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Original Article

State spatiality in an era of global and regional interdependence: The linkage governance approach

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Abstract Since the 1990s, political science has been criticised for its inability to adequately theorise the role and nature of the state in an era of global interdependence. In particular, the discipline is said to have fallen into a ‘territorial trap’. It is founded on a territorial conception of space that both reifies and limits debate about the state to whether it is ‘obsolete’ or ‘obstinate’ in a world where power is increasingly located in transnational functional space between countries. This article responds to this argument, providing a conception of state spatiality that stresses its contingent and variable nature. It claims that state actors can author functional transnational space by fusing together domestic and international objects into distinct ‘linkage governance’ (LG) strategies, although such behaviour will have unintended consequences and not always be successful. It is hoped this LG perspective will open up a more fruitful set of research questions concerning the role of the state in the fluid and dynamic world of the twenty-first century.

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Introduction

Since the 1990s, political science (and especially the field of international relations) has come under challenge for its inability to adequately theorise the role and nature of the state in an era of global and regional interdependence. Underpinned by a territorial conception of space, the discipline continues to reify the state as an inviolable feature of a fluid and dynamic world, even though power is increasingly located in transnational functional spaces outside and in between states. Viewing space in this way, leads political scientists to fall into a ‘territorial trap’: one that constrains its debate about the future of the state in a way that is unhelpful. The state



is either 'obsolete' or 'obstinate', disappearing or persisting in the face of these external challenges. For some commentators, this ontology betrays an '... extraordinarily impoverished mind set ...' (Ruggie, 1993, p. 143) towards this subject matter.

This article responds to this critique by providing a conception of state spatiality that stresses its contingent and variable nature. It asserts that the state can have a significant presence in transnational functional space. Indeed, it claims that state actors are capable of shaping, even authoring this space by deliberately fusing together domestic and international objects into distinct 'linkage governance' (LG) strategies. Such statecraft will not always be successful. Employing assumptions from philosophical or critical realism, the article demonstrates how these novel LG strategies may spawn 'emergent properties' that then go onto interact with other structures and agents in ways that are unanticipated by and unhelpful for, the original authors. Hopefully, understanding the reasons why LG strategies are formed, how they endure and why they fall apart will generate a fruitful set of research questions: Questions that are intended to move the discussion on from the sterile 'obstinate versus obsolete' debate noted above.

State Spatiality in an Era of Global and Regional Interdependence: The 'Territorial Trap'

At the beginning of the 1990s, a number of scholars began to complain that political science lacked the conceptual and theoretical apparatus to make sense of momentous changes that were taking place in the world at this time. The end of the Cold War and the collapse of communism in central and Eastern Europe marked the breakdown of the bi-polar security system that had dominated geo-political relations since 1945. A new literature on 'globalisation' stressed the de-regulation of finance capital, the importance of multinational corporations as actors on the international stage and the intensified deployment of information technologies linking the world together. At the same time, novel forms of collective identity and political consciousness have emerged and flourished in this global space, weakening the principle of nationality as a feature of societal and cultural relations. Increasing areas of public policy are now influenced by autonomous international organisations, who themselves are lobbied by ever more assertive transnational interest groups. Although all these developments appear to pose a fundamental challenge to the sovereign state, many political science approaches continued to give analytical and ontological primacy to this entity. In particular, the study of international relations (IR) has been subjected to this line of criticism (see for example, Ashley, 1988; Caporaso, 1997; Rosenau, 1997; Brenner, 1999; Wimmer and Glick Schiller, 2002; Aalberts, 2004; Beck, 2005).

It is not just that IR, with its accent on the sovereign state is thought to be ill equipped to cope with these real world events. When this subject area has responded, it has yielded a set of questions and debates that have not been considered especially



fruitful. Faced with these global challenges, the state has typically been conceptualised as either 'obsolete' or 'obstinate' (Walker, 1993, p. 14). Take for example, the literature on economic globalisation. Much early work proclaimed the end of the state in the face of transnational trade, production and financial relations (see for example, O'Hare, 1996; Strange, 1996, Gray, 1998). Over the years a number of authors have directly challenged this argument. The state continues to persist in the face of these external forces, albeit in different 'varieties' or institutional forms (Crouch and Streeck, 1997; Weiss, 1999, 2003; Hall and Soskice, 2001; Hancke *et al.*, 2007; Jackson and Deeg, 2008). Although the veracity of these claims seems uncontroversial, the complaint is they generate a rather limited and static conception of the state in this context of global and regional interdependence (see also Phillips, 2005). The state is either all powerful or it is nothing. Political science has been accused of a lack of 'imagination' when it comes to framing future political possibilities in this ever more fluid, dynamic and changing world.

