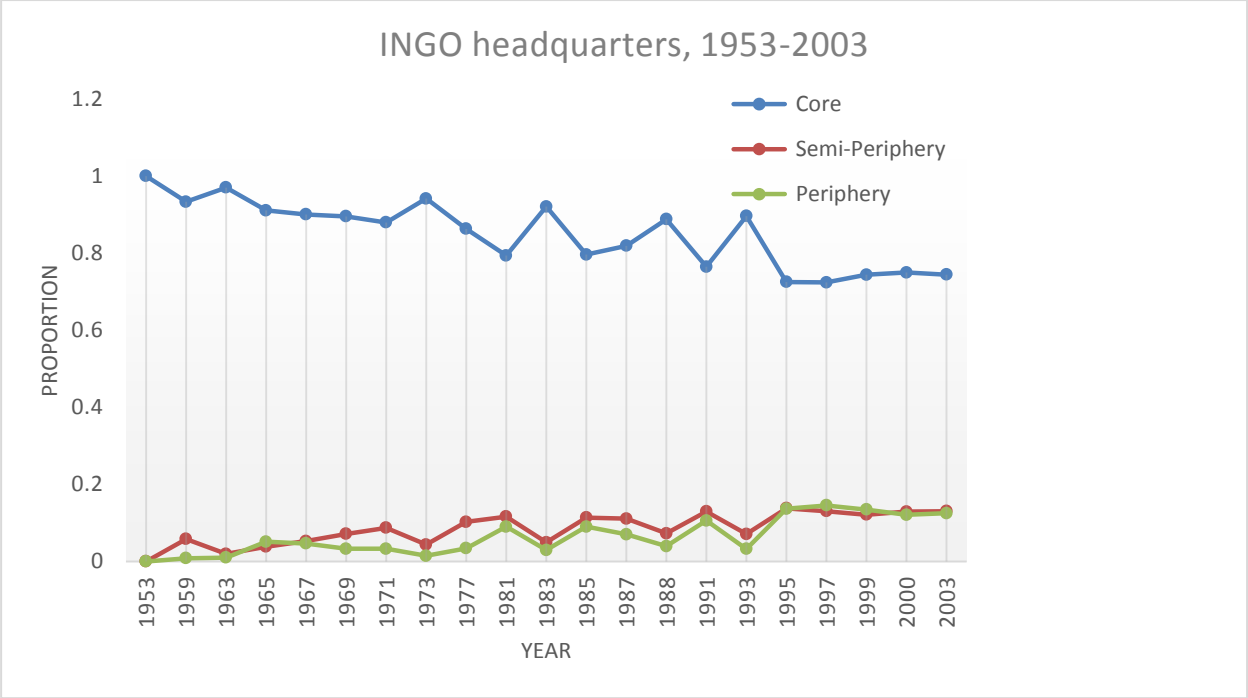

Figure 2.9. INGO Headquarters in Proportion, 1953-2003

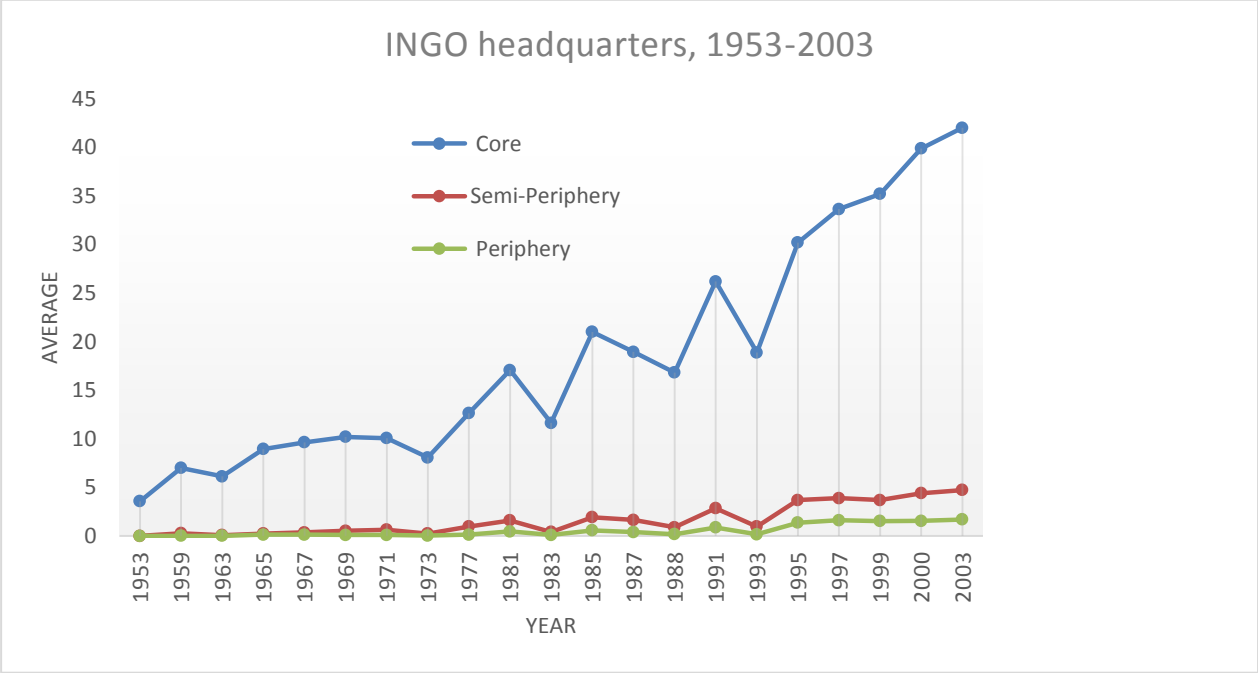

Figure 2.10. INGO Headquarters Average Level, 1953-2003

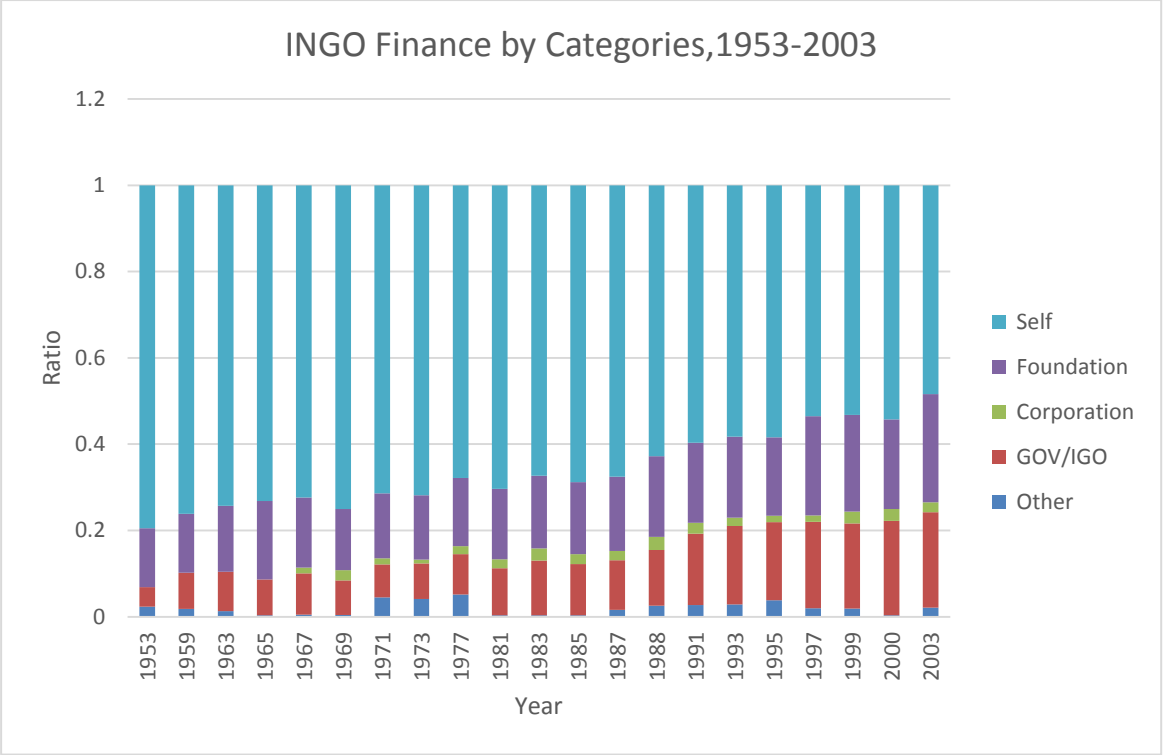

Figure 2.11. INGO Financial Source by Categories, 1953-2003

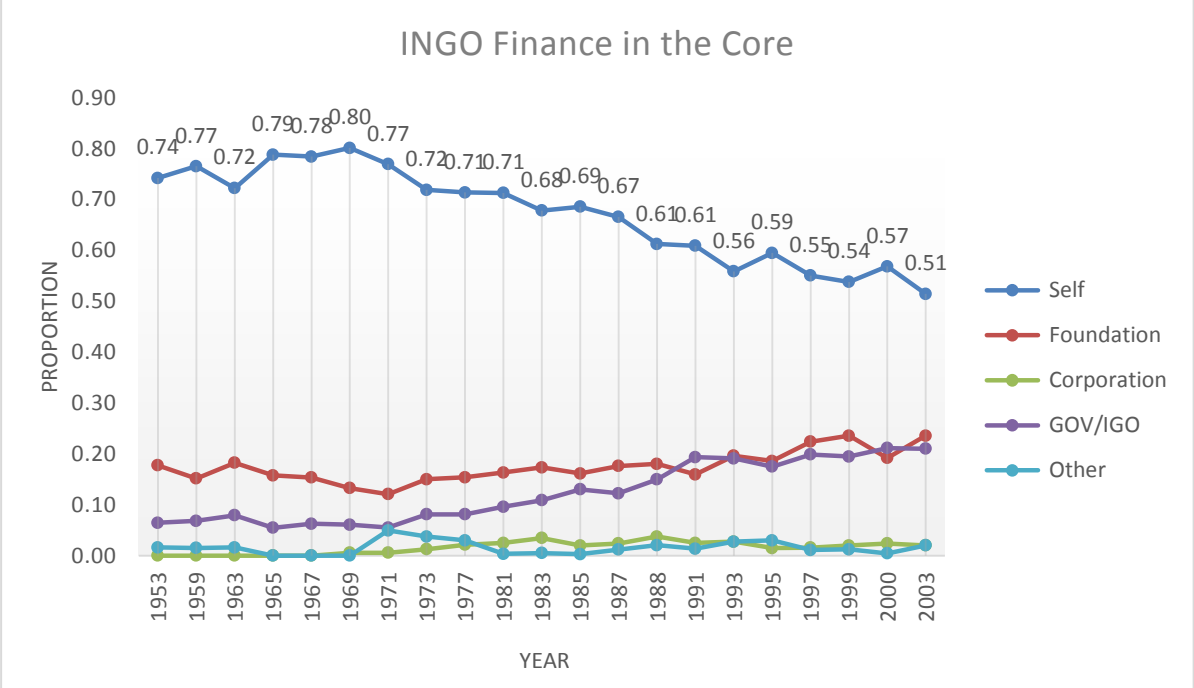

Figure 2.12. INGO Finance in the Core, 1953-2003

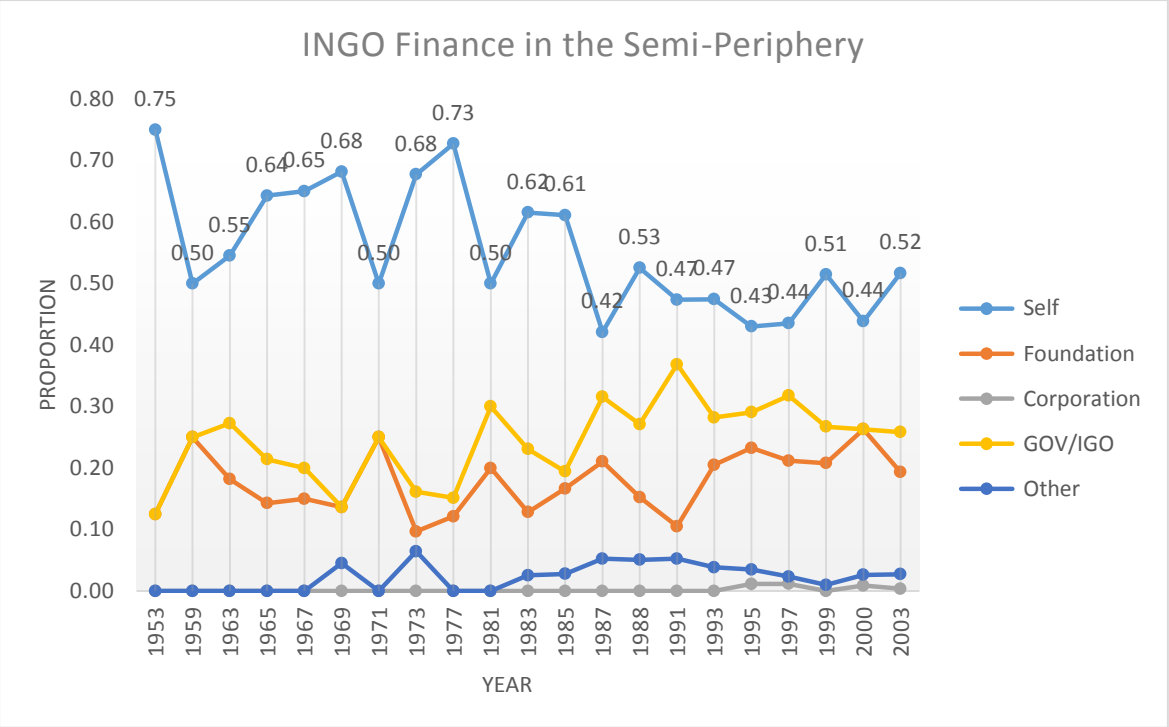

Figure 2.13. INGO Finance in the Semi-Periphery, 1953-2003

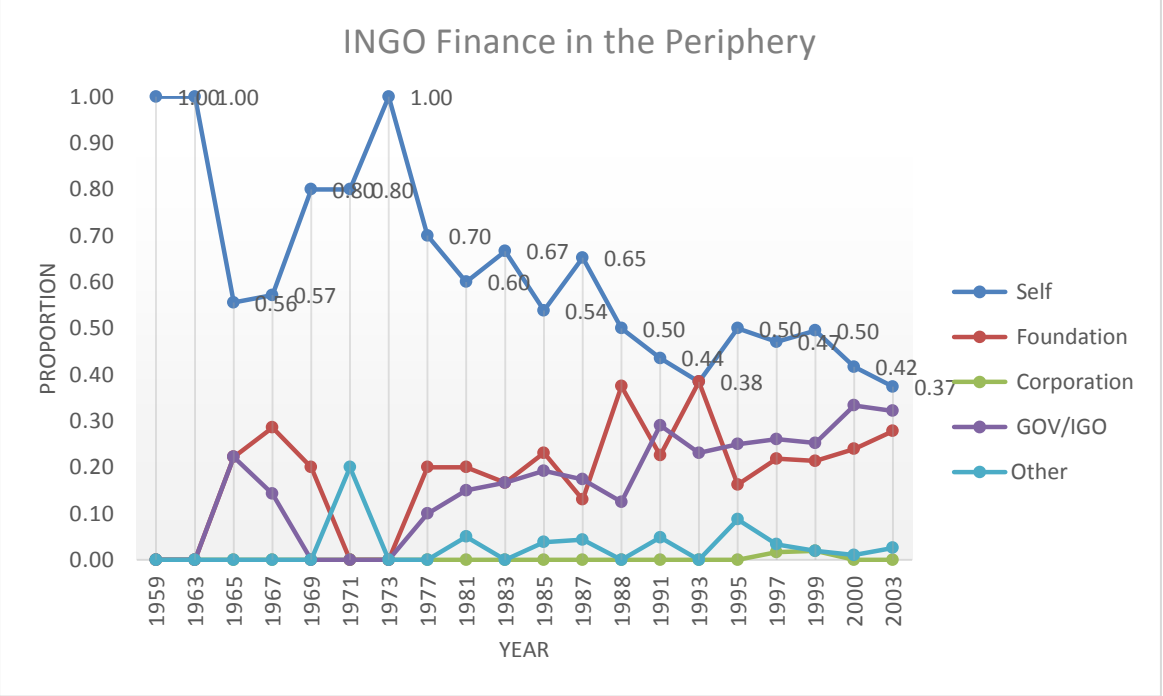

Figure 2.14. INGO Finance in the Periphery, 1953-2003

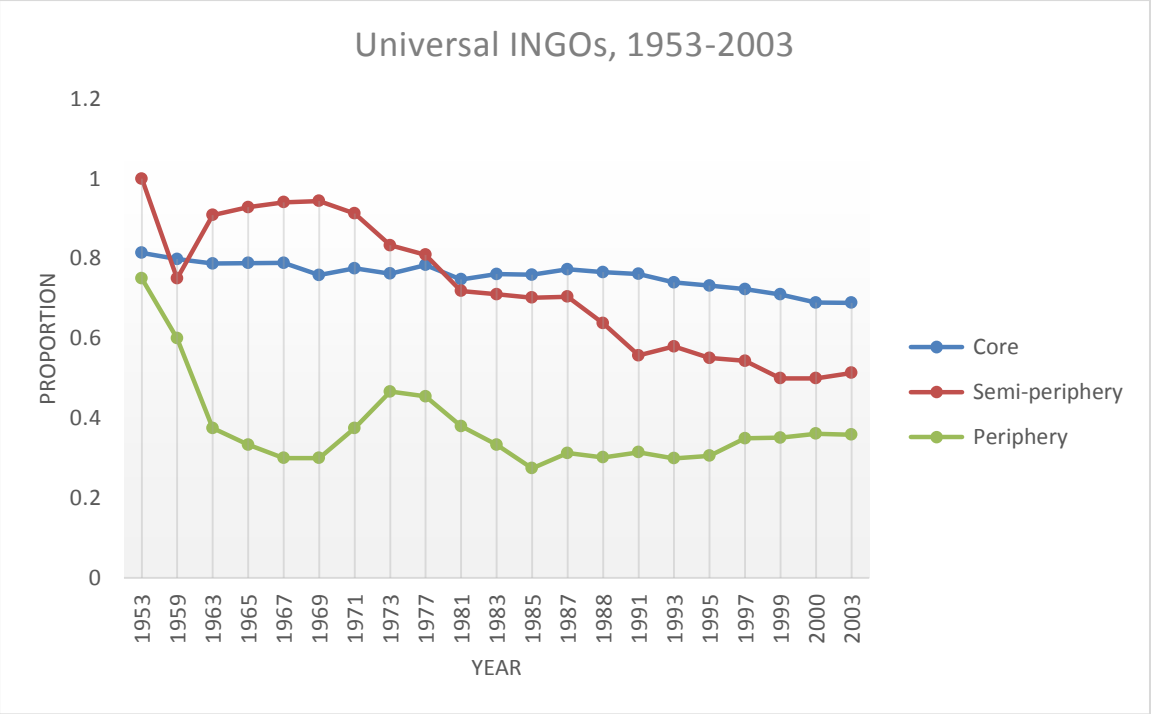

Figure 2.15. Universal INGOs, 1953-2003

Chapter 3 World Polity Matters: Another Look at the Rise of the Nation-State across the World, 1816-2001

Since the early 19th century, the nation-state has replaced the empire, the kingdom, and other political forms and has eventually become the world's hegemonic political organization. How to explain the global rise of the nation-state is an important task of political sociology and comparative historical sociology. Did the nation-state spread as a result of global diffusion processes as the world polity theory suggests, or as a result of the more local and regional processes stressed by historical institutionalists?

Working from an impressive new global dataset spanning 1816 to 2001, and an insightful elaboration of historical institutionalist theory, Wimmer and Feinstein's article *The Rise of the Nation-State across the World, 1816 to 2001* (hereafter, WF (2010)) defines the nation-state as "an independent state with a written constitution, ruled in the name of a nation of equal citizens", and finds no evidence for the world polity theory. Specifically, WF (2010) argue that Inter-Governmental Organizations (IGO) membership was inconsequential for the rise of the nation-state and that global accumulations of nation-states had anomalously negative effects. Moreover, they never consider any role for the International Non-Governmental Organization (INGO), a prominent vehicle of "world polity" institutional diffusion. In line with historical institutionalist arguments, they conclude that the global ascent of the nation-state was driven by the growing strength of nationalists empowered by weakening pre-nation-state regimes. Historical

institutionalism stresses power configuration and power balances between various politically organized groups. Transition from one state organization to another is regarded as the result of power struggles (WF 2010: 769-771). But it cannot explain why power struggles in various contexts across the world all strengthen nationalists and lead to the global rise of the nation-state in the 20th century. World polity theory, in contrast, focuses on a global cultural frame overlooked by historical institutionalist theory. The world polity is a singular polity, constituted by the world culture—a set of fundamental, distinct and universal principles and models, which encourages structural homology across countries (Boli and Thomas 1997). The rise of the nation-state is thus seen as a process of the global diffusion of a hegemonic nation-state template.