One reason (it was argued) for this lack of political imagination was political science, and in particular IR's, conception of space and spatiality. Space is defined here as the effect of location upon economic, social and political processes, while spatiality denotes, '... how space is represented as having [these] effects' (Agnew and Corbridge, 1995, p. 79). In IR space is viewed primarily as territorial. In other words, space represents a series of discrete blocs (nation states) in the world, separated from each other by fixed territorial boundaries. These states (territorial space) are the sole or at least primary site of power and authority, leading to two further assumptions. First, the sphere of 'domestic' politics needs to be distinguished from 'foreign' policy. The former (where 'politics' takes place) is characterised by order and hierarchy, whereas the latter is marked by anarchical structural properties. Second, the state is conceived as existing prior to, and being the sole container of society. Agnew (1994) (in a celebrated phrase) has referred to these assumptions as a 'territorial trap'. This trap can significantly constrain the way that political scientists think about their subject area (see also Reid-Henry, 2010).

The key problem with the academic work that falls into this territorial trap is that it reifies the state. In other words, it presents the state as an unchanging and inviolable feature of the international landscape, when historical research has shown it to be anything but (Brenner *et al.*, 2003). As many scholars have noted, the modern sovereign state only came into being from the sixteenth century onwards. In medieval Europe, conceptions of political community took on a significantly different form. Territorial boundaries were much more fluid, with individuals regularly shifting their loyalty between different authorities. Local, regional and even transnational networks, including feudal obligations and connections to the church, often received a higher priority than allegiance to the state. When these relations began to crumble in the fifteenth and sixteenth centuries, they were replaced by the modern territorial nation state, but there was nothing natural or inevitable about that transformation. It reflected a number of contingent, concrete practices that have been continually



altered and reproduced as the state has ‘remade’ itself over time (Ruggie, 1993; Agnew, 1994, pp. 72–76; Sassen, 2008; Bell, 2014).

It is this reification of the state that makes it so difficult to account for the fluid and dynamic cross border processes that were highlighted at the start of this article. If the state is assumed unproblematically to be a fixed and immutable entity, a nuanced account of its changing relationship with its international environment is heavily constrained, even if the author in question accepts that the external world is now constituted by powerful global economic, political and cultural properties. When faced with such challenges, one is reduced to conceptualising the state either as ‘obsolete’ or ‘obstinate’. Or as Agnew and Corbridge (1995, p. 78) put it:

... the debate has been overwhelmingly in terms of the presence or absence of the territorial state, *rather than in terms of its significance and meaning as an actor in different historical circumstances* (author’s italics).

In other words, we need a conception of state spatiality that stresses its contingency and changing nature over time, while still yet allowing for the possibility that the state might contribute to the fluidity and dynamism of world politics in the twenty-first century.

Of course, since the 1990s a body of work has been published that explicitly challenges this territorial conception of space and, in so doing, aims to provide a more convincing account of a global world that is increasingly interdependent and changeable. Instead of emphasising territory, this literature is underpinned by an ontology that visualises space in functional terms. Geographical entities (including states) have spatial effects as a result of their interaction with one another, but this interaction takes place on functional lines. Space can exist outside of and in between states, and these functional spaces can become sites for the accumulation and exercise of power (Agnew, 1999). For example, Cohen (1998) has applied these ideas to the evolving geography of money. Currency domains are no longer confined by territorial frontiers. They are social spaces that are defined by the range of each currency’s effective use and authority (which of course may be transnational). To quote Cohen (1998, p. 21) directly: ‘The dimensions of currency space are more accurately measured not by the standard coordinates of longitude and latitude, but by supply and demand: the behaviour and decisions of diverse agents ... in the global marketplace for money’. Cohen adopts the label ‘spaces of flows’ (as opposed to ‘spaces of places’) to denote this functional space (see also Woodward, 2005).