WF (2010) take it for granted that this nation-state template predominated in the world polity as early as 1816. In fact, before World War II, the nation-state model or "template" faced strong competition from imperial and colonial models of legitimacy, and had not become hegemonic. As Figure 3.1 illustrates, the number of nation-states began to grow monotonically with the conclusion of WWII. To assess world polity theory, I focus on the post WWII period.

[Figure 3.1 about here]

I proceed as follows. First, I briefly describe world polity theory on nation-state creation and the relationship between world polity theory and historical institutionalism. Next, I split the whole dataset into two subsets: one for 1816-1945 period, and the other for 1946-2001 period; and I run models against each subset. I find that IGO membership significantly facilitates nation-state adoption for the post-WWII era. For the period 1953-

2001, for which INGO data are available, I find that IGO membership, INGO ties and the existing nation-states positively affect the rise of the nation-state[5].

THEORETICAL ISSUES

Historical institutionalism focuses on power configurations and argues that the nation-state arises from shifts in the balance of power favoring nationalists at the local and regional levels. WF (2010) find that the power shift in favor of nationalists is more likely when nationalists themselves are strengthened, especially when empowered by the impairment of existing regimes and when supported by the appearance of new nation-states within the same imperial and geographical contexts.

However, historical institutionalism cannot explain why a non-nation-state regime was more likely to be replaced by the *nation-state* rather than by other regime forms during the 20th century. Why was it not taken over by some new or resurgent empire as French colonies were absorbed by the British Empire in the 1750s? Here, world polity theory suggests that a transnational cultural model of the nation-state guided how individual polities selected their form of state organization. As the world society develops at an unprecedented rate, every nation/society has been incorporated into and shaped by the world cultural framework, which includes a consensus on what it means to be a nation-state. Within this framework, a sovereign nation-state is a claim to internal autonomy and external independence recognized as legitimate by other states that are constituted in the same way (McNeely 1995). Recognition implies acceptance of a claim

[5] INGO data are derived from the TSMO dataset 1953-2003 which was taken from the Union of International Association (UIA) yearbook (Smith and Wiest 2012). As the only data source of INGO data before 1970, this dataset excludes religious and service INGOs and thus may underestimate the role of world polity. Even with this subset of INGO population, I still achieve positive significance. Notably, I take the natural logarithm of INGO ties to moderate skewness in raw counts.

to statehood, of a claim to find jurisdiction over a territory and population and of formal autonomy from any other political unit. Thus, recognition constructs and legitimates the membership of a state in the global political system.

Existing nation-states play an important role in pushing forward adoption of the nation-state template (McNeely 1995). They communicate with and spread the nation-state template to candidate nation-states. By so doing, they legitimate and, in turn, increase the spread of the nation-state itself.

International organizations, as important actors in the world society, act not only to recognize, but also to define, enforce and maintain the nation-state template. As IGO membership is comprised primarily of states, dependencies that cannot join IGOs are indirectly influenced by the IGOs constituted by "metropolitan" nation-states. Through exposure to the world cultural nation-state template spread by IGOs, these dependencies learned how to build nation-states and then, implementing their lessons, actually built them. This explains why many newly-founded nation-states were adopted and recognized by various IGOs as sovereign states as soon as they claimed independence. Among IGOs, United Nations (UN) in particular, has acquired the role of granting recognition on behalf of the community of states. The UN prescribes and promotes the nation-state template, which includes a permanent population, a defined territory, a government, and the capacity to enter into relationship with other states. Further, the UN implicitly proscribes colonialism and other regime alternatives. Admission to the UN has become a major formal acknowledgement of independence and statehood, for such admission is perhaps the ultimate symbol of the international recognition (McNeely 1995). Simply put, IGOs

hold a standard of a nation-state, which is emulated by territories soon to achieve a much coveted international recognition as nation states.

In contrast, due to lack of resources and authority INGOs can neither make nor enforce the nation-state template. Still, they enjoy an exceptional advantage as world cultural carriers and disseminators –their numbers. Most international organizations are INGOs. Across the 20th century, I saw the creation of 33,315 INGOs but of only 5,725 IGOs. Moreover, since the 21th century 4,888 INGOs have been founded as opposed to 597 IGOs (www.uia.org). By interacting with local NGOs, government, IGOs and the like, INGOs spread the nation-state template across the world.

Indeed, historical institutionalism and world polity theory are complementary perspectives, and cultural diffusion is sometimes encouraged by power. As Figure 3.1 illustrates, the two World Wars and the Cold War are all followed by a rapid growth of the nation-state. Wars push belligerent powers to know each other's rules and norms. Over time, such rules come to have a "taken for granted" quality that shapes action in the ways institutionalists describe (Finnemore 1996). World wars may strengthen the conception of the world as a single polity, and encourage the diffusion of the nation-state template. In the same vein, Tolbert and Tucker (1983) find that civil service procedures diffused much faster if they were required by state.

Given the rapid growth of international organizations after the WWII and the importance of UN as a key dispenser of the nation-state template, I set 1945, the year when the UN was founded and WWII ended, as the tipping point after which the nation-

state template became hegemonic and began to shape the way how new nation-states would be created (Meyer et al. 1997).

RESULTS

WF (2010) report that most slope estimates for historical institutionalist variables show significant predicted positive signs (p. 779-80). Their findings include support for two mimetic variables—imperial imitation and regional imitation, each of which proceeds along established local and regional networks. These particular mimetic variables fit into the power configurational model as factors shaping the local balance of power. In contrast, focusing on the post-WWII period, I find empirical support for world polity theory as well as historical institutionalism.

[Table 3.1 about here]

Model 1 is a replication of the WF equation that simultaneously includes all of the historical institutionalism and world polity indicators for the full 1816-2001 era. The other models in table 3.1 test for the operation of global diffusion variables and historical institutionalist arguments during different periods.[6] Indeed, Model 1 finds support for regional and imperial imitation and the strength of national organizations, as well as for the number of wars within empires and territories. However, as world polity indicators, neither IGO variable nor the total number of nation-states achieves significance in Model 1.

Importantly, Model 1 investigates world polity theory in the whole 1816-2001 period. In order to assess the historical specificity of world polity theory, Models 2 and 3

[6] For models 2-6, I follow Beck, Katz and Tucker (1998) to create natural cubic splines on time t which is the time since the last event.

split the dataset into two parts: a 1816-1945 period and a 1946-2001 period. Model 2 affirms the validity of historical institutionalism in the 1816-1945 period. Both national organizations and wars shift the balance of power toward nationalists and thus increase the likelihood of the nation-state creation. Imperial and regional diffusion remain positive but lose significance.

Moving from the former period to the later period as Model 3 does, notable global diffusion processes of the nation-state template emerge for the first time, while effects predicted by historical institutionalism appear somewhat mitigated. Specifically, IGO membership and the total number of nation-states turn significant. [7] Diffusion within neighborhoods achieves positive significance although imperial diffusion remains insignificant. Regarding historical institutionalist arguments, neither wars in territory nor the strength of national organizations is any longer significantly positive.

[Table 3.2 about here]

Here, the imperial wars show a negative but significant effect, which vanishes in Models 5 and 6 for 1953-2001 analyses, suggesting that it may be unique to all or part of the 1946-1952 period. In Model 4, I operationalize the 1946-1949 era with a dummy variable equal to 1 for these four years and zero for other years, and find that such significant effect disappears, while the dummy variable is positively significant (1.639) and its interactive term with the imperial war is negatively significant (-1.78). This suggests that during the immediate post war era, nation-state system was reconsolidated (e.g., marked by the formation of German Federal Republic, Israel, the Philippines and

[7] The IGO membership, according to WF, is the political center's number of IGO membership. That is, a colony's IGO membership equals to its metropolitan state's membership.

the like), generating new nation-states. But the impact of imperial wars shifts in a negative direction. Indeed, as table 3.2 shows, the slope for 1946-1949 observations is significantly negative (-1.826) while that for 1950-2001 observations yields insignificant and trivially negative estimate of -0.045. The former helps explain the negative effect of imperial wars of Model 3, while the latter is consistent with 1816-1945 estimates as well as WF's findings. The interactions for "center's power share" and the dichotomous "dependent territory" are negatively significant in post-war models (ranging from -1.128 to -1.839). Here I concur with WF's (2010) reluctance to make much of main effects, and endorse their conclusion that " imperial states that are powerful players in the international arena can more easily co-opt, control or suppress nationalist movements and prevent the establishment of nation-states in their dependent territories "(p. 783).

Models 5 and 6 further confirm the significance of global diffusion in the 1953-2001period for which data on INGO ties— the most frequently used indicator of the institutionalization of world society— could be found and integrated to overcome a lacuna in WF's analysis (e.g., Longhofer and Schofer 2010).[8] Because the correlation between the number of nation-states and INGOs is so high (0.96) that I cannot simultaneously estimate a "net" effect of each, I enter each separately in Models 5 and 6.[9] Each is positively significant. True, the scale and significance of the estimate for each is

[8] I linearly interpolate missing values of INGO ties to increase sample size due to several reasons. First, INGO ties increase steadily as the world polity develops; second, The UIA yearbook as the only source of INGO data was not collected or published yearly until 1983. In order to catch the nation-state creation in the 1950s-70s, I follow research which analyzes historical INGO data to do interpolation (e.g., Frank, Hironaka and Schofer 2000; Hafner-Burton and Tsutsui 2005; Frank, Camp and Boutcher 2010; Mathias 2013). Third, problems of exaggerated trending due to interpolation should be mitigated by the cubic spline component of models, and by the fact that the plot of INGO ties over time involves no simple trend, for it spikes and then falls in the early 1990s and then rises again approaching 2001.

[9] See Appendix table A.3.1 and A.3.2 for correlation tables.

biased to some extent by the omission of the other. However, the joint effect of the number of nation-states and INGOs is highly significant (p<0.001).Overall, the positive significance of IGO membership across Models 5 and 6—together with evidence for causal impacts of INGOs and/or number of nation-states—provide novel support for world polity theory. Turning to historical institutionalist findings, only regional imitation and the balance of power between metropolitan countries and dependencies remain significant in both models.

Further, I find that the world polity has a much stronger influence on dependencies than on independent countries. I introduce an interactive term of world polity indicators (IGOs, existing nation-states in world, and INGOs) and dependent territory, and run logit regressions against independent countries and dependent countries respectively. As table 3.3 shows, for the period 1950-2001, the existing nation-states all over the world significantly enhance the probability of nation-state foundation in dependencies (coefficient=0.0954), while in independent countries, such effect is insignificant.[10]

[TABLE 3.3 ABOUT HERE]

[TABLE 3.4 ABOUT HERE]

INGOs have a similar effect as the existing nation-states. Table 3.4 describes how INGOs influence the probability of nation-state creation for independent countries and dependencies, which shows that for one unit increase in INGO ties in dependencies, the log odds of nation-state creation significantly increases by 5.695, and such effect is insignificant for independent countries. Findings in tables 3 and 4 suggest that the global

[10] This analysis excludes the complexities of 1946-1949 periods, which I explained earlier.

diffusion of nation-state template advances the decolonization process after the 1950s, for it helps dependencies to achieve nation-state hood. IGO membership, however, does not have any significant effect in dependent territories or independent countries.

To summarize, expectations derived from world polity theory garner support both in the 1946-2001 period and, bringing in INGOs, in the 1953-2001 period as well. [11] In addition, historical institutionalism works in different ways before and after the year 1945. Moving from the former period to the latter, wars lose significance — except for their novel 1946-1949 effects — while the power configurations between the metropolitan and dependencies gain significant.

CONCLUSIONS

Understanding the global rise of the nation-state is an important task of comparative historical sociology. A rich literature, much enhanced by WF (2010), has addressed this question. However, to date it has not been compellingly established whether the institutionalization of world society affects nation-state ascendance or not.

By placing world polity theory in the post WWII background, this paper reveals the dynamic of nation-state creation in 1816-2001. Compared to the 1816-1945 period, the post-WWII era sees a significant role of the world polity as a force driving nation-state creation. Although historical institutionalism continues to play a portion of its dramatic pre-UN role, power shift in favor of nationalists is no longer driven by wars. The nation-state template, as part of the world culture, enhances nation-state legitimacy and advances the nation-state creation across the world. This template de-legitimizes the usage of wars

[11] Our findings hold across time and across different waves of nation-state creation.

to change the ownership of a territory. It also shifts the balance of power between metropolitan states and colonies by encouraging decolonization process. In particular, the existing nation-states and the INGO ties significantly encourage the nation-state creation in dependencies. In a word, the world cultural template of the nation-state reshapes power configurations.

The nation-state is highly stable (Strang 1991). Once created, it rarely disappears. Though this reality is difficult to explain in terms of exchange and competition, it can be accounted for in terms of the institutionalization of a world polity. The nation-state is based on reciprocal recognition on territory and population, a social closure or boundedness that disempowers non-state actors and empowers interactions among recognized sovereign states, supporting the hegemony of nation-state form.

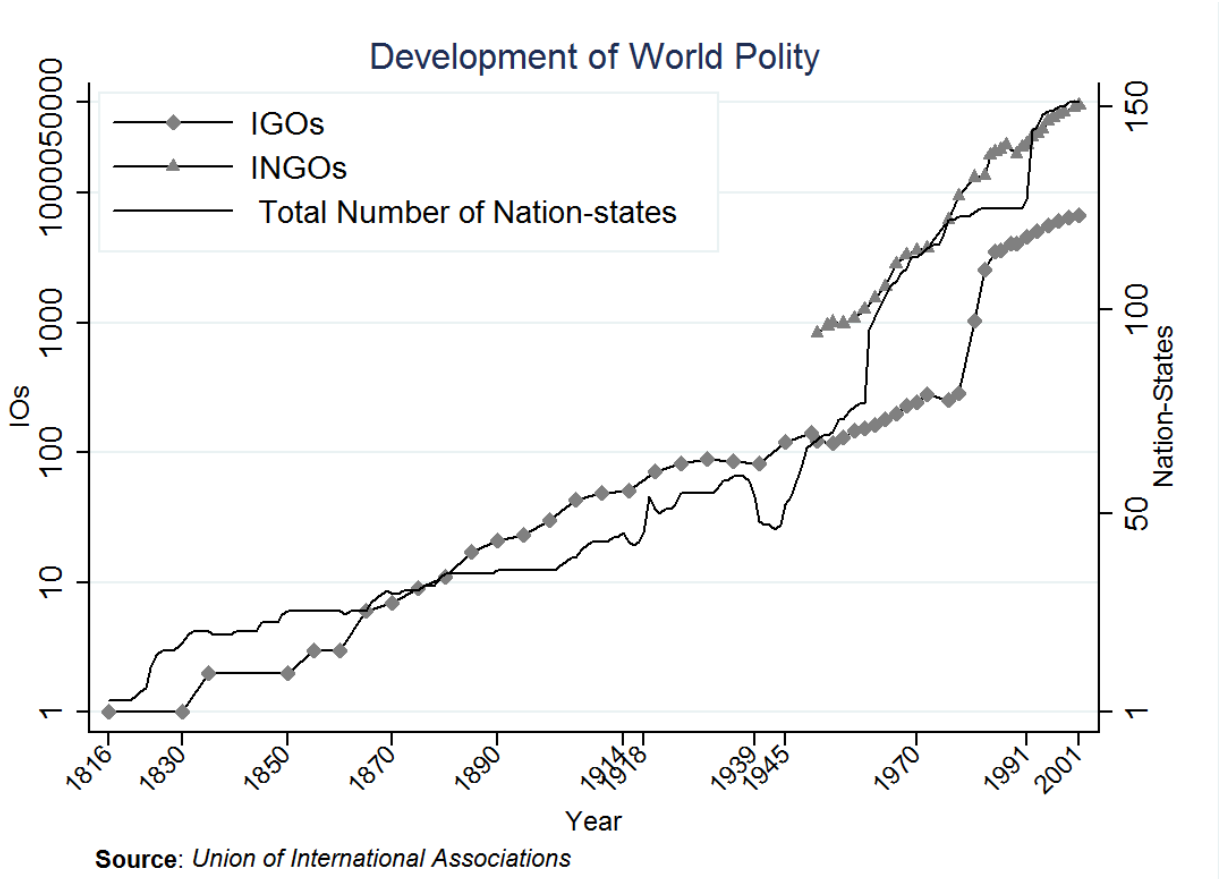

Figure 3.1. Development of World Polity, 1816-2001

Table 3.1. Parameter Estimates for Logit Regression Models of Nation-State Creation: Pre- and Post- WWII Period

	Model 1 1816-2001	Model 2 1816-1945	Model 3 1946-2001	Model 4 1946-2001	Model 5 1953-2001	Model 6 1953-2001
IGOs	0.00705	-0.0257	0.0321***	0.0328***	0.0496***	0.0525***
	(0.00518)	(0.0188)	(0.00843)	(0.0084)	(0.0120)	(0.0127)
INGOs						3.454***
						(0.664)
Total number of nation-	-0.00858	-0.0319	0.0413***	0.0527***	0.0554***	
States in world	(0.00916)	(0.0185)	(0.00890)	(0.0110)	(0.0133)	
Number of nation-states	0.115**	0.0219	-0.0828	-0.0590	-0.0426	-0.0448
In empire in past 5 years	(0.0384)	(0.111)	(0.0485)	(0.0498)	(0.0510)	(0.0526)
Number of nation-states	0.540***	0.276	0.782***	0.703***	0.468*	0.456*
In neighborhood in past 5 years	(0.125)	(0.178)	(0.203)	(0.192)	(0.206)	(0.220)
Existence of national Org.	0.988**	1.050**	1.171	1.255	1.001	1.297
	(0.311)	(0.394)	(0.668)	(0.670)	(0.666)	(0.713)
Years since 1st national	0.00774*	0.00105	0.0129	0.0105	-0.000524	-0.00973
organizations	(0.00352)	(0.00556)	(0.00749)	(0.00768)	(0.00949)	(0.0105)
Number of wars in the empire	0.292***	0.328***	-0.308*	-0.0454	-0.134	0.0378
	(0.0534)	(0.0655)	(0.154)	(0.194)	(0.185)	(0.230)
Dummy1946-49				1.639**		
				(0.554)		
Dummy1946-49*				-1.780*		
Wars in empire				(0.887)		
Number of wars in the	0.505**	0.644**	-0.466	-0.409	0.155	0.159
Territory	(0.175)	(0.219)	(0.440)	(0.425)	(0.458)	(0.511)
Center's share of global power	0.0517	-0.00326	1.149**	1.188**	1.490**	1.805**
	(0.0288)	(0.0467)	(0.362)	(0.388)	(0.495)	(0.666)
Dependent territory	0.203	0.212	3.051**	2.958**	3.115*	3.756*
	(0.326)	(0.519)	(0.938)	(0.985)	(1.344)	(1.725)
Center's share of global power	-0.0992***	-0.127*	-1.128**	-1.185**	-1.543**	-1.839**
*dependent territory	(0.0301)	(0.0617)	(0.365)	(0.393)	(0.499)	(0.671)
Middle East	-2.334***	-2.194***	0.548	0.456	0.00174	0.123
	(0.536)	(0.590)	(0.945)	(0.909)	(1.178)	(1.094)
Eastern Europe	-1.885***	-1.507***	-1.474	-1.096	0.262	-0.135
	(0.412)	(0.387)	(0.835)	(0.806)	(1.037)	(1.107)
Africa	-1.742***	-4.091***	1.479*	1.392*	1.837*	1.915**
	(0.429)	(1.083)	(0.750)	(0.695)	(0.729)	(0.704)
Asia	-1.032**	-2.328***	2.866**	2.795**	3.336**	3.811***
	(0.396)	(0.592)	(0.967)	(0.913)	(1.024)	(1.068)
Oceania	-0.0393	-1.313	6.653***	5.591***	—	—
	(0.513)	(1.332)	(1.361)	(1.289)	—	—
Latin America	0.146	0.476	—	—	—	—
	(0.373)	(0.435)	—	—	—	—
1st cubic splines	-0.0163**	0.0163	-0.00338	-0.00170	-0.00532	0.00285
	(0.00560)	(0.00969)	(0.00448)	(0.00509)	(0.00746)	(0.0117)
2nd cubic splines	0.0491***	0.0117	0.0226	0.0119	0.0390	-0.0511
	(0.0106)	(0.0108)	(0.0315)	(0.0328)	(0.0400)	(0.0557)
Constant	24.86*	-4.458***	-13.62***	-15.10***	-15.70***	-19.77***
	(10.25)	(0.513)	(2.152)	(2.370)	(2.779)	(3.638)
BIC statistics	1589.60	851.31	760.98	766.35	644.44	598.94
N	16484	14042	2442	2442	1848	1768

Note: Robust standard errors in parentheses.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$ (two-tailed tests)