Like the early globalisation literature cited above, this work tends to significantly downgrade the role and importance of the state. This is hardly surprising as it was developed as a corrective to a range of theoretical approaches underpinned by a territorial conception of space, which reifies the existence of this entity. If the state has a presence, it is usually as a minor player in a number of transnational networks, involving international organisations, sub-national authorities and private groups (Risse-Kappen, 1995). It is these networks that increasingly confront and manage



(albeit in a piecemeal and incremental fashion) a number of negative policy externalities in an emerging 'globalised (functional) space'¹ (see for example, Rosenau, 2000). It is not suggested by these authors that this globalised space has replaced the international system: Rather, it interacts, co-operates or even competes with it. That said, this argument seems to rest on the proposition that states (or state actors) operate primarily in territorial space, while functional space is dominated by non-state or private actors. Transnational processes are portrayed in binary opposition to states (Bach, 2010, pp. 566–567; see also Khagram and Levitt, 2008; Stone, 2008).

This article aims to provide a corrective to this view. Instead of presenting transnationalism as being in binary opposition to states, it argues that state actors can author functional space in an attempt to further their own interests. The next section reviews three theoretical frameworks that have also conceptualised state and state spatiality in this manner. While containing much that is helpful, the article argues that this work is problematical in two senses. First, it is often unclear precisely how it is that states create transnational functional spaces. Second, this literature needs a more comprehensive account of change and dynamism that can take place as a result of this strategic action. The second half of the article builds on these criticisms and provides an alternative approach for understanding state spatiality in a world of global and regional interdependence.

Theorising the Co-Constitution of the Domestic and the External: Some Existing Approaches

While a lot of the literature on the impact of globalisation on the state argues that the latter is either withering away or resisting these external processes, some authors have moved beyond this simple dichotomy. For example, Clark (1999) has asserted that globalisation is not as an external reality that impacts on national decision making. Instead, international networks of trade, production and finance *are part of* the nation state and its structural make-up. Globalisation does not just alter the context of state action, but changes the nature of the state itself in ways that persist over time. Globalisation and the state are co-constituted because states themselves 'make' globalisation, as well as being 'made' by it. Through a multitude of decisions, politicians and civil servants can produce these processes as well as being reproduced by them. To distinguish between the domestic and the external (inside and outside the state) is not helpful in this context (see also Coates and Hay, 2001; Zürn, 2002; Cerny, 2010).

What is useful about Clark's work is that he moves from this general claim to develop some more specific propositions concerning how states author the interpenetration of the internal and external. Instead of states being constrained by an international system, they now inhabit a 'unified field of political action', which



brings the domestic and external arenas together and undermines territorial boundaries. States are viewed as 'nodal points' within this field, operating at the intersection between the domestic and international and managing the processes that cross from one to the other. Put a different way, states are 'brokers', attempting to mediate and accommodate the various competing demands from the global and local. Clark (1998, 1999, pp. 65–66) suggests that, on occasion, states may join up these two levels if it is perceived to be in their interests to do so.

For Clark, the relationship between nation states and this unified field of political action will change, and a historical perspective will be needed to uncover this dynamic process. At times, states will encourage or acquiesce in the co-constitution of the internal and external arenas. As a result, connections across this domestic–international field may become thicker and more numerous. On other occasions, states may attempt to retreat from this field and its various linkages, a tendency which Clark (1997) has referred to as 'fragmentation'. The key to understanding this unfolding trajectory is the relative distribution of costs, as borne by those states under academic investigation. Mutual constitution or 'nesting' of the domestic and international will eventually generate problems or contradictions for member states. The internal costs to a government of participating in this unified field of action will become increasingly prohibitive and difficult to shift to the external realm. Political tensions will heighten and spill over into the domestic arena creating pressure to weaken or cut relations with the global system (Clark, 1999, pp. 63–65). Clark emphasises there is nothing automatic or self-regulating about shifts in the relative density of ties between the domestic and external. They will be contingent processes heavily influenced by the calculations and choices of state actors.

Similarly, Hobson (2000, pp. 229–235) has argued for a 'neo-integrationist' approach that conceptualises the state as inhabiting a space whereby the domestic and international realms are increasingly interpenetrated. Referring to this terrain as a 'vortex', Hobson has the state situated at the centre, playing-off the internal and external levels in a way similar to Clark's 'broker' image. For Hobson, the state is a 'Janus-faced' actor, which adopts a number of strategies for ensuring its interests are protected when undertaking this balancing act. It can 'dip' into global resource pools and, in so doing, enhance its ability to push through domestic reforms or 'buck' domestic institutions. Conversely, it may appropriate domestic institutions to confront the constraining logic of the global environment. Finally, it can work to bring the domestic and international arenas together, presumably strengthening the constitution of the 'vortex' as a result.

Underpinning this neo-integrationist approach is a 'structurationist' position, which takes its inspiration from the work of Anthony Giddens, among others. Structuration theory has provided an influential response to the 'structure-agency' question, which has received considerable attention in the social sciences (Hay, 2002, pp. 89–134; McAnulla, 2002), including the subject of IR (see for example, Wendt, 1987; Dessler, 1989; Hollis and Smith, 1991; Wendt, 1991; Carlsnaes, 2012).



In essence, the conundrum is whether researchers should give precedence to actors or structures when accounting for social and political phenomena. For Hobson (following Giddens) the answer is that both are relevant. Agents (that is to say, nation states) are potentially purposive entities whose actions can reproduce and transform the (international) society in which they live. Yet, it is also true to say that (international) society is made up of structures that constrain the interactions between actors (nation states). What is particularly noteworthy is Giddens' definition of structures as rules and resources. Rules can be codified or unwritten, material or ideational. Resources also comprise different forms. They are 'allocative', allowing agents to get things done (for example, land or raw materials) or 'authoritative', helping individuals to command or 'power'. Most significantly for Giddens, structures (defined as rules and resources) only exist in time and space when they are implicated in the production and reproduction of social systems. Put a different way, structures only exert power when they enter into the consciousness of individuals. Structure is internally related to activity, but has no existence beyond the situations in which people are acting (Layder, 2006, pp. 155–188).

In developing this definition, is often noted that Giddens was keen to move beyond a concept of structure that viewed it as an objective set of relations external to actors. Agents are not dupes of the social system, or mere 'bearers' of its demands or requirements. They are active and reflexive beings with a capacity to make a difference in the world. In producing and re-enacting the structures that surround them, they draw upon a range of resources and skills that they have picked up over time. Hobson's argument concerning the role of the state in IR shares similar ground. Hobson wants to reinvigorate IR's conception of the state as an entity with agential power that can shape the external environment as well as being constrained by it. This perspective is self-consciously a corrective to what he terms 'systemic' approaches (especially neo-realism), which downplay state agency and largely derive its motivation and behaviour from the anarchic properties of the international system as a whole (Hobson, 2000, pp. 7–9).

Both Clark and Hobson's schemas have made a valuable contribution to understanding how the nation state and its international context are not just related to each other, but are co-constituted. However, questions remain concerning precisely how the state authors the sort of non-territorial spaces that the field of political action or vortex seem to represent. In both schemes, states clearly have what Hobson refers to as 'agential power'. They play a creative and influential role mediating and merging the domestic and international spheres together. However, it remains unclear exactly how they undertake this skilled and strategic action. Part of the problem is that the state remains conceptualised as a unitary whole. What is lacking from both accounts is much of a sense of what is going on *within* states. Which actors in particular are balancing or synergising connections on the field of political action/vortex? Is it just public officials (politicians; civil servants) that are involved in co-constitution or will they work with societal groups to formulate this process? At one stage, Hobson



(2000, p. 230) suggests that the state's tactic of playing-off the domestic against the external levels can in itself lead to their integration. However, intuitively this statement does not make sense. If one party (A) is involved in playing-off two other parties (B and C) against each other, A will want to keep B and C apart so that neither B nor C realises that A is deploying such a strategy. This notion of brokering seems as likely to entrench territorial boundaries and the domestic/international divide.

A second question relates to structure, and particularly what happens when objects from the domestic and international levels are integrated. Do such examples of co-constitution represent a simple aggregation of structures or something more? It is tempting to think that such a process would generate a momentum of its own. The more states are penetrated and merged into their external environment, the more it seems likely that these transnational relations will gradually alter the constitution of states. Yet as we have seen from Clark's discussion, partial reversals are possible. The integration of domestic and external structures (in a way that may help constitute a globalised functional space) can confer costs on states, leading to pressure for extrication from such commitments. But how exactly does this synergy between domestic and external levels produce such costs? Such a discussion implies that when co-constitution takes place, new properties are created that may, in turn, constrain states (agency) in unanticipated ways. These properties may be independent of, and external to states, frustrating their ability to play a mediating or brokering role.