Table 3.2. Imperial Wars by post-WWII Era using Table 3.1's Model 4 and ancillary regression

	Slope estimate	Standard error
(a) 1946-1949 cases	-1.826*	0.863
(b) 1950-2001 cases	-0.045	0.194
Slope difference between (a) and (b)	-1.780*	0.887
Intercept difference between (a) and (b)	1.639**	0.554

Note: * $p < 0.05$, ** $p < 0.01$(two-tailed tests)

Table 3.3. Influence of existing nation-states in independent countries and dependencies, 1950-2001

	(1) Model 7 Independent countries	(2) Model 8 Dependencies
IGOs	0.0750***	0.0750***
	(0.0189)	(0.0189)
Total number of	-0.0355	0.0954***
Existing nation-states	(0.0215)	(0.0191)
Nation-states in	-0.122	-0.122
empire in last 5 years	(0.0764)	(0.0764)
Nation-states in	0.627**	0.627**
neighborhood in 5 years	(0.215)	(0.215)
Existence of national	0.739	0.739
organization	(0.668)	(0.668)
Years since 1st national	-0.00175	-0.00175
organization	(0.00987)	(0.00987)
Number of wars in empire	-0.0261	-0.0261
	(0.223)	(0.223)
Number of wars in	-0.425	-0.425
territory	(0.481)	(0.481)
Center's share of	0.969***	0.969***
global power	(0.285)	(0.285)
Dependent territory	-12.38***	12.38***
	(3.413)	(3.413)
Center's share of global power*	-1.020***	-1.020***
Dependent territory	(0.286)	(0.286)
Middle East	0.981	0.981
	(1.626)	(1.626)
Eastern Europe	-0.242	-0.242
	(1.126)	(1.126)
Africa	2.834*	2.834*
	(1.341)	(1.341)
Asia	4.475**	4.475**
	(1.683)	(1.683)
Oceania	—	—
	—	—
Latin America	—	—
	—	—
1st cubic splines	-0.0162*	-0.0162*
	(0.00708)	(0.00708)
2nd cubic splines	0.102**	0.102**
	(0.0395)	(0.0395)
Existing nation-states*	0.131***	-0.131***
Dependent territory	(0.0321)	(0.0321)
Constant	-4.853	-17.23***
	(2.511)	(3.378)
BIC	648.375	648.375
N	2089	2089

Note: Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$ (two-tailed tests)

Table 3.4. Influence of INGOs in independent countries and dependencies, 1953-2001

	(1) Model 9 Independent countries	(2) Model 10 Dependencies
IGOs	0.0898***	0.0898***
	(0.0205)	(0.0205)
INGOs	-0.0934	5.695***
	(0.852)	(1.133)
Nation-states in the empire	-0.119	-0.119
In the last 5 years	(0.0758)	(0.0758)
Nation-states in the neighborhood	0.623**	0.623**
In the last 5 years	(0.234)	(0.234)
Existence of national organization	1.020	1.020
	(0.658)	(0.658)
Years since 1st national organization	-0.0155	-0.0155
	(0.0119)	(0.0119)
Number of wars in empire	0.252	0.252
	(0.298)	(0.298)
Number of wars in territory	-0.450	-0.450
	(0.555)	(0.555)
Center's share of global power	1.110**	1.110**
	(0.350)	(0.350)
Dependent territory	-12.90***	12.90***
	(3.718)	(3.718)
Center's share of global power*	-1.143**	-1.143**
Dependent territory	(0.350)	(0.350)
Middle East	1.125	1.125
	(1.563)	(1.563)
Eastern Europe	-1.544	-1.544
	(1.179)	(1.179)
Africa	3.051*	3.051*
	(1.384)	(1.384)
Asia	5.431**	5.431**
	(1.850)	(1.850)
Oceania	—	—
	—	—
Latin America	—	—
	—	—
1st cubic splines	-0.0122	-0.0122
	(0.00850)	(0.00850)
2nd cubic splines	0.0356	0.0356
	(0.0452)	(0.0452)
INGOs*dependent territory	5.788***	-5.788***
	(1.363)	(1.363)
Constant	-9.091**	-21.99***
	(3.174)	(4.367)
BIC	568.155	568.155
N	1768	1768

Note: Standard errors in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$(two-tailed test)

Chapter 4 World Polity was Emerging: the Rise of the Nation-State across the World, 1919-1945

INTRODUCTION

Chapter 3 suggests that world polity has played a significant role in encouraging nation-state creation after WWII. WWII not only weakened and destroyed existing regimes (e.g. empires), but also increased transnational communication and exchange. All these impacts of WWII facilitated the formation and diffusion of the hegemonic nation-state template. This finding is consistent with a consensus reached by most world polity theorists that a world polity emerges after WWII, and that world culture leads to the isomorphism processes all over the world (McNeely 1995, Meyer et al. 1997).

However, it is still unclear how the world polity takes shape. Did the world polity jump out suddenly as a direct result of WWII, or did it play a small-scale or indirect role in world polity creation—as early as the post-WWI peace, evolved during the inter-war period, and finally come to full maturity as a patron of the nation-state creation during or after WWII? Much research focuses on describing how the world polity encourages isomorphism across the world after WWII, and little discusses the kinetic process of how world polity emerges (Frank, Hironaka and Schofer 2000b, Frank, Hardinge and Wosick-Correa 2009). Given the importance of world wars in facilitating world polity, as we have seen in chapter 3, chapter 4 here fills in the gap by investigating the early reach of world polity effect during 1919-1945. By describing how the 1919-1945 era contrasts with the

years before and after this era, this chapter reveals some dynamics of world polity emergence that falls within the 1919-1945 period.

This question is also consequential for our understanding of the global rise of the nation-states. Chapter 3 concludes that historical institutionalism plays a significant role throughout the history from 1816-2001 and that world polity encourages the nation-state creation after WWII and to some degree weakens the effect of historical institutionalism. If the early influence of the world polity extends back into the 1919-1945 period, whether and how our view of the role of historical institutionalism changes?

The question of what effect world polity has on nation-state creation during interwar period also matters for understanding the diffusion mechanism of world cultural template of nation-state. International organizations, including IGOs (Inter-Governmental Organizations) and INGOs (International Non-Governmental Organizations), are regarded as the basic disseminators of world cultural norms and did not flourish until the end of WWII. Then, if the pre-1945 effects of the world polity exist, what mechanism spreads these effects across the world in the absence of a strong network of international organizations? Here I will focus on the role of the existing nation-states in the world, as well as IGOs on the rise of nation-states during 1919-1945 period.

BACKGROUND

World War I resulted in the collapse of four imperial monarchies (Russia in 1917, Austria-Hungary and Germany in 1918, and Ottoman Turkey in 1922). Besides triggering considerable territorial reshuffling (e.g., Alsace from Germany to France and eastern

Pomerania to Poland), war's end shifted the balance of power in favor of non-German and non-Austrian nationalists and ignited colonial revolts in the Middle East and Southeast Asia. As a result, Poland, Macedonia, Croatia, Yugoslavia, Bosnia & Herzegovina and Slovenia emerged as nation-states from these four monarchies in 1921, while Iraq, Syria, Egypt and other nations emerged from these imperial breakups during the 1920 and 1930s, some following short-lived colonial stints.

Another direct result of WWI is the foundation of the League of Nations, which has far-reaching consequences for the nation-state creation. World War I killed more people—more than 9 million soldiers, sailors, and flyers and another 5 million civilians—involved more countries—28—and cost more money—$186 billion in direct costs and another $151 billion in indirect costs—than any previous war in history(Ferguson 2006). Anti-war sentiments rose across the world. Partly in response to such sentiments, the League of Nations was founded in 1920 as the first international organization whose principal mission was to maintain world peace. It had 42 founding members (including all influential countries at that time except for United States), 23 remained members until it was dissolved in 1946 and replaced by United Nations (Archer 2001). Its primary goals, as stated in its Covenant, include preventing wars through collective security and disarmament and settling international disputes through negotiation and arbitration, representing a fundamental shift from the preceding years when conflicts among countries were usually resolved by war, and victors of war seized land and wealth from vanquished countries. The League of Nations changed the logic and it created a mandate system to deal with colonies left by the collapsed empires in WWI. The mandate system, originally a compromise between the Allies wish to retain the former German and

Turkish colonies and their pre-Armistice declaration that the annexation of territory was not their aim in the war, was designed as a legal instrument to administer the former colonies on behalf of the League until the territories were deemed capable of self-government. The mandates were divided into three groups on the basis of their location and their level of political and economic development. Class A mandates (including Palestine, Syria, etc.) and Class B mandates (including Ruanda-Urundi, Tanganyika, etc.) will be able to stand alone after being administered by mandatory powers, and Class C mandates (including New Guinea, Nauru, Samoa, etc.) are "best administered under the laws of the Mandatory as integral portion of its territory. Thus, the League of Nations, at least to some degree, recognized the "self-determination" of many territories, which implies the right of a particular group of people to determine for themselves how and by whom they wish to be governed. As a result, the mandate system encourages the growth of nationalism in the mandated territories, and all Class A mandates had reached full independence by 1949(Archer 2001).

The end of WWI was also followed by a fairly steady increase of IGOs, which increased from 72 in the year 1920 to 120 in the year 1945 (www.uia.org). IGOs connected dispersed countries together, enhanced international communications among countries among member countries, and thus helped with the formation of a unique world culture. More importantly, IGOs usually required member countries to be sovereign nation-states, which also prompted the nation-state creation (McNeely 1995).

In contrast to IGOs' positive influence on nation-state creation, existing nation-states in the world played a somewhat ambiguous role in nation-state creation. On the one hand, they represent a "peer pressure" on a territory which may push it to adopt the same

form of political organization. These existing nation-states are able to recognize a territory as a "nation-state" as long as it meets the requirements of what a nation-state should be, including but not limited to a permanent population, a defined territory, a government, and the capacity to enter into relations with other states (McNeely 1995). The peer recognition provides legitimacy for a territory, and is a precondition for a territory to be adopted as a member of IGOs, which are primarily composed of sovereign states.

On the other hand, extant nation-states may also be an impediment for new nation-state creation, especially those who have colonies. During 1919-1945, the number of existing nation-states fluctuated between 46 and 59, and 11 of them had over 100 colonies in total, including Belgium, France, Italy, United States, Japan, the Netherlands, Denmark, Norway, Portugal, Russia and Spain (the United Kingdom was not counted since it was not regarded as a nation-state according to the "Constitution" standard, although if it were counted one further state then there would be 36 more colonies). Metropolitan countries received significant benefits from colonies, and impeded their achievement of independence. In this sense, extant nation-states may impose negative effects on nation-state creation.

To summarize, the nation-state, colonies, and empires, are all legitimate forms of political organization during the 1919-1945 period. Thus, in contrast to their encouraging effect in the post WWII period, the existing nation-states may either support or oppose new nation-state foundation. I proceed this chapter as follows. First, I compare the world polity effect during interwar period (1919-1938) and afterwards (1939-1945), as well as compare it during 1919-1945 and 1946-2001, in an attempt to describe whether there is a

significant world polity effect before the end of WWII. Second, I compare the world polity effect during interwar period (1919-1938) and earlier years (1816-1919), as well as such effect during WWII (1939-1945) and years before WWII (1816-1938). Data analysis verifies the early existence of world polity effect before WWII.

DATA AND METHODS

The dataset used in this chapter is the same as chapter 3, which has been generously shared by Wimmer and Feinstein (2010). It is a time-series-cross-sectional (TSCS) dataset which contains information on 145 territories from 1816 until a nation-state was created. All territories refer to the geographic boundaries of countries that existed in 2001. The unit of observation is country-year. This chapter focuses principally on the 1919-1945 period and for which the number of observations is 2439 (More specifically, the interwar period 1919-1938 has 1035 observations).

The dependent variable is whether a territory became a nation-state in a particular point in time. The nation-state, according to Wimmer and Feinstein (2010), is defined as "an independent state with a written constitution, ruled in the name of a nation of equal citizens". Thus, the nation-state creation when sovereignty shifted from kings, emperors, or theocrats to the nation in a particular year is coded as 1.

Independent variables include both historical institutionalist indicators and world polity indicators. For the former, there are four groups of variables. The first group test whether and how nation-states in empire and in neighborhood shift the balance of power in favor of nationalists by spreading the nation-state template; the second group test the

strength of nationalists, including (1) whether there is a national organization and (2) years since the first national organization was established. The existence of a national organization and the history of a national organization indicate the power of nationalists. The third group examines whether wars destroy existing regimes and thus encourage nation-state creation, and there are two variables (1) number of wars in empire and (2) number of wars in territory. The final group of variables investigates the power configurations between metropolitan states and dependencies. A stronger metropolitan state is more likely to suppress nationalist movements and prevent the establishment of nation-states in their dependencies. There are three variables in this group: (1) the political center's capacity to resist nationalist movements, measured by the political centers' share of power index ranging from 0 to 100 (Singer 1987) and (2) a dummy variable whether the territory is a dependency and (3) an interactive term of the center's capacity and the dummy variable.

For world polity indicators, I use (1) number of IGO membership one country holds and (2) number of existing nation-states in the world to measure the influence of world polity[12]. More IGO linkages and more extant nation-states in the world mean stronger world cultural penetration. Thus, it is more likely that a nation-state is created with more IGO memberships and/or more existing nation-states across the world.

As for the methods, following Wimmer and Feinstein (2010), I use discrete-time event history models, estimated via a logistic regression analysis of territory years, to analyze the effect of covariates on the likelihood of nation-state creation. For the time

[12] IGO membership ranges from 0 to 94 and number of existing nation-states ranges from 4 to 151. Here I follow Wimmer and Feinstein (2010) and use the raw level of the two indicators in analysis. I also run the regressions by taking logarithm value of the two indicators, and the results hold.

effect in this TSCS dataset, I use natural cubic splines, a widely used method in comparative political research, to control for time dependence (Beck, Katz and Tucker 1998).

RESULTS

Figure 4.1 describes how the number of IGOs, existing nation-states, and newly created nation-states changed during 1919-1945. 13 nation-states were created during 1919-1945, and 12 of them occurred before WWII. The only nation-state that was founded during WWII is Liberia in 1944, when William Tubman became the president and the Constitutional principle of checks and balances of power was executed. The interwar period 1919-1938 saw a stable size of IGOs (fluctuating between 68 and 86) and of existing nation-states (fluctuating between 50 and 58). During WWII, in the first two years, the number of extant nation-states dropped to 48 in the year 1940 from its peak value 59 in 1937, remained stable until 1944, and then rapidly grew to 52 in 1945 when the WWII was ended. At the same time, IGOs steadily increased from 80 to 120.

[Figure 4.1 about here]

The era 1919-1945 can be divided into peaceful interwar period which spans from 1919 to 1938 and wartime of WWII from 1939 to 1945. The role of world polity, if any, may be different between interwar period and wartime. Thus I first investigate the peaceful years by operationalizing the 1919-1938 era with a dummy variable equal to 1 for the twenty years and zero for other years after WWI (see Table 4.3, 4.4 and 4.7). After that, I explore the 1919-1945 period as a whole by creating a dummy variable equal

to 1 for 1919-1945 and zero for other years after WWI (see Table 4.5, 4.6, and 4.8). The extant nation-states in the world began to play a role as early as 1919-1938 period, and IGO membership turned significant for the 1939-2001 period.

Table 4.1 and 4.2 compares the period 1919-1938 and 1939-1945 with earlier years to examine whether world polity indicators have different slopes before and after the end of WWI. Models 1 and 2 analyze the full observations during 1816-1918 and 1816-1938 periods, respectively, while Models 3-6 split the period into 1816-1918 and 1919-1938 subsets with "Dumyear" variables and interactive term of "Dumyear" and world polity variables. Model 1 does not show positive significance of world polity indicators for 1816-1938 as a whole, and the "extant nation-states" turned negatively significant in Model 2. Models 3 to 6 do not show any positive significant world polity effect either. However, the "Dumyear" and the interactive term "Dumyear*extant nation-states" are both significant in Models 3 and 4. The variable "Dumyear" is positively significant at 31.47 in Model 3 and negatively significant at -31.47 in Model 4, indicating rather surprisingly that the period 1919-1938 diminishes nation-state creation by 31.47 relative to 1816-1918. The interactive term "Dumyear*extant nation-states" is positively significant in Model 4 and negatively significant in Model 3, showing that the 1919-1938 period boosts the effect of extant-nation-states by 0.59 compared to the preceding period. In short, Table 4.1 reveals that extant or existing nation-states have begun to play a role by 1919, that of upwardly shifting the impact of extant nation-states in a positive direction: an early sign of world polity effects. As for IGO slope estimates, these are not significantly different across the 1918/1919 divide. Yet Table 4.2 just below shows that they do differ across a 1938/1939 divide.

Table 4.2 has the same structure as Table 4.1. Models 7 and 8 are results of the whole period 1816-1938 as well as 1816-1945, and Models 9-12 split the whole period into 1916-1938 and 1939-1945 with “Dumyear” variables and interactive term of “Dumyear” and world polity variables. “Dumyear” is significant in Models 9 and 10 at 11.67 and -11.67, respectively. This suggests that the period 1816-1938 boosts the nation-state creation by 11.67 more than the period 1939-2001. Both the interactive terms of IGOs and existing nation-states with “dumyear” are significant: the 1939-1945 period encourages IGOs effect by 0.119 more than 1816-1938 period, and facilitates the effect of existing nation-states by 0.302 more than earlier years. Table 4.2 confirms that the early effects of world polity can be found as early as 1939.

[Tables 4.1-4.2 about here]

We now need to return to Table 4.1 to focus on possible cross-era differences in effects of the world polity covariates "IGO" and "Total number of nation states in the world". To proceed here, some clarification is needed about the slope estimates for these world polity covariates in equations that include interactions. Principally, the slope estimates for the world polity covariates "IGO" and "Total number of nation states in the world" in Table 4.1 are for the years signaled at the top of each column. For example, the estimates -0.00404 and -0.0366 in column 3, which is headed with the years "1919-1938" are estimates for the years 1919-1938. Some clarification is also needed for the slopes estimates for year dummies and interaction product terms, like “dumyear” and “dumyear*extant nation states” in column 3. In particular, these dummies are for the portion of a Table population *not* signaled by the years at the head of a column: for example the year dummy in column 3 is for 1816-1918 and tells us that nation-state

emergence is boosted by 31.47 for the period 1816-1918. Correspondingly, the interaction product terms involving this dummy tell us how much the slope estimates for the covariate multiplied in a particular product term is boosted or diminished by the context of the years indicated by the dummy: for example the interaction in column 4 tells us that the slope estimate for extant nation-states is boosted by 0.590 by the 1919-1938 period relative to the 1816-1918 one. This clarification generalized, precise years' aside, to Tables 1- 6[13].

Table 4.3 focuses on the interwar period 1919-1938. Model 13 analyzes all world polity indicators and historical institutionalist indicators for the whole post- WWI period. Models 14 and 15 compare the role of existing nation-states in 1919-1938 period and that in 1939-2001 period. Similarly, Models 16 and 17 examine IGOs' role in 1919-1938 period and that in 1939-2001 period.

[Table 4.3 about here]

Model 13 reveals that the outburst of WWI is a cutting point for nation-state creation. Before that, historical institutionalism is the sole perspective to explain the rise of nation-state (see tables 1 & 2). In contrast, for the post-WWI era, world polity indicators for the first time in the world became influential. Both IGOs and the total number of nation-states in the world are positively significant. Besides the significance of world polity indicators, two historical institutionalist variables, "number of nation-states in

[13] Where a dummy like that equal to 1 for 1816-1918 is part of an interaction product term like "dumyear*extant number of nation-states" in an equation, the slopes estimate for the covariate in the product term (e.g., "extant number of nations," i.e., "Total number of nation states in the world"), is for the years *no*t signaled out by the dummy, here for the "left out" years 1919-1938 *no*t signaled out by the dummy. This is a basic rule of interactions with a dictotomous (like dumyear) and a continuous variable (like" extant nation state").

neighborhood" and "Existence of national organization" encourage the creation of nation-state as well. Model 13 shows the coexistence of world polity and historical institutionalism for the post WWI era. Interestingly, the coefficient for the "number of wars in empire" is negatively significant, which remains the same for all models in Table 4.3. This is due to the specialty of the years 1946-1949, as I stated earlier in Chapter 3. If I operationalize the four years 1946-1949 as a dummy variable equal to 1 for the four years and equal to zero for all the other years for post WWI period for each of the five models in Table 4.3, the negative significance of "number of wars in empire" disappears (see Table 4.4). We need to see to what extent, if at all, the slopes of IGO's and the number of "extant nation-states" change across such divides as 1918/1919, 1938/1939, and 1945/1946.