These observations reflect a broader criticism of structuration theory and its conception of structure as rules and resources. For many, Giddens' definition has yielded a too voluntaristic account of social and political practice. While few scholars would deny that rules are resources can have some influence on outcomes, their meaning and effect cannot be understood outside of the broader social relations within which they are embedded. These social relations do not just appear and disappear as and when they are instantiated by actors. They may very well exist independently of agency and endure over long periods of time (see for example, Urry, 1982; Thrift, 1985). For example, the rules of resource allocation introduced in the immediate post-war period have resulted in certain countries becoming economically dependent on others, through institutions such as the International Monetary Fund or World Bank. However, that dependency cannot be accounted for simply by reference to rules. There is no rule stipulating that the population of a developing country must be dependent on western financiers or multinational companies for their livelihood. Such dependency is at least partly the consequence of social relations in the international economy that have cohered and persisted (Wight, 2006, pp. 146–147). In short, we need a more constraining account of structure (field or vortex) than contained in the work of Hobson or Clark. Or at least, we need to clarify how these structures might generate costs, as well as producing opportunities/benefits for those agents working within them.



One final approach worth discussing in this context is contained in the work of Glassman (1999; see also Gonzalez-Vincente, 2011). Glassman's argument is a Marxist one and takes its inspiration from the writings of Cox (1981, 1987). States author global economic integration in order to promote the accumulation strategy of an internationalised fraction of the capitalist class. To perform this role, states become internationalised themselves. They work to assist international traders, companies and investors from the developed 'core' of the global economy to penetrate and constitute 'peripheral' markets (with the help of international organisations like the International Monetary Fund – as we have just noted). In this, they will be supported by the global spread of neo-liberal ideals and even, on occasion, military force. Through this activity, a transnational alliance of government and business elites will operate across territorial boundaries to secure their own interests, irrespective of nationality.

One advantage of Glassman's approach is that he disaggregates the state, so that we get a better sense of who authors this functional economic space and how they do it. Glassman argues that internationally oriented fractions of the capitalist class align themselves with state institutions, which also possess such a global perspective, to achieve these ends. For example, we might expect to see finance capital allied with national treasuries, central banks and perhaps even foreign offices within the state. At the same time, Glassman is keen to maintain that his Marxist explanation is not a functionalist one. The internationalised state does not 'mechanistically' promote the interests of the internationalised capitalist class. Rather (and following Jessop, 1990) the state is an ensemble of institutions that are not necessarily co-ordinated, let alone capable of providing a coherent policy steer. Indeed, the state has no power of its own: It only exerts influence when actors working through its institutions are able to achieve their objectives. In other words, the capitalist class must engage with and try to shape state institutions in its own image, if it is to facilitate its accumulation strategy. It may not be successful, and even if it is, it may be resisted by other classes or groups.

Despite his assertions, Glassman's argument does have a functionalist feel to it. Employing the conception of the state that he does, Glassman is of course right to argue that internationalised capital can never be certain that its accumulation strategy will always be promoted. That said, it is difficult to see from his work any circumstances where an internationalised state would act over a period of time to promote the interests of the working classes, or indeed, any other economic or societal group. Writing from a Marxist perspective, Glassman (1999, p. 688) has to accept that the capitalist class has, '... crucial constraining and enabling effects ...' on states, and that '... World Bank and IMF-led attempts to restructure states along neo-liberal lines have been the dominating theme within the Third World'. Despite the novel terminology of the 'internationalised state', the broader prospectus reminds the reader of the 'core-periphery model'/'World Systems' perspectives, which have also been criticised for their economic reductionism (Skocpol, 1977).



In short, there is much of value that this article can take away from Clark, Hobson and Glassman's work. Glassman cautions not only against the reification of the state but points to the importance of problematising and differentiating its internal institutional makeup. At the same time, thinking of the state (or more accurately government elites working through its structures) as co-constituting domestic and external relations into transnational functional space opens up a fresh and interesting line of enquiry when it comes to thinking about state spatiality in a world of interdependence. That said, when we visualise the state as both authoring and reproducing transnational spaces, we need a clearer sense of how this strategic action is carried out, and a more nuanced understanding of the limits of such behaviour. Paradoxically then, we need a more definite conceptualisation of state power *and* a more constraining account of structure.