[Table 4.4 about here]

Models 14-17 dig into the mechanism of world polity by locating it in different time frames. Model 14 shows that the extant nation-states in the world impede the creation of nation-states during 1919-1938 period, in which the number of dependencies in the world reached its peak of 154 in the year 1921, slightly dropped to 141 in 1930 and then eventually increased to 145 in 1938. The growth of dependencies suggests that the existing nation-states were trying to expand their territories by obtaining more colonies, and thus suppressed nationalist movements in non-nation-state territories. As a result, the extant nation-states played a significantly negative role in nation-state creation (coefficient=-0.52). In contrast, the WWII broken out in 1939 destroyed strength of most metropolitan countries (such as France and Belgium), and weakened the control of them over colonies. Accordingly, the coefficient of extant nation-states turned significantly

positive (coefficient=0.0272), indicating that the encouraging effect of extant nation-states emerged as early as 1939. In addition, two historical institutionlist variables – "number of nation-states in neighborhood" and "existence of national organization" – were positively significant in both Models 14 and 15, the same as Model 13.

Models 16 and 17 focus the role of IGOs before and after WWII. In 1919-1938 era, as shown in Model 16, IGO plays a negative and non-significant role in encouraging nation-state creation. To the contrary, its role turns positive and significant as soon as WWII broke out and remains positively significant until 2001. This indicates that IGOs has always been a positive force for the nation-state creation, and such effect turns significant starting in 1939. The positive significant coefficient of Dumyear in Model 16—2.066—indicates that the period 1919-1938 encourages the nation-state creation by 2.066, while the negative significant coefficient of the interactive term of Dumyear and IGOs in Model 16—-0.0644—implies that the effect of IGOs during the period 1919-1938 is 0.0644 less that that during 1939-2001.

Models 14-17, similar as Model 13, also shows the existence of historical institutionalist effects. "Number of nation-states in neighborhood" and "Existence of national organization" are positively significant throughout Model 14 to Model 17. In addition, the "years since first national organization" show positive significance in both Models 16 and 17.

By splitting the post WWI era into 1919-1938 and 1939-2001 periods, Tables 4.3 and 4.4 suggest that the early influences of world polity exist as early as in 1939, the year when WWII broke out. In addition, during two-decade interwar period we do not see any

positive role of IGOs or extant nation-states on the global rise of nation-state. What about if we set the end of WWII, instead of the outburst of WWII, as cutting point? Is there any positive effect of IGOs/extant nation-states for the 1919-1945 period?

Table 4.5 considers the 1919-1945 era as a whole, which shows the robustness of findings in Table 4.3. Model 23 and Model 24 investigate the role of extant nation-states before and after the end of WWII, while Models 25 and 26 examine IGOs before and after 1945. The negative significance of extant nation-states and non-significance of IGOs during 1919-1945 are consistent with the results in Table 4.3 for 1919-1938 period. In addition, both of them turned positively significant after 1945, consistent with our findings for post 1939 period in Table 4.3. Among historical institutionalist variables, "number of nation-states in neighborhood", "existence of national organization" are all encouraging forces for nation-state creation across Models 23-26. Also, the "years since the first national organization" variable is significant in Models 25-26. In a word, the finding on historical institutionalism in Table 4.5 is the same as those in Table 4.3.

[Tables 4.5-4.6 about here]

In addition, the variable "number of wars in empire" is negatively significant across all models in Table 4.5, which can also be explained by the specialty of the years 1946-1949. Table 4.6, similar as Table 4.4, set up a dummy variable equal to 1 for the four years and zero for all the other years, and such negativity disappears as well.

Tables 4.7 and 4.8 summarize the role of world polity during 1919-1938 period and 1919-1945 period, based upon findings on Tables 1 and 3, respectively. Panel A in Tables 4.7 and 4.8 describe IGO effect and panel B in both Tables report the effect of

extant nation-states in the world. Table 4.7 shows that the encouraging role of world polity in nation-state creation can be traced back as early as 1939—the outburst of WWII, since when both IGO membership and the existing nation-states in the world turned significantly positive. Before that, the extant nation-states hindered the rise of nation-states and IGO did not play a role.

[Tables 4.7-4.8 about here]

CONCLUSION

To date researchers have taken for granted that the world polity began to deliver world cultural template after WWII and no earlier. This chapter contributes to existing research by revealing that the encouraging role of world polity on nation-state creation emerges as early as the outbreak of WWII. With 1939 the impacts of IGOs and numbers of extant nation-states become significantly positive. As a singular polity with distinct culture, world polity involves a "transnational legal world order" which operates with considerable autonomy from states, and cannot be reduced to economic or political interactions (Boli and Thomas 1997, Boli and Thomas 1999). Thus, world polity promotes a homogenization process across the world. The hegemony of nation-state as a form of political organization in the 20th century, for instance, reflects the existence of world polity and so allows us to view the world as a single global social system.

Findings on 1919-1938 period reveal some unexpected aspects of the dynamics of world polity formation, during which IGOs did not play a significant role and the extant nation-states destroyed the potential development of nation-states. During the 1919-1939 era, the nation-state as a form of political organization had not obtained hegemonic

legitimacy, and colonies and empires were still widely accepted as legitimate forms of political organization. Nation-states not only would like to spread the nation-state template to other countries they communicate with, but also tries to grab material benefits as much as they can. As a legitimate form of political organization, the colony is one important source of material benefits for metropolitan countries. Thus, the existing nation-states tried to seize as many as colonies as they could, and thus could be a negative force for new nation-states creation; while the number of IGOs, as well as the network composed of IGO members, are too small to make an influence. The negative significance of extant nation-states, on the one hand, suggests that a world polity is emerging and the peer pressure from existing nation-states matters. On the other hand, it indicates that the peer pressure does not push candidate countries to be the same as them, but to be enslaved as dependencies for them. In short, during 1919-1938, the transnational network composed of existing nation-states was formed, yet it had not delivered nation-state template—a world cultural template—until WWII. The discrepancy between transnational network and world cultural rules indicates that 1919-1938 period can be seen as transitional phase toward world polity, which is ignored by existing research as well.

The significance of the outbreak of WWII — in the year 1939 —on the formation of world polity and nation-state creation can be understood in the following ways. First, WWII encouraged inter-state cooperation and communication within the Allies and the Axis, and pushed cross-cultural understanding between territories. Accordingly, IGOs increased at a steady speed since the start of WWII. The case of Liberia can partly be attributed to the influence of the League of Nations and United States, both of which

exert the nation-state principles to Liberia. Second, anti-fascist struggles across the world, especially those in colonies, facilitate the formation of a "nation" and national unity in colonies. Local people are more likely to identify with the "nation" instead of the metropolitan countries. As a result, they are more likely to adopt the nation-state template, and become a force to struggle against colonial powers as well. Third, all metropolitan countries are involved and weakened in the WWII, and their control over colonies become much looser during and after WWII, which provides great opportunity for the growth of nationalists and nationalist organizations. To summarize, with WWII pro-nation-state factors, like the strength of nationalists and their organizations and IGOs, advances; while the Soviet Union and block aside—the strength of such anti-nation-state empire, tends to diminish. Most pertinently here, IGO ties and the worldwide accumulation of nation-states rise to the fore as salient forces for nation-state creation.

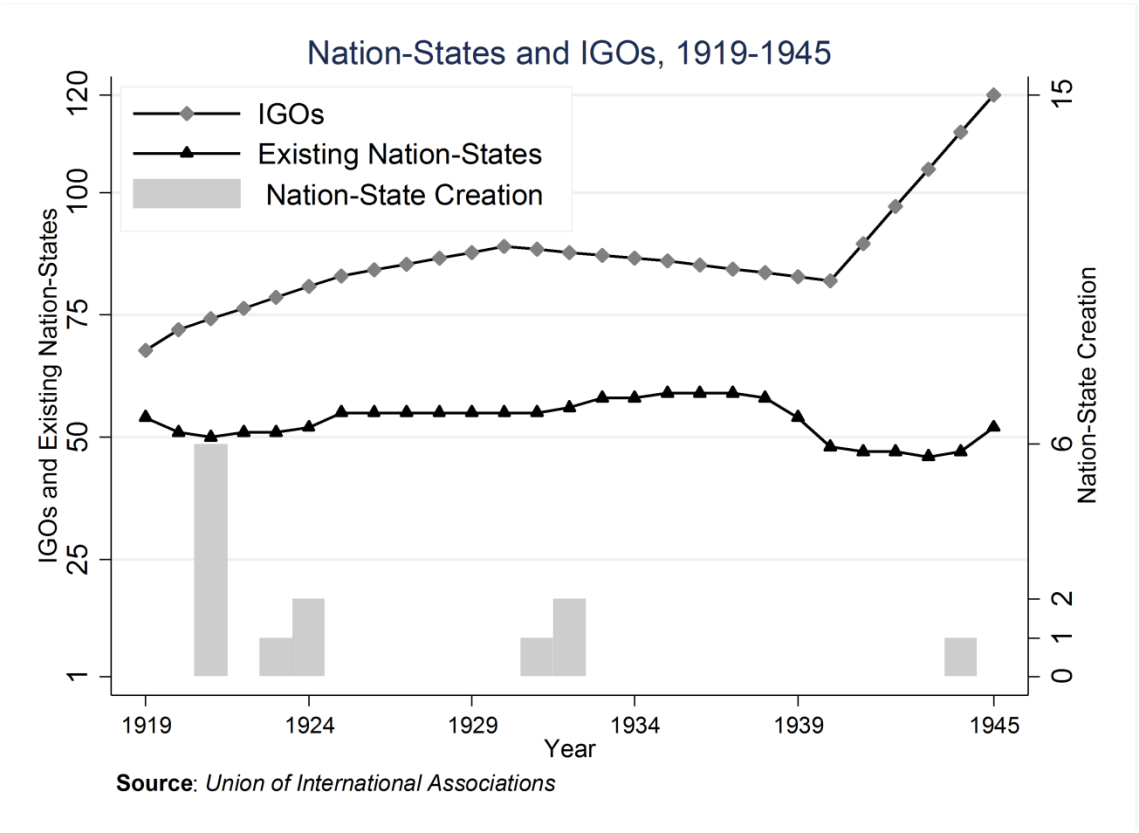

Figure 4.1. Nation-states and IGOs, 1919-1945

Table 4.1. Parameter Estimates for Logit Regression Models of Nation-State Creation: 1816-1938

	Model 1 1816-1918	Model 2 1816-1938	Model 3 1919-1938	Model 4 1816-1918	Model 5 1919-1938	Model 6 1816-1918
IGOs	-0.0628	-0.0154	-0.00404	-0.00404	-0.0259	0.00851
	(0.0468)	(0.0187)	(0.0226)	(0.0226)	(0.0271)	(0.0347)
Total number of	0.000597	-0.0786**	-0.0366	-0.627**	-0.0553*	-0.0553*
Nation-states	(0.0391)	(0.0303)	(0.0205)	(0.239)	(0.0258)	(0.0258)
Dumyear			31.47*	-31.47*	0.0215	-0.0215
			(12.48)	(12.48)	(1.199)	(1.199)
Dumyear*Extent			-0.590*	0.590*		
Nation-states			(0.241)	(0.241)		
Dumyear*IGOs					0.0344	-0.0344
					(0.0426)	(0.0426)
Nation-states in	0.242*	-0.0221	-0.102	-0.102	-0.0349	-0.0349
Empire	(0.116)	(0.118)	(0.159)	(0.159)	(0.158)	(0.158)
Nation-states in	0.0458	0.241	0.200	0.200	0.283	0.283
Neighborhood	(0.237)	(0.178)	(0.179)	(0.179)	(0.183)	(0.183)
Existence of national	1.167**	1.104**	1.173**	1.173**	1.155**	1.155**
organizations	(0.451)	(0.384)	(0.396)	(0.396)	(0.380)	(0.380)
Years since 1st national	-0.00533	-0.00109	-0.00108	-0.00108	-0.0009	-0.0009
organization	(0.00670)	(0.00479)	(0.00553)	(0.00553)	(0.005)	(0.005)
Wars in empire	0.408***	0.336***	0.389***	0.389***	0.348***	0.348***
	(0.0686)	(0.0668)	(0.0678)	(0.0678)	(0.0664)	(0.0664)
Wars in territory	0.619*	0.624**	0.643**	0.643**	0.638**	0.638**
	(0.266)	(0.209)	(0.221)	(0.221)	(0.222)	(0.222)
Political center's share	0.0620	0.00510	-0.0108	-0.0108	-0.00629	-0.00629
Of power	(0.0485)	(0.0460)	(0.0510)	(0.0510)	(0.0460)	(0.0460)
Dependent territory	0.651	0.153	0.339	0.339	0.312	0.312
	(0.554)	(0.463)	(0.535)	(0.535)	(0.540)	(0.540)
Political center's share	-0.191*	-0.128*	-0.143*	-0.143*	-0.128*	-0.128*
power*dependency	(0.0782)	(0.0593)	(0.0706)	(0.0706)	(0.0642)	(0.0642)
Middle East	-3.500**	-2.144***	-2.245***	-2.245***	-2.243***	-2.243***
	(1.108)	(0.558)	(0.569)	(0.569)	(0.591)	(0.591)
Eastern Europe	-2.176***	-1.751***	-1.631***	-1.631***	-1.485***	-1.485***
	(0.384)	(0.337)	(0.375)	(0.375)	(0.388)	(0.388)
Africa	---	---	---	---	---	---
	---	---	---	---	---	---
Asia	-2.815***	-2.231***	-2.190***	-2.190***	-2.216***	-2.216***
	(0.733)	(0.570)	(0.594)	(0.594)	(0.606)	(0.606)
Oceania	-1.072	-1.332	-1.126	-1.126	-1.123	-1.123
	(1.513)	(1.301)	(1.320)	(1.320)	(1.290)	(1.290)
Latin America	0.328	0.471	0.431	0.431	0.441	0.441
	(0.463)	(0.394)	(0.434)	(0.434)	(0.441)	(0.441)
1st cubic splines	0.00338	0.0307**	0.0230**	0.0230**	0.0327**	0.0327**
	(0.0220)	(0.0119)	(0.00835)	(0.00835)	(0.0113)	(0.0113)
2nd cubic splines	0.0777	0.0419	6.188*	6.188*	-4.383	-4.383
	(0.0698)	(0.0214)	(2.828)	(2.828)	(2.642)	(2.642)
Constant	-11.10	-59.69**	-4.546***	26.92*	-4.454***	-4.432**
	(39.78)	(21.41)	(0.555)	(12.46)	(0.534)	(1.398)
BIC Statistics	654.03	810.89	815.79	815.79	825.96	825.96
N	7847	8942	8942	8942	8942	8942

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$
Slope estimates for the world polity covariates are for the years signaled at the top of each column.

Table 4.2. Parameter Estimates for Logit Regression Models of Nation-State Creation: 1816-1945

	Model 7 1816-1938	Model 8 1816-1945	Model 9 1939-1945	Model 10 1816-1938	Model 11 1939-1945	Model 12 1816-1938
IGOs	-0.0154	-0.0129	-0.0106	-0.0106	-0.00251	-0.122***
	(0.0187)	(0.0194)	(0.0210)	(0.0210)	(0.0205)	(0.0279)
Total number of	-0.0786**	-0.0270	-0.0469*	-0.349***	-0.0490*	-0.0490*
Nation-states	(0.0303)	(0.0301)	(0.0234)	(0.0730)	(0.0232)	(0.0232)
Dumyear			11.67***	-11.67***	-0.147	0.147
			(2.820)	(2.820)	(0.737)	(0.737)
Dumyear*Extant			-0.302***	0.302***		
Nation-states			(0.0703)	(0.0703)		
Dumyear*IGOs					-0.119***	0.119***
					(0.0344)	(0.0344)
Nation-states in	-0.0221	-0.00912	0.0115	0.0115	0.0143	0.0143
Empire	(0.118)	(0.124)	(0.121)	(0.121)	(0.121)	(0.121)
Nation-states in	0.241	0.229	0.293	0.293	0.289	0.289
Neighborhood	(0.178)	(0.182)	(0.179)	(0.179)	(0.178)	(0.178)
Existence of national	1.104**	1.187**	1.156**	1.156**	1.151**	1.151**
organizations	(0.384)	(0.409)	(0.391)	(0.391)	(0.393)	(0.393)
Years since 1st national	-0.00109	-0.00124	0.000156	0.000156	0.000225	0.000225
Organization	(0.00479)	(0.00549)	(0.00580)	(0.00580)	(0.00582)	(0.00582)
Wars in empire	0.336***	0.363***	0.345***	0.345***	0.348***	0.348***
	(0.0668)	(0.0755)	(0.0637)	(0.0637)	(0.0632)	(0.0632)
Wars in territory	0.624**	0.552*	0.629**	0.629**	0.634**	0.634**
	(0.209)	(0.226)	(0.223)	(0.223)	(0.222)	(0.222)
Political center's	0.00510	-0.000674	-0.0130	-0.0130	-0.0128	-0.0128
Share of power	(0.0460)	(0.0459)	(0.0472)	(0.0472)	(0.0485)	(0.0485)
Dependent territory	0.153	0.0902	0.249	0.249	0.236	0.236
	(0.463)	(0.515)	(0.538)	(0.538)	(0.534)	(0.534)
Political center's share	-0.128*	-0.115*	-0.127*	-0.127*	-0.130*	-0.130*
Of power*Dependency	(0.0593)	(0.0580)	(0.0644)	(0.0644)	(0.0659)	(0.0659)
Middle East	-2.144***	-2.058***	-2.147***	-2.147***	-2.124***	-2.124***
	(0.558)	(0.569)	(0.576)	(0.576)	(0.571)	(0.571)
Eastern Europe	-1.751***	-1.760***	-1.505***	-1.505***	-1.520***	-1.520***
	(0.337)	(0.347)	(0.376)	(0.376)	(0.374)	(0.374)
Africa	---	-3.959***	-3.962***	-3.962***	-3.934***	-3.934***
	---	(1.097)	(1.065)	(1.065)	(1.086)	(1.086)
Asia	-2.231***	-2.096***	-2.164***	-2.164***	-2.223***	-2.223***
	(0.570)	(0.560)	(0.589)	(0.589)	(0.621)	(0.621)
Oceania	-1.332	-1.072	-1.125	-1.125	-1.066	-1.066
	(1.301)	(1.211)	(1.254)	(1.254)	(1.235)	(1.235)
Latin America	0.471	0.534	0.466	0.466	0.464	0.464
	(0.394)	(0.454)	(0.450)	(0.450)	(0.445)	(0.445)
1st cubic splines	0.0307**	0.0207	0.0289**	0.0289**	0.0283**	0.0283**
	(0.0119)	(0.0129)	(0.00990)	(0.00990)	(0.00950)	(0.00950)
2nd cubic splines	0.0419	-0.00753	0.749	0.749	0.425	0.425
	(0.0214)	(0.0189)	(1.433)	(1.433)	(0.920)	(0.920)
Constant	-59.69**	-42.24	-4.540***	7.134*	-4.484***	-4.631***
	(21.41)	(23.23)	(0.522)	(2.873)	(0.526)	(0.915)
BIC Statistics	810.89	862.48	866.73	866.73	865.08	865.08
N	8942	14042	14042	14042	14042	14042

Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Slope estimates for the world polity covariates are for the years signaled at the top of each column.

Table 4.3. Parameter Estimates for Logit Regression Models of Nation-State Creation: 1919-1938

	Model 13 1919-2001	Model 14 1939-2001	Model 15 1919-1938	Model 16 1939-2001	Model 17 1919-1938
IGO	0.0261***	0.0281***	0.0281***	0.0292***	-0.0351
	(0.00767)	(0.00817)	(0.00817)	(0.00848)	(0.0244)
Total number of nation-	0.0205*	0.0272***	-0.520**	0.0262**	0.0262**
States in the world	(0.00884)	(0.00799)	(0.165)	(0.00892)	(0.00892)
Dumyear		29.59***	-29.59***	2.066**	-2.066**
		(8.684)	(8.684)	(0.797)	(0.797)
Dumyear*extant		-0.547***	0.547***		
nation-states		(0.166)	(0.166)		
Dumyear*IGOs				-0.0644**	0.0644**
				(0.0234)	(0.0234)
Number of nation-states	0.0251	0.00564	0.00564	-0.00145	-0.00145
In empire	(0.0482)	(0.0480)	(0.0480)	(0.0485)	(0.0485)
Number of nation-states	0.816***	0.767***	0.767***	0.813***	0.813***
In neighborhood	(0.168)	(0.166)	(0.166)	(0.165)	(0.165)
Existence of national	1.683**	1.820**	1.820**	1.578*	1.578*
Organization	(0.620)	(0.650)	(0.650)	(0.625)	(0.625)
Years since 1st national	0.00983	0.0102	0.0102	0.00985*	0.00985*
Organization	(0.00529)	(0.00551)	(0.00551)	(0.00492)	(0.00492)
Number of wars in	-0.244*	-0.291**	-0.291**	-0.274*	-0.274*
empire	(0.108)	(0.108)	(0.108)	(0.113)	(0.113)
Number of wars in	0.0759	-0.0407	-0.0407	-0.0105	-0.0105
territory	(0.322)	(0.286)	(0.286)	(0.313)	(0.313)
Political center's share	0.150	0.190	0.190	0.197	0.197
Of power	(0.178)	(0.217)	(0.217)	(0.207)	(0.207)
Dependent territory	0.626	0.744	0.744	0.900	0.900
	(0.736)	(0.774)	(0.774)	(0.726)	(0.726)
Political center's share	-0.199	-0.235	-0.235	-0.237	-0.237
Of power*dependencies	(0.175)	(0.212)	(0.212)	(0.202)	(0.202)
Middle East	-2.493*	-1.532	-1.532	-1.039	-1.039
	(1.126)	(1.351)	(1.351)	(1.439)	(1.439)
Eastern Europe	-1.912	-1.239	-1.239	-0.858	-0.858
	(1.283)	(1.296)	(1.296)	(1.438)	(1.438)
Africa	-1.777	-0.839	-0.839	-0.397	-0.397
	(1.143)	(1.287)	(1.287)	(1.370)	(1.370)
Asia	-0.880	0.100	0.100	0.554	0.554
	(1.040)	(1.223)	(1.223)	(1.329)	(1.329)
Oceania	-0.0896	0.885	0.885	1.062	1.062
	(0.861)	(1.192)	(1.192)	(1.208)	(1.208)
Latin America	-2.537	-1.785	-1.785	-1.339	-1.339
	(1.347)	(1.440)	(1.440)	(1.525)	(1.525)
1st cubic splines	0.00954	0.0125	0.0125	0.0102	0.0102
	(0.00901)	(0.00985)	(0.00985)	(0.00923)	(0.00923)
2nd cubic splines	-0.00794	-0.0202	-0.0202	-0.0133	-0.0133
	(0.0187)	(0.0219)	(0.0219)	(0.0201)	(0.0201)
Constant	-8.365***	-10.39***	19.21*	-10.52***	-8.452***
	(1.521)	(2.213)	(7.734)	(2.104)	(1.786)
BIC Statistics	959.286	955.054	955.054	968.447	968.447
N	4962	4962	4962	4962	4962

Notes: Standard errors in parentheses.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.
Slope estimates for the world polity covariates are for the years signaled at the top of each column.

Table 4.4. Parameter Estimates for Logit Regression Models of Nation-State Creation: 1919-1938 with 1946-49 as dummy variable

	Model 18 1919-1921	Model 19 1919-1938	Model 20 1939-2001	Model 21 1919-1938	Model 22 1939-2001
IGO	0.0250***	0.0295***	0.0295***	-0.0358	0.0307***
	(0.00752)	(0.00885)	(0.00885)	(0.0245)	(0.00911)
Total number of nation-	0.0257**	-0.516**	0.0386***	0.0375***	0.0375***
States in the world	(0.00997)	(0.162)	(0.00933)	(0.0102)	(0.0102)
Dumyear		-30.73***	30.73***	-2.835***	2.835***
		(8.545)	(8.545)	(0.855)	(0.855)
Dumyear*extant		0.555***	-0.555***		
Nation-states		(0.162)	(0.162)		
Dumyear*IGOs				0.0665**	-0.0665**
				(0.0229)	(0.0229)
Number of nation-states	0.0381	0.0184	0.0184	0.0107	0.0107
in empire	(0.0466)	(0.0474)	(0.0474)	(0.0479)	(0.0479)
Number of nation-states	0.706***	0.655***	0.655***	0.707***	0.707***
In neighborhood	(0.157)	(0.153)	(0.153)	(0.155)	(0.155)
Existence of national	1.631**	1.886**	1.886**	1.617*	1.617*
organization	(0.622)	(0.660)	(0.660)	(0.638)	(0.638)
Years since 1st national	0.00955	0.00999	0.00999	0.00957	0.00957
Organization	(0.00584)	(0.00628)	(0.00628)	(0.00540)	(0.00540)
Number of wars in	-0.0868	-0.106	-0.106	-0.0818	-0.0818
empire	(0.107)	(0.0935)	(0.0935)	(0.0974)	(0.0974)
Dumyear1946-1949	1.392**	1.871***	1.871***	1.835***	1.835***
	(0.427)	(0.429)	(0.429)	(0.433)	(0.433)
Dumyear1946-1949*	-1.694*	-1.802*	-1.802*	-1.829*	-1.829*
Number of wars in	(0.796)	(0.830)	(0.830)	(0.832)	(0.832)
empire					
Number of wars in	0.163	0.0676	0.0676	0.0878	0.0878
territory					
	(0.326)	(0.278)	(0.278)	(0.307)	(0.307)
Political center's share	0.148	0.171	0.171	0.184	0.184
Of power	(0.181)	(0.222)	(0.222)	(0.210)	(0.210)
Dependent territory	0.593	0.651	0.651	0.842	0.842
	(0.734)	(0.796)	(0.796)	(0.749)	(0.749)
Political center's share	-0.203	-0.228	-0.228	-0.235	-0.235
Of power*dependencies	(0.178)	(0.217)	(0.217)	(0.206)	(0.206)
Middle East	-2.727*	-1.653	-1.653	-1.104	-1.104
	(1.163)	(1.385)	(1.385)	(1.432)	(1.432)
Eastern Europe	-2.098	-1.136	-1.136	-0.747	-0.747
	(1.300)	(1.321)	(1.321)	(1.450)	(1.450)
Africa	-2.021	-0.894	-0.894	-0.408	-0.408
	(1.166)	(1.314)	(1.314)	(1.351)	(1.351)
Asia	-1.141	-0.0215	-0.0215	0.491	0.491
	(1.075)	(1.261)	(1.261)	(1.327)	(1.327)
Oceania	-0.539	0.436	0.436	0.768	0.768
	(0.857)	(1.192)	(1.192)	(1.186)	(1.186)
Latin America	-2.742*	-1.832	-1.832	-1.333	-1.333
	(1.351)	(1.480)	(1.480)	(1.527)	(1.527)
1st cubic splines	0.0107	0.0159	0.0159	0.0129	0.0129
	(0.00918)	(0.0109)	(0.0109)	(0.00993)	(0.00993)
2nd cubic splines	-0.0119	-0.0301	-0.0301	-0.0214	-0.0214
	(0.0187)	(0.0231)	(0.0231)	(0.0206)	(0.0206)
Constant	-8.676***	18.71*	-12.02***	-9.257***	-12.09***

	(1.553)	(7.620)	(2.393)	(1.847)	(2.215)
BIC Statistics	962.68	955.31	955.31	968.86	968.86
N	4962	4962	4962	4962	4962

Notes: Standard errors in parentheses.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.
Slope estimates for the world polity covariates are for the years signaled at the top of each column.

Table 4.5. Parameter Estimates for Logit Regression Models of Nation-State Creation: 1919-1945

	Model 23 1919-1945	Model 24 1946-2001	Model 25 1919-1945	Model 26 1946-2001
IGO	0.0250**	0.0250**	-0.0404	0.0283***
	(0.00801)	(0.00801)	(0.0207)	(0.00858)
Total number of nation-	-0.135**	0.0191*	0.0226*	0.0226*
States in the world	(0.0449)	(0.00811)	(0.00885)	(0.00885)
Dumyear	-7.739**	7.739**	-1.725*	1.725*
	(2.450)	(2.450)	(0.745)	(0.745)
Dumyear*extant	0.154***	-0.154***		
Nation-states	(0.0448)	(0.0448)		
Dumyear*IGOs			0.0687***	-0.0687***
			(0.0195)	(0.0195)
Number of nation-states	0.0217	0.0217	-0.00773	-0.00773
In empire	(0.0472)	(0.0472)	(0.0480)	(0.0480)
Number of nation-states	0.806***	0.806***	0.802***	0.802***
In neighborhood	(0.166)	(0.166)	(0.165)	(0.165)
Existence of national	1.591**	1.591**	1.461*	1.461*
Organization	(0.607)	(0.607)	(0.637)	(0.637)
Years since 1st national	0.00927	0.00927	0.0106*	0.0106*
Organization	(0.00532)	(0.00532)	(0.00506)	(0.00506)
Number of wars in	-0.293**	-0.293**	-0.295*	-0.295*
Empire	(0.112)	(0.112)	(0.119)	(0.119)
Number of wars in	0.0322	0.0322	-0.00663	-0.00663
neighborhood	(0.320)	(0.320)	(0.323)	(0.323)
Political center's share	0.162	0.162	0.215	0.215
Of power	(0.191)	(0.191)	(0.213)	(0.213)
Dependent territory	0.720	0.720	0.959	0.959
	(0.740)	(0.740)	(0.696)	(0.696)
Political center's share	-0.209	-0.209	-0.250	-0.250
Of power*dependencies	(0.185)	(0.185)	(0.208)	(0.208)
Middle East	-2.709*	-2.709*	-0.975	-0.975
	(1.170)	(1.170)	(1.518)	(1.518)
Eastern Europe	-2.294	-2.294	-0.969	-0.969
	(1.252)	(1.252)	(1.450)	(1.450)
Africa	-2.027	-2.027	-0.363	-0.363
	(1.141)	(1.141)	(1.459)	(1.459)
Asia	-1.092	-1.092	0.573	0.573
	(1.052)	(1.052)	(1.398)	(1.398)
Oceania	-0.237	-0.237	1.194	1.194
	(0.987)	(0.987)	(1.327)	(1.327)
Latin America	-2.838*	-2.838*	-1.303	-1.303
	(1.335)	(1.335)	(1.605)	(1.605)
1st cubic splines	0.00819	0.00819	0.00873	0.00873
	(0.00942)	(0.00942)	(0.00905)	(0.00905)
2nd cubic splines	-0.00633	-0.00633	-0.00946	-0.00946
	(0.0203)	(0.0203)	(0.0203)	(0.0203)
Constant	0.110	-7.629***	-8.159***	-9.884***
	(2.551)	(1.784)	(1.832)	(2.117)
BIC Statistics	970.75	970.75	964.40	964.40
N	4962	4962	4962	4962

Notes: Standard errors in parentheses.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Slope estimates for the world polity covariates are for the years signaled at the top of each column.

Table 4.6. Parameter Estimates for Logit Regression Models of Nation-State Creation: 1919-1945 with 1946-49 as dummy variable

	Model 27 1919-1945	Model 28 1946-2001	Model 29 1919-1945	Model 30 1946-2001
IGO	0.0271**	0.0271**	-0.0409	0.0307**
	(0.00876)	(0.00876)	(0.0206)	(0.00941)
Total number of nation-	-0.117**	0.0312***	0.0360***	0.0360***
States in the world	(0.0450)	(0.00912)	(0.00998)	(0.00998)
Dumyear	-8.138***	8.138***	-2.637**	2.637**
	(2.418)	(2.418)	(0.804)	(0.804)
Dumyear*extant	0.148***	-0.148***		
Nation-states	(0.0443)	(0.0443)		
Dumyear*IGOs			0.0716***	-0.0716***
			(0.0187)	(0.0187)
Number of nation-states	0.0357	0.0357	0.00550	0.00550
In empire	(0.0466)	(0.0466)	(0.0475)	(0.0475)
Number of nation-states	0.719***	0.719***	0.721***	0.721***
In neighborhood	(0.159)	(0.159)	(0.158)	(0.158)
Existence of national	1.674**	1.674**	1.538*	1.538*
Organization	(0.614)	(0.614)	(0.644)	(0.644)
Years since 1st national	0.00838	0.00838	0.00953	0.00953
organization	(0.00586)	(0.00586)	(0.00543)	(0.00543)
Number of wars in	-0.118	-0.118	-0.0959	-0.0959
Empire	(0.105)	(0.105)	(0.102)	(0.102)
Dumyear1946-49	1.576***	1.576***	1.713***	1.713***
	(0.439)	(0.439)	(0.453)	(0.453)
Dumyear1946-49*	-1.706*	-1.706*	-1.804*	-1.804*
Wars in empire	(0.801)	(0.801)	(0.831)	(0.831)
Number of wars in	0.140	0.140	0.0807	0.0807
Territory	(0.315)	(0.315)	(0.312)	(0.312)
Political center's share	0.144	0.144	0.194	0.194
Of power	(0.192)	(0.192)	(0.213)	(0.213)
Dependent territory	0.603	0.603	0.881	0.881
	(0.767)	(0.767)	(0.724)	(0.724)
Political center's share	-0.201	-0.201	-0.239	-0.239
Of power*dependencies	(0.187)	(0.187)	(0.209)	(0.209)
Middle East	-2.918*	-2.918*	-1.194	-1.194
	(1.184)	(1.184)	(1.474)	(1.474)
Eastern Europe	-2.252	-2.252	-0.944	-0.944
	(1.276)	(1.276)	(1.449)	(1.449)
Africa	-2.175	-2.175	-0.521	-0.521
	(1.144)	(1.144)	(1.397)	(1.397)
Asia	-1.278	-1.278	0.382	0.382
	(1.068)	(1.068)	(1.354)	(1.354)
Oceania	-0.750	-0.750	0.729	0.729
	(0.953)	(0.953)	(1.244)	(1.244)
Latin America	-2.985*	-2.985*	-1.456	-1.456
	(1.345)	(1.345)	(1.578)	(1.578)
1st cubic splines	0.0115	0.0115	0.0117	0.0117
	(0.0105)	(0.0105)	(0.00987)	(0.00987)
2nd cubic splines	-0.0170	-0.0170	-0.0194	-0.0194
	(0.0214)	(0.0214)	(0.0211)	(0.0211)

Constant	-1.087	-9.225***	-8.990***	-11.63***
	(2.695)	(1.966)	(1.872)	(2.232)
BIC Statistics	974.97	974.97	967.23	967.23
N	4962	4962	4962	4962

Notes: Standard errors in parentheses.
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.
Slope estimates for the world polity covariates are for the years signaled at the top of each column.

Table 4.7. Influence of World Polity, 1919-1938

Panel A. IGO Effect

	Slope estimate	Standard error
(a) 1919-1938 cases	-0.0351	(0.0244)
(b) 1939-2001 cases	0.0292***	(0.00848)
Slope difference between (a) and (b)	-0.0643***	
Intercept difference between (a) and (b)	2.068***	

Panel B. Existing Nation-states Effect

	Slope estimate	Standard error
(a) 1919-1938 cases	-0.520**	(0.165)
(b) 1939-2001 cases	0.0272***	(0.00799)
Slope difference between (a) and (b)	-0.5472***	
Intercept difference between (a) and (b)	29.6***	

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Table 4.8. Influence of World Polity, 1919-1945

Panel A. IGO Effect

	Slope estimate	Standard error
(a) 1919-1945 cases	-0.0404	(0.0207)
(b) 1946-2001 cases	0.0283***	(0.00858)
Slope difference between (a) and (b)	0.0687***	
Intercept difference between (a) and (b)	-1.765***	

Panel B. Existing Nation-states Effect

	Slope estimate	Standard error
(a) 1919-1945 cases	-0.135**	(0.0449)
(b) 1946-2001 cases	0.0191*	(0.00811)
Slope difference between (a) and (b)	-0.1541***	
Intercept difference between (a) and (b)	-7.739***	

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

Chapter 5 Globalization and State Size: Interdependent Impacts of Global Civil Society and Economic Globalization

INTRODUCTION

Chapters 3 and 4 investigated how world polity encourages the global rise of the nation-state; and they find that as early as the start of WWII (1939), IGOs and extant nation-states has begun to play a significant role in facilitating nation-state creation across the world. This chapter focuses on the relationship between existing states and globalization. The state as an administrative organization has a tendency to keep and enlarge its size. Since the 18th century, modern state institutions have expanded enormously from being preponderantly military states to including a broader range of non-military as well as military state administrative agencies (Mann 1986). After the World War Ⅱ, the rise of Keynesian welfare state, which emphasized the positive role of public investment and redistribution, buoyed the trend of state expansion(Hicks and Misra 1993). Globalization processes, however, have brought about more risk and uncertainty to states requiring states to take global factors into account for policy making (Boix 1997, Boix 2000, Fukuyama 2004). The question arises for theory and research: How does globalization affect state size?

Scholars focus on different aspects of globalization from differing viewpoints. Political economy approaches argue that the international economy helps shape state size.

The world system perspective holds that economic globalization exacerbates capital's domination of developed countries via the penetration of foreign capital into developing countries and also weakens the autonomy capacity of developing countries to formulate policies that benefit them. As a result, developing countries yield to pressures of foreign capital's preference for low taxes and low tariff barriers that lead to smaller state size (Kaufman and Segura-Ubiergo 2001). Neoliberal perspective argues that economic globalization brings about competitive pressure for more efficient structure and performance (Kaufman and Segura-Ubiergo 2001). Market competition will reorient state to become more efficient and smaller, for a smaller public sector indicates lower taxes and lower costs for firms (Hicks 1999). Still some political economists point out that social spending "compensates" citizens for costs arising from the risks of globalization (Rodrik 1998).

Theory. Some "new institutionalist" theorists stressing coercive, mimetic and normative mechanisms identified by DiMaggio and Powell (1983), have argued that developing nations are under pressures to adopt neoliberal ideas: to adopt such polices under coercive pressure from Intergovernmental Organizations (IGOs), to adopt them in imitation of the policy models of successful competitors, and to adopt them as they are imported from the global center where neoliberal economists are trained (Chwieroth 2007, Henisz, Zelner and Guillén 2005, Kogut and MacPherson 2008). This provides some "new institutionalist" grounds for expecting that state policy makers will respond to trade competition with measures (e.g., privatization, budget balancing, and tax cuts) that tend to reduce state size.

Besides economic globalization, the rise of transnational civil society (TCS) is another major global-level force that encourages states to change[14]. World polity theory contends that global civil society generates global models for states to follow (Boli and Thomas 1999, Drori, Jang and Meyer 2006, Lechner and Boli 2005, Meyer 2000). Corporations and business, as well as professional international non-governmental organizations (INGOs) in global civil society all contribute to the diffusion of neoliberalism and thereby, to reduction of state size.

By contrast, some theories of global civil society, stress tensions in global civil society and indicate that anti-systemic movements may impose pressures on states to grow (Keane 2003, Porter 2005, Smith and Wiest 2012a), as do strands of world culture theory.

Economic globalization and global civil society are two basic aspects of globalization and both shape state size in different manners. However, studies of globalization assume that the two aspects of globalization are relatively isolated from each other; and they rarely integrate the two aspects of globalization into one framework. Indeed, economic globalization and global civil society are mutually interdependent and antagonistic. On one hand, the rise of global civil society may be greatly energized by the economic globalization (Keane 2003). Most of the business associations and many of professional organizations that help constitute global civil society are neoliberally-oriented and work as supporting institutions of economic globalization.

[14] I use global/transnational civil society imperialistically to include INGOs acting in tandem with social movements (Smith and Wiest, 2012b) as well as in the interest group tradition, and to include INGOs involving in "transnational advocacy network" (Keck and Sikkink 1998).

On the other hand, the development of transnational advocacy INGOs, social movements and network within global civil society is often responsive to global injustice and inequality brought about by economic globalization and thus may offer an anti-neoliberal influence on the size of state (Keane 2003, Kenny 2003). Failing to take account of the relationship between economic globalization and global civil society may lead to biased conclusions.

[Figure 5.1a about here]

This chapter contributes to globalization theories by focusing on the interaction between economic globalization and global civil society. I try to reveal how the influence of economic globalization is conditioned by global civil society and how the impact of global civil society is contingent upon the level of economic globalization.

Research Domain. Here, I am attentive to the view that processes driving state growth may be heterogeneous across nations. Likewise, we are constrained by time consuming expenses of data collection for global or sundry regional investigations. However, guided by Haggard and Kaufman's lead in focusing on specific regions of the world, East Asia in particular, I focus on six East Asian cases over several decades. The cases are the same as those studied by Haggard and Kaufman: South Korea, Singapore, Malaysia, the Philippines, Thailand and Taiwan.

I examine how state institutions in East Asia have been influenced by globalization from 1971 to 2009. Doing so, this chapter finds a mechanism whereby globalization influences states. Globalization generates contradictory forces on state: economic globalization tends to impose a downsizing effect on state size while global civil society

tends to produce a contrary effect on state. Negative impacts of economic globalization on state size are moderated by global civil society. Indeed, the overall effect of economic globalization turns positive when the presence of global civil society is sufficiently large. In other words, global civil society has the capability to reconfigure the state-market relations by mediating the influence of economic globalization on states. The paper also suggests a self-limiting mechanism of economic globalization. Although economic globalization imposes a downward pressure on state size, one aspect of it---the international trade integration--- encourages the development of global civil society and thus indirectly contributes to the pro-state effect of global civil society.

I begin with a discussion of how the economic globalization influences state growth. Next, I develop an argument on how global civil society is able to have a Progressive liberal (rather than classical liberal or neoliberal) effect on the size of state and thus offsets the neoliberal effect of economic globalization (Hicks and Kenworthy 2003). Then I empirically analyze the impacts of economic globalization and global civil society influences state growth, as well as how economic globalization drives the expansion of global civil society state growth. Finally, I conclude with a discussion on the influences of globalization on East Asia.