Linkage Governance

The rest of the article builds on the theoretical frameworks reviewed above to provide an alternative conception of state spatiality in a world that is becoming de-territorialised. It begins from the premise that state actors can author transnational functional space. However, it argues that they do so by deliberately fusing together formerly separate domestic and international institutions into distinct policy instruments that operate across geographical boundaries. These instruments may be designed to help those state actors manage functional space (and the transnational networks that operate within it) so that their interests, beliefs and values are promoted or at least not adversely affected. However, such an outcome is not given. These transnational policy instruments will contain novel properties that cannot be reduced to their component parts. Such properties may combine with other agents/structures at a future point in time in ways that are not anticipated or welcomed by the original authors. The article adopts the term 'linkage governance' (LG) to denote such activity. LG is informed by a range of theoretical assumptions associated with 'philosophical' or 'critical realism' and it is important to declare these intellectual debts before proceeding with this argument.

Philosophical realism²

Like structuration theory, philosophical realism conceptualises agents as having the potential to shape the structural context in which they are situated. However, realism's account of change can help us understand how spatial structures can evolve in unpredictable ways – how it is that structures can 'get away' from those that create them. Realists define structure not as rules or resources but as social relations that constitute the world. Social relations refer to: '... sets of internally related objects or practices' (Sayer, 1992, p. 92). These internal or 'necessary' relations specify a



situation where one object or practice would not take the form that it did unless another was related to it in the way that it was. For example, a tenant is not a tenant without a landlord. Internal or necessary relations should be distinguished from external or contingent ones. The latter describes a set of circumstances where one object/practice can exist without the other, although if they become related, that combination may have significant social effects. For instance, human beings interact with the environment and that behaviour may damage the eco-structure, but such a relationship *does not have to* take place (Wight, 2006, pp. 169–170; Joseph and Wight, 2010). Unlike, structuration theory, structures are external to agents. All human agency occurs and acquires meaning only in relation to pre-constituted structures. Agents can and will engage in strategic action, but this behaviour will be founded on a knowledge of the structural environment that is only partial and potentially fallible (Hay, 1995, pp. 200–201).

It is when philosophical realism combines this definition of structure with the associated concepts of ‘stratification’ and ‘emergent properties’ that we can begin to appreciate how it might explicate the dynamic and unpredictable nature of state spatiality in the twenty-first century. For realists, the world is contoured or *stratified*. The interaction of various groups rests on a social and political landscape that is made up of a number of strata or ‘layers’. These layers (which will contain multiple, interacting structures) are the product of previous strategic battles between groups, all competing to further their interests within the structural environment that surround them. At any one time, agents will be in contact with one or more of these layers, just as the layers will implicate each other. However, such stratification can lay the foundation for change in that contingent combinations of structures (of various ages and different ‘biases’) across layers may produce novel effects leading to tensions and contradictions and pressure for reform (Sayer, 1992, pp. 118–121).

Philosophical realism encapsulates this idea of previously unrelated structures coalescing to yield novel effects through the concept of *emergent properties*. Such properties ‘emerge’ from the internal relations that comprise structures but cannot be explained simply with reference to their origins or component parts. In other words, emergent properties come into existence through social combination. Once created, they can generate change in conjunction with other external or contingent relations, including agents. For example, the power of water cannot be explained by its core constituents (hydrogen and oxygen) because both, on their own, are highly flammable. However, their combination yields different properties (water), which can then be used by fireman (agency) to save lives. Of course, when it comes to examining a particular event or process, there will be numerous structures, combining across strata in a pattern that will be complex and difficult to interpret. Because, as social scientists, we can rarely isolate structures for the purpose of causal explanation, we always need to be careful not to attribute influence to the wrong ones (Archer, 1982, 1995; Sayer, 1992, pp. 118–121).



In short, philosophical realism comprehends the world as stratified or layered with multiple, sometimes contradictory structures. As agents appropriate and combine structures for the purpose of strategic action, they may set off a chain of events that they do not fully understand and cannot control. It is these ontological assumptions that can help us understand the contingent nature of state spatiality in a world where deterritorialisation poses both challenges and opportunities for governments. States (or state actors) may produce transnational structures, but these structures may then generate emergent properties. If these emergent properties then combine with external or contingent relations, this may lead them to evolve across time and space in ways that are unanticipated and unwelcome to the elites that conceived those strategies in the first place. In other words, the state is a contingent actor, whose significance and meaning will vary over time.