ECONOMIC GLOBALIZATION AND STATE SIZE

Economic globalization has entailed freer flows of capital across borders and brought about more competition among states for commodities and capital.

Scholars debate whether trade openness will impose a downward pressure on state size; and they have developed "competition" and "compensation" perspectives on the association between trade and state size (Hicks 1999). The competition perspective highlights the pressures for individual states to reduce economic costs in order to gain competitiveness in export market and to attract more investment. They, thus, conclude that states in globalization processes tend to lower taxes and cut the size of public sector.

Some other scholars, however, hold that a big state may help maintain market order and economic efficiency by compensating those vulnerable to economic globalization. Governmental spending can provide social programs and public services to compensate those vulnerable, helping secure their support of political incumbents and some modicum of free market policies (Hicks 1999). Further, economic globalization has brought about more risk and uncertainty and government spending can play a risk-reducing role (Rodrik 1998)[15].

Scholars also differ in accounting for the influences of foreign capital on state size. World system theory focuses on the hierarchical relationship between the core (developed countries) and the periphery (developing countries) and argues that economic globalization retains and even intensifies the dependence of the periphery upon foreign capital. The large amount of inflow foreign direct investment (FDI) has eventually encroached on state autonomy and enhanced foreign control over state policy making. The source of capital plays an important role in polarizing the core and the periphery. Compared to domestic capital, foreign capital is less likely to contribute to public

[15] In addition, some scholars integrate the "competition" and "compensation" views and find that the relationship between trade openness and state size can be curvilinear: initially compensatory and positive but eventually competitive and negative (Hicks 1999; Rodrik 1997).

revenues and less likely to reinvest profits in the host country. Foreign capital may also impede domestic enterprises(Firebaugh 1992).Foreign capital penetration into national economies and foreign capital concentration in a single country are two mechanisms whereby the core dominates the periphery (Dixon and Boswell 1996, Kentor and Boswell 2003). As long as developing countries are controlled by developed countries, the latter exerts influential leverage on policy-making and forces these developing countries to make "foreign capital friendly" policies, including low taxes and low tariffs. As a result, public revenues, and state size in turn, have decreased.

Following a different route to the same conclusions, neoliberals argue that capital is capital and, as such, beneficial whatever its source. Economic globalization is a competitive process that generates more efficiency, and the free flow of foreign investment and international trade integration will benefit both developed and developing countries (Firebaugh 1992, Firebaugh 1996) Competition among countries will result in both smaller and more efficient states.

Most research assumes that trade and FDI have the same impacts on developing countries. However, the matter can get complicated, for recently some scholars have suggested that economic globalization effects on state size via two pathways, trade path and an FDI path (Mosley and Uno 2007). On the one hand, increased trade is broadly regarded as a source of increased foreign competitive pressures to reduce production costs, which may be accomplished by means of decreased labor costs and tax burdens. Pressure to reduce tax burdens exerts downward pressure on state expenditures. Trade pushes developing countries to lower taxation and to cut state size. On the other hand, FDI tends to leave for abroad only when its benefits at its destinations exceed those in

source countries (Lim and Tsutsui 2012). As such benefits call for state expenditures at destinations, such as administrative expenses, effective rule of law, and training to the development of skilled labor forces, FDI generates upward pressures on state spending (Huber, Mustillo and Stephens 2008). Nonetheless, foreign producers in a country, may want many of the same basic economies sought by domestic producers via downsizing (e.g., low taxes and compliant work forces not pampered by costly safety nets in particular). Accordingly, empirical evidence suggests mixed effect of economic globalization on state size (Alderson 2004, Mosley and Uno 2007, Richards, Gelleny and Sacko 2001).

I use trade openness and inward FDI to measure economic globalization and attempt to gauge its consequences on East Asian states. I choose the former, most commonly thought of as the total trade as a share of GDP, because this is the most common measure of economic globalization(Haggard and Kaufman 2008, Huber and Stephens 2001, Kaufman and Segura-Ubiergo 2001). I use inward FDI as another highly stressed measure in investigations into the consequences of economic globalization (Lim and Tsutsui 2012, Mosley and Uno 2007). This leads to two alternative hypotheses:

Hypothesis 1a. Following those who stress competition for markets, trade openness will decrease state size.

Hypothesis 1b. Following those who stress the risks and vulnerability that may result from trade openness, trade openness will increase state size.

Hypothesis 2a. Following those who stress competition for capital, FDI will either increase or decrease state size.

Hypothesis 2b. Following those who stress the risks and vulnerability that will result from high FDI penetration, FDI will increase state size.

GLOBAL CIVIL SOCIETY AND STATE SIZE

Global civil society refers to "a vast, interconnected, and multi-layered social space that comprises many hundreds of thousands of self-directing or non-governmental institutions and ways of life" (Keane 2003) It is stimulated by the development of economic globalization and the retrenchment of Keynesian welfare state, both of which produce great spaces for it to grow (Shigetomi 2002). On one hand, transnational economic transactions need neutral, non-governmental institutions to regulate cross-border economic activities and to set up universal standards and codes. On the other hand, the neoliberal state demands non-governmental organizations to implement some functions that it has outsourced. Therefore, a global civil society has emerged as a consequence of the international structural change and it both feeds and reacts to economic globalization (Anheier, Glasius and Kaldor 2001). Global civil society penetrates into national societies, providing values, norms, and cognitive frameworks as well as resources(Schofer and Longhofer 2011). It involves heterogeneous and contradictory forces, anti-state actors like business and professional associations (e.g., International Chamber of Commerce, Mont Pelerin Society) on one hand and pro-state actors (e.g., OXFAM, ATTAC) on the other hand (Keck and Sikkink 1998).

Global civil society as an instrument of the neoliberal economic regime

The establishment of a neoliberal economic regime changes the association between state and market that dominated in the era of Keynesian welfare states, which was characterized by centralized controls over capital and trade in a mixed economy(Evans 1997, Ruggie 1982). Outside the global core, the neoliberal economic regime is characterized by a proliferation of transnational corporations (TNCs) and inter-governmental organizations (IGOs), such as WTO, IMF (International Monetary Fund) and World Bank with neoliberal policy orientations.

Institutionalist approaches explain state size in terms of the socio-cultural environment in which a state is embedded. At the global level, institutionalist approaches argue that a world society has formed and become an independent force for shaping state size. One global application of the institutionalist approach, world polity theory holds that the world society ---or "world polity"--- is a distinct world culture. According to world polity perspective, INGOs and IGOs tend to provide neoliberal scripts for state policy makers to enact (Boli and Thomas 1999).

According to some strands of transnational civil society and social movement theory, global civil society serves to downsize the state by supporting the neoliberal economic regime (Mathews 1997). By so doing, it contributes to the diffusion of neoliberal ideas and models and helps legitimate the neoliberal regime. Global civil society supports the neoliberal international economic regime in ways that include (1) voluntary organizations to remedy some negative externalities of economic globalization (e.g., Global Corporate Social Responsibility (CSR) frameworks, corporate environmentalism); and (2) such

service delivery organizations as "service INGOs" that substitute for states as providers of some societal functions[16].

Global civil society also takes over some state responsibilities, such as service delivery (Cooley and Ron 2002, Drori 2007, Evans 1997, Kamat 2004, Mathews 1997, Petras 1997). Intitutionalist theories mentioned earlier with regard to the consequences of economic globalization clearly also provide some basis for expecting that INGOs might, by serving as carriers of neoliberal aspects of world culture, promote neoliberal norms and practices and state downsizing [17].

"Service" INGOs provide disaster relief aid, education and healthcare services as well as official development assistance (Keane, 2003, pp. 4-5; Keane, 2001, p.26; Smillie, 1997)[18]. The capacity of INGOs to have impacts seems large: by 2003, INGOs disbursed more money than the United Nations (excluding the World Bank and IMF). More than two-thirds of the European Union's relief aid and 28 percent of United States Agency for International Development (USAID) spending are channeled through INGOs (Keane, 2001; 2001). INGOs do the relief and development work at the grassroots level and have become executive agencies of government and Inter-governmental Organizations (IGOs), both of which do not go down to grassroots level (Natsios 1995). Further, the INGOs'

[16] CSR frameworks (also called "Corporate Citizenship") are a set of self-regulating norms whereby corporations are encouraged to be "responsible for actions far beyond their boundaries, including the actions of suppliers, distributors, alliance partners, and even sovereign nations" (Davis, Whitman and Zald 2008). They encourage corporations to meet labor standards, protect environment and promote human rights. Much CSR activity is implemented by foundation-tied and philanthropic INGOs.

[17] Intitutionalist theories mentioned earlier with regard to the consequences of economic globalization clearly also provide some basis for expecting that INGOs might, by serving as carriers of neoliberal aspects of world culture, promote neoliberal norms and practices and state downsizing.

[18] The Service delivery INGOs depend on donors' funds (largely of IGO and TNC origins) to work, which undermines INGOs' normative aspirations and makes INGOs serve for donors' interests (Kamat, 2004).

partnership with states indicates that global civil society insinuated itself into performing core functions of the state (e.g., national policy-making) by substituting for some service delivery activities at about the time that the state was contracting (Gould 2005).

In summary, the world polity variant of institutional theories views INGOs as disseminators of neoliberal thought and as substitutes for state action. As such it predicts a negative impact of global civil society on state size. From this logic, some hypotheses follow:

Hypothesis 3a. The more INGO ties one country holds, the smaller size of state it has.

Particular forces that tend to exert a restrictive force on state size, such as neoliberal ideology disseminated by INGOs, can also be expected to reinforce the impacts of other forces that restrict state size. Accordingly, I hypothesize INGOs interact with trade openness and FDI in helping determing state size. Specifically I hypothesize as follows:

Hypothesis 4a. Under readings of global civil society that stress its diffusion of neoliberalism, negative effects of trade openness and FDI will become more negative as INGO ties increase, and any positive effects of trade openness and FDI will become less positive as INGO ties increases.

Hypothesis 5a. Under readings of global civil society that stress its diffusion of neoliberalism, any effects of INGOs will shift in a negative direction (toward less positive or more negative effects) as trade openness and FDI increase.

Global civil society as a reaction to the neoliberal economic regime.

World culture authors have observed the conflicts and tensions within world society and argues that the anti-globalization counterculture is part of world culture and may exert anti-neoliberal pressure on state size (Lechner and Boli 2005). In the neoliberal anarchical world society, such anti-neoliberal pressure is conveyed mainly by global civil society. This spreads principles—women's rights and environmental protection—not especially representative of neoliberal ones via international agreements and treaties. Such agreements and treaties require individual states to spend more on citizen rights and environmental protection, and thus exert an upward pressure on state size (Aaron et al. 1991, Berkovitch and Bradley 1999, Frank, Hironaka and Schofer 2000a).

Anti-neoliberal pressure in global civil society usually works through activist or advocacy INGOs. Advocacy is regarded as the most important element in civil society and can protect people from abuses of power (Salamon 2002). As an important component of global civil society, activist or advocacy INGOs oppose the unfettered expansion of market and require states to re-regulate market and compensate for those who are vulnerable in market (Keck and Sikkink 1998). Partly stimulated by technical progress in transnational communication, activists INGOs have constituted a dense transnational advocacy network and have mobilized many anti-globalization movements to impose pressure on the state to grow. Transnational advocacy network is horizontal, decentralized, reciprocal and voluntary (Keck and Sikkink 1998). Advocacy-network agents are often motivated by values and norms such as those supportive of social and economic "citizenship rights" and "environmentalism" that may conflict with the neoliberal ideal of an unfettered market and minimalist state (although hardly all "rights"

do conflict with neoliberalism (Demmers, Fernández Jilberto and Hogenboom 2004). A transnational analog to progressive, reformist and anti-capitalist domestic NGOs in the core emerges (Babb 2005, Petras 1997). The authority of transnational advocacy network is derived from the fact that it serves as an alternative source of information, expertise and global principles (Price 2003).

The "boomerang" effect describes how transnational networks penetrate domestic politics. Domestic NGOs seek international allies when states ignore their demands. The international allies, such as INGOs, IGOs and other states bring new strength back home to domestic NGOs. The transnational networks can also directly bring back pressures on the state by providing information and values and amplifying domestic demands on, and lobbying of, national government (Keck and Sikkink 1998).

INGOs can assist domestic activists by spreading information and values through the service delivery channel[19]. By carrying and disseminating pro-state values and relevant information, INGOs provide ideas that open domestic groups to the possibility of questioning the legitimacy of the neoliberal state. INGOs also provide funds for domestic NGOs, and a significant portion of revenues for NGOs are transferred from overseas organizations (Tsutsui and Shin 2008). In contrast with service delivery INGOs that provide benefits to particular individuals, advocacy INGOs promote policy change (Salamon 2002).

INGOs play an important role in reorienting the cultural climate for policy-making to anti-neoliberal direction, and thus have an upsizing effect on state size. Empirical

[19] The service delivery INGOs and activists INGOs are not exclusive. Almost all NGOs participate in advocacy activities (Salamon 2002).

research shows that INGO memberships inhibit liberalization (Pinheiro, Chwieroth and Hicks 2015) and encourage governmental spending on public health (Murdie and Hicks 2013).

INGOs also collaborate with global actors, thereby promoting increased state expenditure on public services. For instance, INGOs participate in UN conferences and partner with UN on some issues, such as women's rights, human rights, and sustainable development. By representing those who are ignored and have no voice, INGOs pressure political elites to take the most disadvantaged and unprivileged people into consideration and thus indirectly motivate state to take more progressive policies (Willetts 2000). In addition, INGOs often call for consumer boycotts that restrict the dominance of corporate forces favoring neoliberal regime (Porter 2005).

The rise of global civil society partly overlaps with the state-building processes of most East Asian countries that started after World War Ⅱ. By this logic, global civil society not only channels or reacts to neoliberal forces. It also offers models and resources for state-building (Longhofer and Schofer 2010). Global civil society offers models on how to establish public sector institutions and roles (e.g., education system, healthcare system, public transportation, social services), and foundations within global civil society may also provide grants to help build democratic, efficient and accountable national governments (e.g., Ford Foundation sets "Promoting Transparent, Effective and Accountable Government " as one of its initiatives in Asia).

To summarize, these studies reveal that global civil society may provide knowledge, discourses and schemas (e.g., frameworks citizenship rights) that support state growth.

Based upon these arguments on pro-state effect of INGOs, I hypothesize that a general pro-state effects of INGOs exists:

*Hypothesis 3b.*The more INGO ties one country holds, the bigger size of state it has.

Hypothesis 4b. Under the anti-neoliberal and state building views of global civil society, any effects of trade openness and FDI will shift in an opposite direction (toward more positive or less negative effects) as INGO ties increase.

Hypothesis 5b. Under the anti-neoliberal and state building views of global civil society, any effects of INGOs will shift in a positive direction (toward less negative or more positive effects) as trade openness and FDI increase.

It should be noted that our hypotheses deal with total INGO ties and thus only address the overall effect of total INGO ties. This is because with currently available data I cannot differentiate operationally between varying effects of INGOs with different and ideological orientations (as opposed to varying formal missions like service versus advocacy or human rights and educations).

DATA AND METHODS

This paper focuses on six cases in East Asia: South Korea, Singapore, Malaysia, the Philippines, Thailand and Taiwan. Our initial motivation to select the six cases is inspired by Haggard and Kaufman's research which investigates the association between economic globalization and governmental expenditure in the six cases without considering the role of global civil society (Haggard and Kaufman 2008). The six cases are well-known to varying degrees for taking advantage of opportunities and resources in globalization process by means of the export-oriented strategy central to the so-called

"developmental state". Thus, examining globalization and its consequences in these six cases will be of theoretical importance. The data runs from 1971 to 2009.

The economic indicators in the data, such as governmental expenditures and GDP, are derived from four sources: Cross-National Time-Series Data Archive created by Arthur S. Banks, World Bank online database, UN online database, UNCTAD Statistics (UN Conference on Trade and Development Statistics) and Asian Development Bank online database. The INGO data, which was provided by Matthew Mathias, consists of counts of the number of INGOs of all sorts with members in a country (Mathias 2013). The political regime data is from Polity IV project, formulated by Monty G. Marshall and his colleagues. The unit of analysis is country-year; and the data array employed is a Time-Series of Cross-Sections (TSCS) with country-years constituting observations.

Although pooling the data has the obvious benefits of increasing the number of observations, it tends to violate at least two OLS assumptions. First of all, TSCS data violate the OLS assumption of homoscedasticity (e.g., each country tends to have its own variance and results in heteroskedasticity). This violation generates inefficient standard errors. Second, TSCS data tend to violate the OLS assumption of temporally independent errors (e.g., errors tend to correlate across adjacent time points). This generates deflated standard errors and inflated t-statistics. In addition, I cannot reject the null hypothesis that a number of our variables have unit roots. This indicates the presence of non-stationary variables that violate the regression assumption that variables in the regressions have single, constant means and variances (not time-varying means and variances). However, such a violation of routine regression assumptions is corrected by the use of the "Error Correction Models" when variables in levels form are cointegrated as they are here (De

Boef and Keele 2008, Engle and Granger 1987). Thus, I use the ECM (Error Correction Model) to adjust for the presence of non-stationary variables.

I estimate equations with PCSEs (Panel-Corrected Standard Errors) to address the problems of heteroscedasiticity. The lagged value of the levels form of the outcome variable, already included as a regressor –a feature of the ECM model—to address possible serially correlated errors (Beck and Katz 1995, Haggard and Kaufman 2008).

Variables: Dependent Variables

"Size of state" is measured in terms of total central governmental expenditure as a percent of gross domestic product (GDP) (Lybeck 1986). These expenditure include the central government's spending on general public services, defense, economic affairs, housing and community amenities, health, recreation, environment protection, culture and religion, education, social protection as well as other costs. Figure 5.1b describes how the state size changes over time. Except for Taiwan, the state size of the other five countries experienced a drop from the late 1980s and did not recover until the early 21st century. For Taiwan, the data for state size is only available during 1990-2008, and its state size fluctuated widely during and after the Asian financial crisis in 1998.

[Figure 5.1b about here]

Variables: Independent Variables

Our key explanatory variables are aspects of economic globalization and global civil society, namely, trade openness, FDI and the number of INGO ties that a country has. The number of INGO ties is meant to tap to what extent the world culture penetrates a

state, in terms of counts of the number of INGOs with members in a state. To correct for skweness, I take the natural logarithm of the INGO ties in analysis. Trade openness is the sum of export and import as a proportion of GDP. FDI is measured with inward FDI as a proportion of GDP. I also test interactive effects between INGO ties and trade openness and between INGO ties and FDI. Trade and FDI correlate substantially with each other (r=0.88), raising the specter of multicollinearlly inflated standard errors of slope estimates. Given the two measures might be regarded as indicators of underlying dimensions of economic globalization, I use principal component analysis to index economic globalization in terms of the two measures (component scores). The principal component analysis yields one "factor" which can explain 94 percent of the total variance in trade openness and FDI. I use the component scores from this analysis to create a new, composite measure of economic of globalization (see Table 5.1). I call this index ECOGLOBE. I sometimes substitute this index for its constituents (see Table 5.2).

[Table 5.1 about here]

Variables: Control Variables

According to Adserà and Boix (2002), democratic states are more responsive to the electorate than nondemocratic states, and thus are more prone to have larger public sector.

International and domestic constraints may affect state size. Following Haggard and Kaufman (2008), I control for net public financial transfers from bi-lateral and IFI (International Financial Institution) sources as a proportion of GDP. These net transfers are equal to the disbursement- repayment of prior obligations (as shares of GDP).

Domestic economic development is another factor relevant to the size of state. Under Wagner's law the demand for public goods is highly income elastic: as per capita income increases, the demand for public goods will become bigger and the size of public sector will expand (Boix 2001; Peters 2002). I use GDP per capita (logged) to measure economic development, and central revenues (as a proportion of GDP) to measure revenues (Haggard and Kaufman 2008).

Turning from income levels to cycles, Boix (2001) reports that annual recessions from 1961-1979 increased pressure to sell public assets, and thus decreased the size of public sector (Boix 1997). Similarly, Brooks and Kurtz argue that the neo-liberal reform can also take place when the economies are growing and workers are more likely to find new jobs and weather market risks (Brooks and Kurtz 2007). I use a dummy variable equal to 1 when economic growth is negative and equal to 0 when growth positive to measure recession (Haggard and Kaufman 2008).

To control for democracy, I use polity scores — a scale ranging from -10 (strongly autocratic) to 10 (strongly democratic) — from the "polity IV" project to measure how democratic a state is (Marshall 2009). I use a measure of the yearly net public financial transfers to non-domestic funds and loans, as an indicator of the international debt burden on individual states and IFI dependence in turn[20]. (See Appendix, Table A.5.1, for descriptive statistics on variables).

[20] Institutionalist theories argue that states also respond to the issue of legitimacy, which is also enhanced by economic globalization. Coercive forces, such as IMF and World Bank, have legitimated neoliberal state policies and claimed that individual states can achieve good governance only by adopting neoliberal policies. They use funds and loans as a great leverage over debtors and force them to cut public sector (Henisz, Zelner and Guillén 2005; Polillo and Guillén 2005; Kogut and Macpherson 2008). Thus, I use net transfers here to measure such coercive influences.

The basic model is shown as below:

$$\Delta\text{gov. expenditure}_t = \alpha + \delta\text{*gov. expenditure}_{t-1} + ß_1\text{*PCGDP}_{t-1} + ß_2\text{*(PCGDP}_{t-1})^2 + ß_3\text{*}\Delta\text{PCGDP}_t$$

$$+ ß_4\text{*revenue}_{t-1} + ß_5\text{*}\Delta\text{revenue}_t + ß_6\text{*transfer}_{t-1} + ß_7\text{*}\Delta\text{transfer}_t$$

$$+ ß_8\text{*recession}_{t-1} + ß_9\text{*}\Delta\text{recession}_t + ß_{10}\text{*polity}_{t-1} + ß_{11}\text{*}\Delta\text{polity}_t$$

$$+ ß_{12}\text{*revenue}_{t-1} + ß_{13}\text{*}\Delta\text{revenue}_t + ß_{14}\text{*transfer}_{t-1} + ß_{15}\text{*}\Delta\text{transfer}_t$$

$$+ ß_{16}\text{*INGO}_{t-1} + ß_{17}\text{*}\Delta\text{INGO}_t + ß_{18}\text{*trade}_{t-1} + ß_{19}\text{*}\Delta\text{trade}_t$$

$$+ ß_{20}\text{*FDI}_{t-1} + ß_{21}\text{*}\Delta\text{FDI}_t + \text{interactive term} + \mu$$

Thus, for controls and all other independent variables, I specify both the short-term changes from year t-1 to t and levels at year "t-1".

I think of interactions between measures of economic globalization on the one hand and INGOs on the other hand involving effects of one variable conditional on the other (e.g., effects of trade openness conditional on INGO ties). I focus on *levels* of economic globalization and INGOs, because change scores are unstable[21].

For the case of GDP, I specify a quadratic, i.e., a squared as well as raw value of GDP levels at year "t-1". This is done to capture any hump-shaped or U-shaped relation of GDP to states size (Kuznets 1955). I also entered interactive terms between

[21] A focus on changes in these variables also would be a focus on volatile, occasionally blip-like variables, relations among which would require precise specification of elusive---indeed possibly unstable, time-varying---lag structures. In any case, I estimated change-score components of the interactions of Table 5.2, columns 3-5, and find that these are never statistically significant.

independent variables, including INGO*Trade, INGO*FDI and INGO*ECOGLOBE Index.

FINDINGS

Analyses yield two broad primary conclusions. One is that additive effects of economic globalization (trade, FDI and ECOGLOBE) and INGOs do not emerge[22]. The second is interactions among these variables are pervasive. A bit more specifically, effects of economic globalization (trade, FDI and ECOGLOBE) tend to be negative but are moderated by the level of global civil society (INGO ties), and sometimes turn positive. Effects of global civil society (INGO ties) tend to be positive and are augmented by economic globalization (i.e., trade, FDI and ECOGLOBE). Aspects of all the five key hypotheses (1a, 2b, 3b, 4b, 5b, as well as negativity part of 2b) are supported by analyses. Findings involving ECOGLOBE closely parallel those for trade openness and FDI, especially the former. Although significant "straightforward" additive effects of trade openness, FDI, ECOGLOBE and INGO ties are absent (see note 9), the conditional effects of economic globalization are typically negative, while those of INGOs are typically positive.

[22] By "additive effects", I mean those of columns 1 and 2 of Table 5.2. True, slope estimates for the additively specified regressors for components of interactions are sometimes significant in columns 3-5. However, these estimates are not "effects" of variables in any usual sense. Each is merely an estimate for a variable slope of a one explanatory variable in an interaction when value of the other explanatory variables in the interaction equals 0. Moreover, they are not merely conditional slopes, they are slopes for *counterfactual* conditions, since none of the conditioning variables in question have *observed* values of zero.

To estimate the effects of globalization in detail in table 5.2,[23] I enter economic globalization measures controlling for economic constraints and political features. Model 1 contains control variables and trade openness and inward FDI in both level and changing terms. Model 2, contains ECOGLOBE Index as a substitute for trade and inward FDI. Model 3 and model 4 adds interactive terms INGO*Trade and INGO*FDI to model 1. Model 5 adds the interactive term INGO*ECOGLOBE to model 2.

In model 1 and model 2, none of INGO ties, trade openness, inward FDI and the ECOGLOBE variable is significant. However, turning to model 3 through 5, interactions between INGO ties and trade openness, FDI and the index of economic globalization--INGO*Trade, INGO*FDI and INGO*ECOGLOBE --are all significant. Moreover, they reveal varied significant effects of economic globalization conditional on INGO ties (see Figures 5.2a, 5.3a, 5.4a). Indeed, I also compute contingent effects of economic globalization conditional on global civil society and contingent effects of global civil society conditional on economic globalization (see Figures 5.2b, 5.3b, 5.4b).

[Table 5.2 about here]

Figures 5.2a and Figure 5.3a nicely present the contingent effect of trade openness and inward FDI conditional upon INGOs. Figure 5.2a shows that the effect of trade openness on state size are mostly negative but that negativity decreases as the number of INGO ties increases and finally turns insignificantly positive when INGO ties are larger than 1572. As long as INGO ties do not exceed 1174, the significant, negative trade

[23] I also run the same models for the typical neoliberal periods, trying to make sure that the pro-state effect from global civil society and the anti-state effect from economic globalization are mainly derived from anti-neoliberal and neoliberal forces. I run models for both (1) 1980-2000 and (2) 1980-2008. Results keep stable for both the two periods.

effects obtain at the 0.05 level for 131 of 178 observations, though these effects become less strong as INGO ties increase. The area between the two dotted lines is 95% confidence interval, which aids in the identification of significant conditional effects. And the effect of trade for the average level of INGOs is -0.58. Figure 5.3a shows a similar pattern: As long as INGO ties do not exceed 460, the significant and negative FDI effects obtain at the 0.05 level (though now only for 29 of 178 observations). The negative effect of inward FDI becomes less negative and turns to positive when INGO ties reach 837 and more. And the effect of FDI for the average level of INGOs is -0.72. There are two findings that, taken together, are jointly intriguing. First, the competition effect of globalization does exist for these East Asian nations, consistent with previous findings of "competition effects". This confirms hypothesis 1a (but not 1b). Second, the negative influence of economic globalization is eased by global civil society. This implies that hypothesis 4b is right (but not 4a).

[Figure 5.2a about here]

[Figure 5.3a about here]

Figure 5.2b and Figure 5.3b show that the effect of INGOs on the size of state is mainly positive, and increases as trade openness or inward FDI becomes greater. In Figure 5.2b, the initial INGOs' effect is negative. But when the trade level reaches 0.985 proportion of GDP or even higher, the INGOs' effect turns positive. Among the 178 observations that are entered in the equation for model 4, 71 observations have a trade level higher than 0.985 proportion of GDP. Indeed, INGO ties have significant pro-state effects when trade openness exceeds 1.51 proportion of GDP (and for 37 out of 178

observations). Figure 5.3b reports a similar pattern as Figure 5.2b. As long as the inward FDI takes up at least 0.028 proportion of the GDP, the INGOs' impact becomes positive. Significant, positive effects of INGOs obtain when inward FDI reaches at least 0.067 proportion of the GDP (and for 23 out of 178 observations). Figure 5.2b and figure 5.3b indicate that trade openness and inward FDI facilitate the INGOs' positive effect on state size. This is consistent with our description above that economic globalization is an important energizer of global civil society. These findings provide support for hypotheses 5b.

[Figure 5.2b about here]

[Figure 5.3b about here]

The interaction between INGO ties and the ECOGLOBE Index operates in the same way as figure 5.2a and 5.3a as well as figure 5.2b and 5.3b showing above (see figure 5.4a and 5.4b). The ECOGLBE Index has a negative effect on state size, and the negativity can be offset by INGO ties; the ECOGLOBE Index also encourages the positive correlation between INGO ties and state size. As long as the logged INGO ties go up to 7.25 (raw level of INGOs=1408), the negative effect of the ECOGLOBE Index becomes positive, and the effect of it for the average level of INGOs is -0.379. In particular, the significant and negative ECOGLOBE Index effect can be found in 117 observations when logged INGO ties are less than 6.97 (raw level of INGOs=1065). The significant and positive pro-state effects of INGO ties occur for 20 observations when the Index score is no less than 0.76.

[Figure 5.4a about here]

[Figure 5.4b about here]

In summary, Figure 5.2a to Figure 5.4b report three important findings: first, the interactive effects between economic globalization and global civil society exist: the influence of economic globalization on state size is dependent upon the level of global civil society and vice versa. In particular, the figures suggest that economic globalization is not an unrestricted force. Its operation is reduced and eventually muted as the presence of global civil society within a nation grows. Second, economic globalization tends to have negative effects on state size, indicating a preponderance of "competition effects" over "compensation effects". Third, global civil society tends to have positive effects on state size, though these are conditional on the extent of economic globalization and are not always significant where this is relatively low. This last point suggests that anti-neoliberal effects of global civil society as measured in terms of INGO ties are a reaction of global civil society to economic globalization.

Table 5.2 also shows that economic constraints (besides globalization measures) are significant factors limiting the size of state. The magnitude of governmental expenditure is very sensitive to the short-term fluctuation of per capita GDP and revenue as well as the quadratic per capita GDP. Among all the economic constraints that I have controlled, revenue change has the most consistently significant positive effects on state size.. From model 1 to model 5, all the five coefficients for per capita GDP change are negative while the five coefficients for squared per capita GDP are significantly positive. It implies a U-shaped relationship between per capita GDP and state size: as soon as the per capita GDP level reaches a threshold (the thresholds from model 3 to model 5 are $1153, $944 and $1023, respectively), the more per capita GDP one country produces the bigger public

sector it holds. This suggests the operation of Wagner's law beyond a modest degree of economic development.

Most centrally, the marginal effect graphs show that, on one hand, trade openness and FDI have direct negative effects on state size, and that, on the other hand, they both tend to encourage (indeed provoke) positive effects of INGOs on state size on the other hand.

DISCUSSION AND CONCLUSION

Whether globalization limits or expands the state is an important question in the social sciences. Until now research on the state has assumed that globalization is simply economic globalization and has failed to integrate consideration of global civil society with consideration of economic globalization (e.g., Rodrik 1998; Kogut and Macpherson 2008; Kentor and Boswell 2003).

I find that the interplay between economic globalization and global civil society plays an important role in determining the way how globalization shapes the size of state. Global civil society offsets the negative impacts of both trade openness and FDI on state size: trade openness and FDI enhance the positive relationship between global civil society and state size.

East Asian countries are famous for the export substitution policies and have been widely recognized as a successful example of the "climb to the top" by taking advantage of foreign capital and international trade. East Asia is also characterized as an area with smaller and more passive civil society and lowest INGO membership compared to other

areas in the world (Anheier, Glasius and Kaldor 2001, Salamon, Sokolowski and List 2004). This chapter reveals two facts that challenge the conventional wisdom. First, even in East Asia where economic globalization has helped bring about prosperity, global competitive pressure pushes states to downsize their public sectors. Second, global civil society significantly offsets the negative effects of economic globalization, indeed exerts a pro-state effect on East Asian countries despite the weak development of civil society.

In the future, there are two follow-ups to this study that should be undertaken. First, scholars should examine how INGOs influence other aspects of state in the context of neoliberalism, such as whether and to what extent welfare regimes have been transformed by INGOs. Second, scholars should in order to enrich our understanding of globalization, extend the study of global civil society's consequences for states from East Asia to other regions.

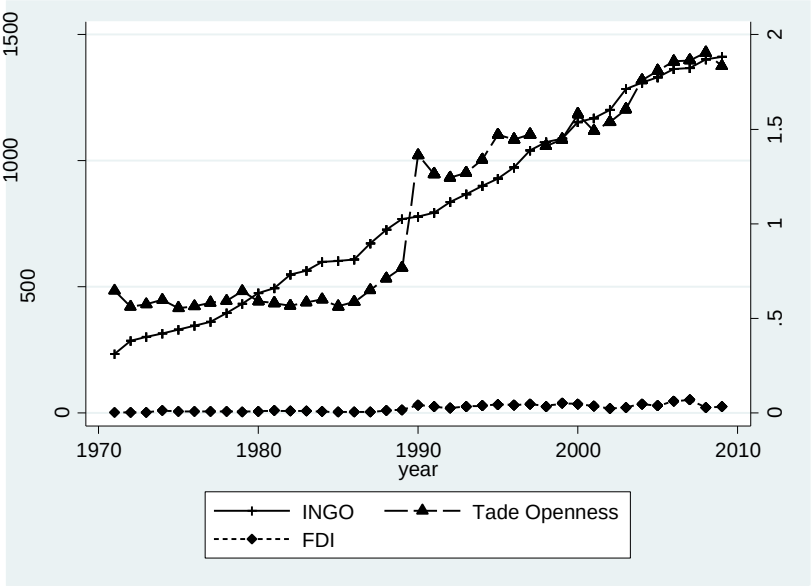

Figure 5.1a. Development of globalization, 1971-2009 [A]

A. Levels of INGOs, trade and FDI are the average levels across six countries/territory. Sharp increase in trade from in 1990 arises because Singapore data is first entered in 1990 and Singapore has very high level of trade---3 to 4 times GDP.

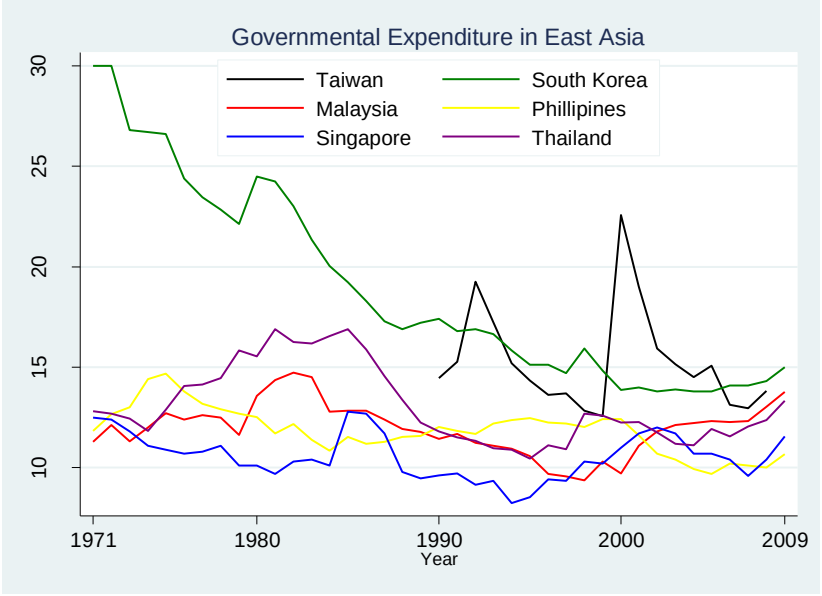

Figure 5.1b. Governmental Expenditure in East Asia, 1971-2009

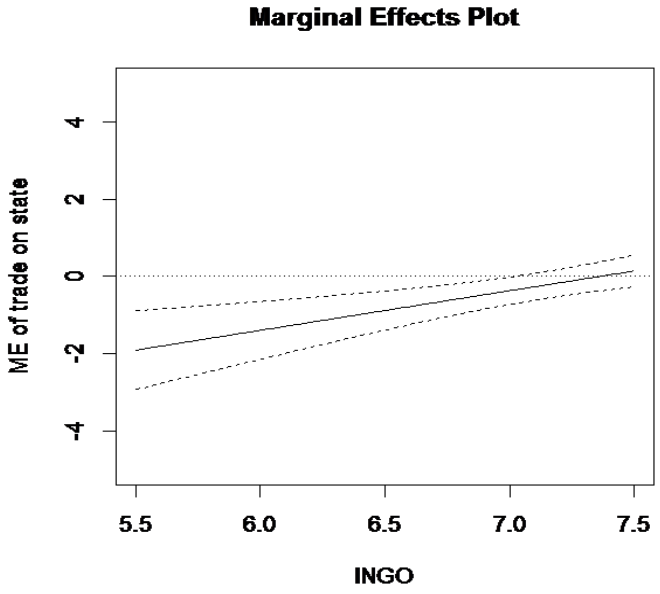

Figure 5.2a. Marginal effect of trade openness on state[24]

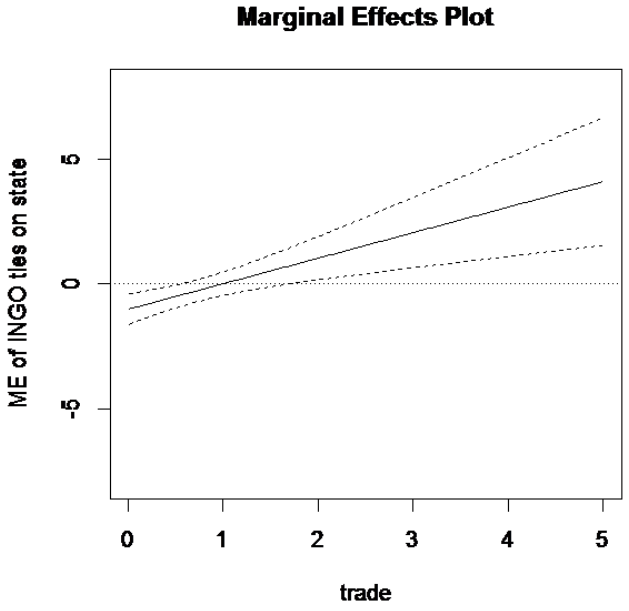

Figure 5.2b. Marginal effect of INGOs on state contingent upon trade openness

[24] INGOs here are logged to moderate skewness.

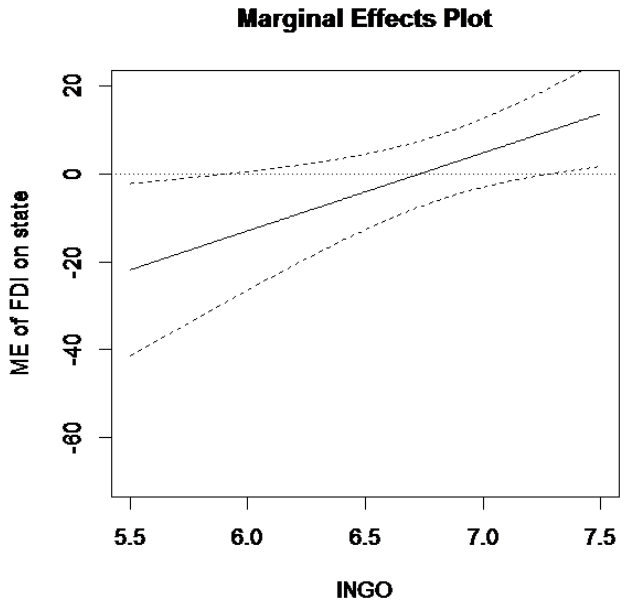

Figure 5.3a. Marginal effect of inward FDI on state[25]

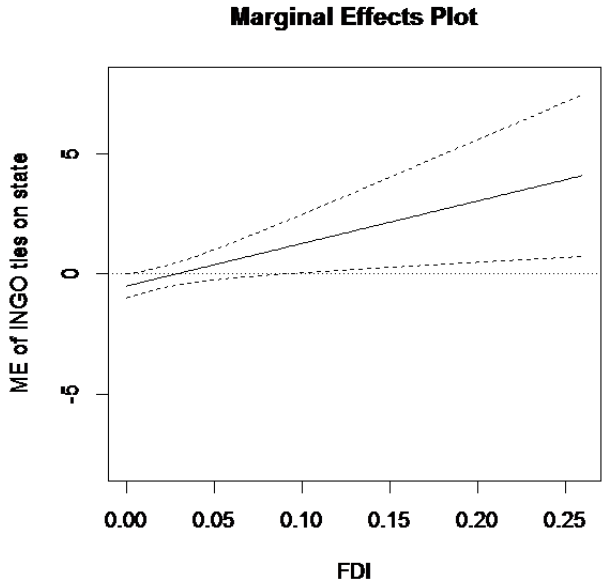

Figure 5.3b. Marginal effect of INGOs on state contingent upon inward FDI

[25] INGOs here are logged to moderate skewness.