Linkage governance

Having enumerated a number of philosophical realism's assumptions concerning agents, structures and change, we can begin to show how they inform the concept of LG. LG can formally be defined as *the beliefs, policy instruments and supporting arguments that government elites employ to integrate objects from the domestic and international arenas into distinct governing strategies with their own ontology*. Beliefs relate to the understandings or interpretations held by decision makers concerning the dilemmas facing them. If we think about space in territorial terms, the important question for decision makers facing difficulties is at what geographical 'level' do they originate and occur (Brenner, 2001; see also Singer, 1961; Buzan, 1995). Problems viewed as having 'domestic' causes might well be addressed primarily via national institutions. Issues perceived to be largely international in orientation may lead governments to seek help outside the borders within which they are located (see also Jordan *et al*, 2010). LG on the other hand, refers to a situation whereby state actors frame a dilemma as spanning territorial boundaries. For example, politicians may be faced with a predicament that has its roots in global structural developments, but impacts adversely (and continually) on the domestic institutions within which they govern. The process of 'problem definition' may be informed by a conception of space that is not primarily territorial.

The second component of a LG strategy will be the policy instruments that are developed to solve/manage the problems that are understood to confound territorial space. If state actors are faced by difficulties that are thought to exist in transnational (functional) domains, they may feel that the best way to confront these dilemmas is to enter this space, armed with policy instruments that are also transnational in their form and content. They will do this by bringing together domestic and international objects into distinct structures, which will then allow policymakers to operate continually in a way that spans geographical levels. To be clear, LG does not



describe instances where a government signs an international agreement, but then pays lip service or ignores the commitments contained within it. Nor does it signify occasions where an international organisation makes domestic policy recommendations that have no discernable impact on the country at which they are directed. Rather, the mixing together of domestic and international objects into distinct transnational policy instruments will lead to the *creation of novel properties*, whose makeup cannot be reduced to their component parts. The deployment of these instruments (especially if successful) will reproduce and ‘thicken’ the transnational (functional) space in which they are located.

The final element of a LG strategy is the range of supporting arguments advocating the desirability of fusing domestic and international institutional properties into distinct (transnational) policy instruments (although policymakers are, of course, unlikely to use this precise terminology). Such arguments may be deployed at various levels and target different audiences. Governing elites may try to win public opinion around to merits of LG, but only if a narrative is perceived to be attractive, or at least ‘sellable’ to the electorate. Otherwise such strategies will be downplayed, as elites seek to disguise the extent to which the national polity is integrated into transnational structures. Supporters of LG will also need to win the battle for political ideas within government. They may be faced by other decision makers who are sceptical concerning the benefits of such an approach and motivated to resist it. In other words, LG will be contingent, contested and vulnerable to reversal at any time.

Defined in this way, LG will not be easy to operationalise for the purposes of empirical research. If one of the distinguishing features of LG is the employment of policy instruments with novel emergent properties, such properties will often not be directly observable. As our discussion of philosophical realism has shown, they may even lie dormant for periods of time, only to be ‘activated’ (revealed) in conjunction with other contingent structures and agents. For evidence of their existence, we can of course analyse the language of those state actors supposedly using transnational policy instruments, but as already suggested, they are unlikely to comprehend or publicise their own behaviour in precisely these terms. In public utterances and private conversations, they may continue to make reference to separate ‘national’ and ‘international’ spheres. While we as academics may be alive to the ‘territorial trap’ and its constraining impact on the political imagination, party leaders, their advisers and senior officials may be unaware of such arguments. The continuing influence of territorial conceptions of space should not be underestimated.