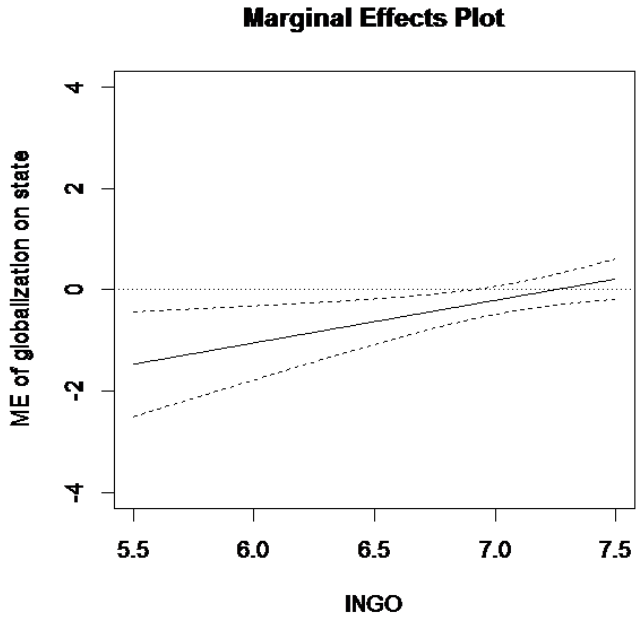

Figure 5.4a. Marginal effect of globalization index on state[26]

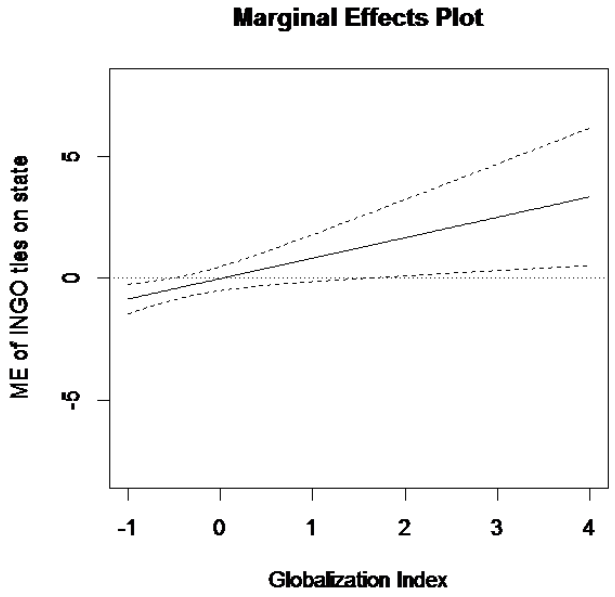

Figure 5.4b. Marginal effect of INGOs on state contingent upon globalization index

[26] INGOs here are logged to moderate skewness.

Table 5.1. Principal component analysis of economic globalization

Item	Factor loadings
Trade Openness	0.9700
Foreign Direct Investment	0.9700
Eigenvalue	1.8819

Table 5.2. Determinants of the Size of State in East Asia: 1971-2009, ECM-PCSE Model

	Model 1	Model 2	Model 3	Model 4	Model 5
	ΔDV	ΔDV	ΔDV	ΔDV	ΔDV
DV_{t-1}	-0.175***	-0.174***	-0.202***	-0.185***	-0.188***
	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
$PCGDP_{t-1}$	-0.897	-0.867	-0.960^	-0.881	-0.863
	(0.53)	(0.54)	(0.52)	(0.53)	(0.54)
$PCGDP_{t-1}^2$	0.0648*	0.0626^	0.0681*	0.0643*	0.0623^
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Δ PCGDP	-2.076**	-2.144**	-2.172**	-2.253**	-2.326**
	(0.75)	(0.75)	(0.73)	(0.75)	(0.76)
$Revenue_{t-1}$	0.541	0.564	2.03	1.137	1.417
	(1.47)	(1.47)	(1.53)	(1.43)	(1.49)
ΔRevenue	13.34**	13.23**	14.06**	13.72**	13.64**
	(4.72)	(4.64)	(4.64)	(4.66)	(4.59)
$Transfer_{t-1}$	2.725	3.555	3.494	2.267	4.134
	(4.06)	(3.92)	(4.10)	(4.05)	(3.95)
ΔTransfer	1.822	1.742	3.059	2.675	2.518
	(4.70)	(4.69)	(4.71)	(4.68)	(4.71)
$Recession_{t-1}$	-0.173	-0.123	-0.229	-0.268	-0.151
	(0.53)	(0.53)	(0.52)	(0.53)	(0.53)
ΔRecession	-0.211	-0.159	-0.331	-0.32	-0.214
	(0.42)	(0.41)	(0.42)	(0.43)	(0.41)
$Polity_{t-1}$	0.00277	0.00432	0.0116	0.0107	0.0126
	(0.02)	(0.02)	(0.01)	(0.02)	(0.01)
ΔPolity	0.0251	0.0256	0.0286	0.0269	0.0281
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
$INGO_{t-1}$	-0.28	-0.336	-1.010**	-0.499^	-0.00637
	(0.23)	(0.23)	(0.32)	(0.26)	(0.25)
ΔINGO	-0.0263	-0.0342	0.00386	-0.00595	-0.0201
	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
$Trade_{t-1}$	-0.263		-7.544***	-0.392*	
	(0.18)		(2.16)	(0.19)	
ΔTrade	-0.763		-1.314	-1.4	
	(0.89)		(0.84)	(0.93)	
FDI_{t-1}	1.263		4.081	-119.4*	
	(3.81)		(3.63)	(48.19)	
ΔFDI	-0.0265		1.874	2.834	
	(2.88)		(2.72)	(3.01)	
$ECOGLOBE_{t-1}$		-0.224			-6.094**
		(0.14)			(2.32)
ΔECOGLOBE		-0.194			-0.138

		(0.20)			(0.20)
INGO*trade			1.025***		
			(0.30)		
INGO*FDI				17.74*	
				(7.04)	
INGO					0.841*
*ECOGLOBE					(0.33)
_cons	7.407**	7.374**	12.77***	8.856***	4.992
	(2.58)	(2.60)	(2.84)	(2.60)	(2.87)
R-square	0.218	0.215	0.249	0.234	0.232
N	178	178	178	178	178

Standard errors in parentheses
^ $p < 0.1$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$ (two-tailed test)

Chapter 6 Conclusion

The growing relative weight of transactions and organizational connections that cross national boundaries is a cornerstone of globalization(Evans 1997). In this process, local economic, political and other institutions have been strongly shaped by external forces. As a result, considerable structural homology in these institutions has spread across the world. At the same time, economic globalization has increased economic risk and uncertainty, bringing forth some calls for state actions to compensate for people who are vulnerable in the globalization processes.

This dissertation tries to describe and explain how the transnational forces (IOs, international trade and foreign direct investment) influence states—in particular the emergence of the modern nation state and the growth of the modern state.

In the next section, I briefly enumerate the major empirical findings of this dissertation. The following section discusses these findings with a view to their integration.

LOOKING BACK

Chapter 2 is an inquiry into the origins of a prominent type of IO—the International Non-Governmental Organization (INGO). As such, it addresses the dominant world polity argument that IOs have an equalizing effect by diffusing institutional template and encouraging isomorphism across the world. I find that IOs emerged and were strongly shaped by geographical and political conditions. Compared to peripheral countries, core countries have more INGO memberships, possess around 80 percent of INGO

headquarters, and have INGOs that are less likely to be affected by external financial sources. In other words, INGO origins are closely associated with the world system structure, indicating that INGOs may play a differentiating role in world polity as well.

Chapters 3 and 4 focus on the actual timing of world polity effects. Chapter 3 proceeds as a response to Wimmer and Feinstein (2010), which argues that world polity had no significant effect on the global rise of the nation-state, a phenomenon attributed instead to regional and national power configuration and politics and, at a more global level, World War. By locating world polity effects in the post WWII period, I find that world polity did play an encouraging role in the rise of the nation-state after the end of WWII. Further, Chapter 4 explores whether the period 1939-1945 boosts the proliferation of nation-states as a result of IOs. It finds that increases in the worldwide IGO and INGO presences seem to emerges as important forces driving nation-state proliferation as early as 1939—the start of WWII.

To elaborate on Chapters 3 and 4, I find that the dynamics of the nation-state creation follow different paths before and after WWII. In the early stage before WWII, nation-state creation is driven by the balance of power both within and among territories and countries. When the balances of power shifted in favor of nationalists, it was more likely for a nation-state to be founded. In the later period after UN was established, the nation-state template had become a prominent force legitimating the nation-state. At the same time, the effect of power configurations and political conflict and war, key indicators of "historical institutionalists" like Wimmer and Feinstein, were somewhat mitigated. To summarize, the institutional isomorphism did not play a clear role until WWII. Thus, the historical specificity of world polity influence on state emergence

should not be ignored; but neither should the consequences of the world polity since 1939-1945 be neglected.

Since the modern state has been shaped by globalization processes, the following question arises, "has globalization weakened state scale by substituting as provider of some of its functions or by simply sapping state scale; or has it encourage state expansion?" . To answer this question, Chapter 5 investigates six countries/territories in East Asia which are well-known for effectively using international sources under a state-led developing strategy. I find that the state is not eclipsed by its exposure to transnational forces. The downsizing effect imposed by economic globalization can be offset by state's connection with the INGO facet of globalization, for INGOs push states to at least sustain their public spending. In short, the effects of globalization in Southeast Asia are self-limiting.

OVERALL CONCLUSIONS

This dissertation investigates how globalization processes influence states by comparing world polity theory, historical institutionalism and, to an extent, world system theory. Based on analysis in this dissertation, I conclude that these theories are *complementary* perspectives to explain the multiple and intertwining processes of globalization.

Regarding the global rise of the nation-state, both characteristics of historical institutionalist processes and world polity ones play a role. The latter redirects the global rise of the nation-state in a non-violent direction by the end of WWII. At one level, this suggests the importance of the historical specificity of world polity influence, which is often confused with the general institutional diffusion. Diffusion is nothing new. The

signing of the Treaty of Westphalia in 1648 heralded the spread of the territorially bounded nation-state; participatory democracy became increasingly prevalent in the 19th century following the French and American revolutions (Dobbin, Simmons and Garrett 2007). What is distinctive about the late 20th century is its rapidity, its wide geographic reach and its root in a facet of world culture, as well as its sole legitimate status worldwide. Thus, it is especially important to focus on world polity mode of global diffusion when investigating transnational diffusion in the late 20th century.

At a second level, world polity theory and historical institutionalism are complementary rather than exclusive in explaining global diffusion. Much research on policy diffusion contrasts world polity factors (IOs, etc.) with domestic ones (economy, population, etc.) while ignoring transnational power configurations. For instance, although the Universal Declaration of Human Rights was passed in UN in 1948, yet it was not adopted as legitimate value in the post-Communist societies until the collapse of the Soviet Union. The diffusion of "human rights" value was strongly shaped by the bi-polar structure of the Cold War. Thus, the role of historical institutionalism in global diffusion should not be ignored.

Similarly, as regards the changing size of state in the globalization era, the interplay of world polity theory and world system performs a role. On the one hand, world system theorists regard international trade and investment as a cost of the core's effort to maintain the existing transnational division of labor and to keep their dominance in the world system. Thus, international trade and foreign investment have a downsizing effect on the state scale of peripheral and semi-peripheral countries. This argument has been verified for the East Asian cases discussed in this dissertation. On the other hand, I find

evidence that INGOs have encouraged the governments in East Asia to provide more social services, consistent with world polity perspective.

Regarding the INGO sources, both world system theory and world polity theory can explain INGO characteristics. The differences on the number of INGO memberships among countries have been shrinking, as world polity theory predicts, while the core still holds as many as 80 percent of INGO headquarters, and thus may have significant influences over them. This is consistent with world system's claim that IOs are "boards of directors for ruling states" and thus work as tools to exploit the periphery.

In addition, the role of world polity on the rise of the nation-state can also help to explain the stability of nation-states (Strang 1991). Most events of nation-state creation occur only once for each country; nation-states do not disappear once they are created, no matter how non-viable they are. World polity theory argues that the state system is founded on mutual recognition of sovereignty, a legal status defining state as possessing final jurisdiction over a delineated population and territory and external autonomy in its policies toward other such entities. The institutional framework of sovereignty gives nation-state the right to act. It privileges them relative to other organizations. Indeed, violations of a state's sovereignty produce general condemnation and invites transnational intervention in the defense of state sovereignty.

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Appendix

Table A.3.1. Correlation among Variables, 1946-2001

	IGO	NS_W	NS_E	NS_N	E	Y	W_E	W_T	P
IGOs									
NS_W	-0.2543								
NS_E	0.3924	-0.2186							
NS_N	-0.1559	-0.1171	0.1259						
E	-0.0653	0.1175	-0.1437	0.091					
Y	-0.2753	0.4331	-0.324	-0.0627	0.4439				
W_E	0.6232	-0.4069	0.241	-0.0404	-0.0021	-0.3369			
W_T	0.0233	0.02	0.0399	0.2093	0.09	-0.0475	0.1172		
P	-0.0409	-0.0068	-0.1165	-0.1688	0.1588	0.35	-0.1584	-0.1591	
I	0.2906	-0.3511	0.0955	-0.1503	0.0779	0.1683	0.2514	-0.0171	0.423

NS_W: Total number of nation-states in world
NS_E: Number of nation-states created in the empire in past five years
NS_N: Number of nation-states created in the neighborhood in past five years
E: Existence of national organization
Y: Years since first national organization founded
W_E: Number of wars fought in an empire
W_T: Number of wars fought in a territory
P: Center's share of global power
I: Dependency or not

Table A.3.2. Correlation among Variables, 1953-2001

	IGOs	INGOs	NS_W	NS_E	NS_N	E	Y	W_E	W_T	P
IGOs										
INGOs	-0.2247									
NS_W	-0.2886	0.962								
NS_E	0.3505	-0.2059	-0.1945							
NS_N	-0.0795	-0.0469	-0.0233	0.2193						
E	-0.0429	0.038	0.046	-0.1242	0.0675					
Y	-0.2066	0.3745	0.3772	-0.3069	-0.1609	0.4296				
W_E	0.6284	-0.433	-0.4577	0.2124	0.0112	-0.0532	-0.3105			
W_T	-0.0096	-0.0101	0.0137	0.0444	0.2387	0.0838	-0.0645	0.1333		
P	0.0119	-0.0048	0.0186	-0.1499	-0.213	0.1774	0.3954	-0.1334	-0.1729	
I	0.2589	-0.3448	-0.3208	0.0415	-0.1899	0.1276	0.2776	0.2311	-0.019	0.4503

NS_W:Total number of nation-states in world
NS_E: Number of nation-states created in the empire in past five years
NS_N: Number of nation-states created in the neighborhood in past five years
E: Existence of national organization
Y: Years since first national organization founded
W_E: Number of wars fought in an empire
W_T: Number of wars fought in a territory
P: Center's share of global power
I: Dependency or not

Table A.3.3. Parameter Estimates for Logit Regression Models of Nation-State Creation: Different Periods

	Model 1 1946-2001	Model 2 1961-2001	Model 3 1946-2001=1	Model 4 1946-2001=1	Model 5 1961-2001=1	Model 6 1961-2001=1
			World Polity Theory			
IGO	0.0321***	0.0452***	-0.0430**	0.0104	-0.00206	0.0173**
	(0.00843)	(0.0131)	(0.0133)	(0.00644)	(0.00918)	(0.00659)
Total number of nation-	0.0413***	0.0181	0.0127	-0.0425**	-0.00756	-0.0285*
States in the world	(0.00890)	(0.0176)	(0.00736)	(0.0140)	(0.0105)	(0.0134)
dummyyear			-0.685	-2.521*	0.370	2.195
			(0.685)	(1.197)	(0.927)	(2.058)
Dummyyear*IGO			0.0553***		0.0340**	
			(0.0140)		(0.0130)	
Dummyyear*extant				0.0592***		0.00657
Nation-states				(0.0163)		(0.0234)
			Historical Institutionalism			
Number of nation-states	-0.0828	-0.0570	0.0716	0.0918*	0.0242	0.0571
In empire	(0.0485)	(0.0518)	(0.0408)	(0.0393)	(0.0498)	(0.0430)
Number of nation-states	0.782***	0.325	0.540***	0.544***	0.484***	0.505***
In neighborhood	(0.203)	(0.223)	(0.127)	(0.128)	(0.131)	(0.131)
Existence of national	1.171	0.350	1.002**	1.022**	1.194***	1.097***
organization	(0.668)	(0.800)	(0.346)	(0.336)	(0.342)	(0.324)
Years since 1st national	0.0129	0.00424	0.00955*	0.0101*	0.00918*	0.00999*
organization	(0.00749)	(0.00940)	(0.00412)	(0.00412)	(0.00418)	(0.00397)
Wars in empire	-0.308*	0.238	0.279***	0.291***	0.309***	0.306***
	(0.154)	(0.366)	(0.0515)	(0.0516)	(0.0473)	(0.0486)
Wars in territory	-0.466	-0.485	0.428*	0.434*	0.458*	0.447*
	(0.440)	(0.884)	(0.180)	(0.187)	(0.181)	(0.184)
Center's share	1.149**	1.419*	0.0370	0.0321	0.0323	0.0320
of power	(0.362)	(0.692)	(0.0281)	(0.0292)	(0.0287)	(0.0287)
Dependent territory	3.051**	3.066*	0.500	0.385	0.351	0.322
	(0.938)	(1.548)	(0.361)	(0.368)	(0.393)	(0.378)
Center's share of	-1.128**	-1.470*	-0.0948**	-0.101**	-0.0980**	-0.103**
Power*dependencies	(0.365)	(0.697)	(0.0327)	(0.0344)	(0.0350)	(0.0346)
			Region Dummies			
Middle East	0.548	-0.192	-2.181***	-2.186***	-2.008**	-2.091***
	(0.945)	(1.110)	(0.591)	(0.585)	(0.657)	(0.605)
Eastern Europe	-1.474	-0.268	-1.476***	-1.188**	-1.268**	-1.193**

	(0.835)	(0.996)	(0.410)	(0.402)	(0.413)	(0.407)
Africa	1.479*	1.777**	-1.655***	-1.680***	-1.397**	-1.580***
	(0.750)	(0.684)	(0.452)	(0.440)	(0.506)	(0.474)
Asia	2.866**	2.545*	-0.907*	-0.871*	-0.592	-0.708
	(0.967)	(1.171)	(0.392)	(0.397)	(0.413)	(0.407)
Oceania	6.653***	—	-0.0542	0.210	0.0225	0.173
	(1.361)	—	(0.501)	(0.426)	(0.498)	(0.446)
Latin America	—	—	0.220	0.103	0.235	0.184
	—	—	(0.431)	(0.399)	(0.441)	(0.413)
1st cubic splines	-0.00338	-0.0106	0.00598	0.0104*	0.00576	0.00650
	(0.00448)	(0.00715)	(0.00357)	(0.00456)	(0.00336)	(0.00446)
2nd cubic splines	0.0226	0.0819*	0.0214	0.00233	0.0282	0.0395
	(0.0315)	(0.0413)	(0.0213)	(0.0231)	(0.0244)	(0.0298)
Constant	-13.62***	-9.918**	-5.755***	-4.727***	-5.449***	-4.972***
	(2.152)	(3.040)	(0.449)	(0.429)	(0.494)	(0.449)
BIC Statistics	766.35	543.56	1608.44	1606.68	1572.71	1583.57
N	2442	1315	16484	16484	16484	16484

Note: Standard errors in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$ (two-tailed tests)

Table A.5.1 Data Description

Panel A. Descriptive Statistics

Variable	Observations	Mean	Standard Deviation	Range	
				Minimum	Maximum
Governmental expenditure	184	13.091	2.810	8.250	24.476
GDP per capita (logged)	184	7.461	1.678	3.940	10.616
Revenue	184	0.202	0.059	0.096	0.361
Transfer	184	0.006	0.025	-0.017	0.121
Recession	184	0.092	0.290	0.000	1.000
Polity	184	3.163	5.401	-9	10
INGO (logged)	184	6.694	0.482	5.450	7.478
Trade openness	184	1.211	0.999	0.297	4.752
FDI	184	0.029	0.044	0.000	0.259
ECOGLOBE Index	184	-0.039	0.883	-0.742	3.940

Panel B. Correlation Matrix

	1	2	3	4	5	6	7	8	9
1 Governmental expenditure	1.000								
2 GDP per capita (logged)	-0.259	1.000							
3 Revenue	-0.231	0.464	1.000						
4 Transfer	0.556	0.198	-0.153	1.000					
5 Recession	0.016	0.028	-0.047	-0.001	1.000				
6 Polity	-0.058	-0.099	-0.019	-0.023	-0.010	1.000			
7 INGO (logged)	-0.168	0.414	-0.113	-0.001	0.110	0.489	1.000		
8 Trade openness	-0.517	0.580	0.352	-0.393	0.068	-0.170	0.375	1.000	
9 FDI	-0.459	0.553	0.333	-0.302	0.0364	-0.204	0.273	0.882	1.000
10 ECOGLOBE Index	-0.500	0.583	0.352	-0.354	0.0525	-0.194	0.329	0.965	0.975

Note: N=184