While researching LG strategies may not be straightforward, there is no need for undue pessimism. State actors can and have highlighted the transnational nature of the problems they face, while at the same time articulating the advantage of solutions that transcend geographical borders. It is also possible to find examples of government elites ruminating about the failure of a ‘domestic’ policy, while at the same time openly canvassing the need for an ‘external’ solution as a replacement. To take a case which relates directly to Cohen’s work noted above we can see



evidence of such discourse and behaviour in British monetary policy in the 1980s and 1990s. Faced with the failure of the Medium Term Financial Strategy (which stipulated that UK inflation could be controlled by targeting the *national* money supply), a number of senior Conservative politicians, supported by industry, the City and a range of think tanks all publicly championed the European Monetary System (EMS) as an alternative international framework for monetary policy. Particular attention was paid to West Germany's dominance within the system. The West German economy's post-war record on inflation was second to none in Europe and the independence of the Bundesbank would guarantee that this remained the case (Lawson, 1992, pp. 494–495). But these technical points were underpinned by a broader philosophy concerning the perceived constraints on British autonomy and the gradual emasculation of national policy instruments. In the words of Heseltine (1991, p. 72):

Most opponents of full British participation in the EMS sooner or later argue that it would cause an unacceptable loss of sovereignty. But can governments be sovereign in today's financial world? Stacked against them in the money markets, with fingers poised to shift billions at the speed it takes an electrical impulse to cross the exchange floor, are the money dealers.

This quote indicates British politicians accepting that power existed in the hands of private actors in functional space in between states.

What about LG policy instruments, containing distinct transnational properties allowing state actors to govern in transnational (functional) space? How might we operationalise such a variable? Most obviously perhaps, such instruments would involve the incorporation by state actors of international institutions into their own domestic policy frameworks so that the two become co-constituted. These institutions may be formal and impersonal, involving explicit rules and sanctions that are public. They may be informal, their administration involving much more judgment and discretion on the part of those individuals tasked with employing them. Such a policy instrument may generate an arrangement where state actors within a country collaborate with other actors across territorial boundaries. Elites from other countries or international organisations may have an influence on domestic decision making that is significant, continuous and even contentious. The focus here is on the implementation, as much as the formulation phase of the policy cycle and, in this sense, LG should be distinguished from theories of intergovernmental bargaining which usually focus on the latter.

To return to the case of the EMS, once the majority Conservative Party leadership accepted the important role that the exchange rate could play in regulating inflation, the Thatcher government moved slowly to incorporate the institutional properties of the European Exchange Rate Mechanism (ERM) into its decision-making structures. In October 1990, sterling took its place in the mechanism's parity grid, which contained a set of cross exchange rates for all participating currencies. The level of



the pound was required to stay within 6 per cent fluctuation bands, although this requirement was not a legal obligation.³ When the limits of the margin between any two currencies was reached, the central banks of the respective countries were obliged to intervene in the forex markets to correct this situation (Grahl, 1997; Mayes, 2001). In other words, state actors in Britain merged European monetary institutions into UK policy architecture, creating a transnational policy instrument that spanned territorial space. It was hoped this transnational governing tool would promote the Thatcher government's interests in this transnational functional space: that is, it would help to protect the pound from damaging currency movements that had undermined domestic monetary policy in the 1980s. If sterling continued to fluctuate, it was believed that this strategy would give Conservative party leaders greater resources to govern beyond geographical boundaries through a process of cooperation involving senior European politicians, officials and central bankers.

Britain's membership of the ERM is not perhaps the most obvious example to use when illustrating the potentially fruitful application of the LG concept. One can think of other, more recent, cases, especially in relation to the European Union (EU), which would appear a promising location for this type of governing activity. Take, for instance, the implementation of the EU Emissions Trading Scheme (ETS) in the environment sector. Governed by the 'cap and trade' principle, the ETS has set up a market in emissions allowances designed to help the region meet its Kyoto targets. Although scholars have questioned its effectiveness, incorporation of the ETS into the domestic policy regimes of European governments has created transnational structures allowing for the first time, *the joint governance across territorial levels* of this wicked problem. While the total quantity of allowances allocated to institutions (the cap) was initially decided by member states, historically ministers had to draw up National Allocation Plans (NAPs), which were then scrutinised by the Commission. When Brussels felt that such plans were incompatible with Kyoto commitments, or distorted competition, it had the right to challenge governments and demand alterations. In 2008, further changes to this governance process were agreed, which strengthened the Commission's role in the operation of this policy. From 2013, the ETS cap is to be determined centrally, while procedures have been put in place to harmonise rules for the allocation of allowances. At the same time, greater use is being made of auctioning, leading to the abolition of NAPs (Nye and Owens, 2008; Van Asselt, 2010; Moore and Newey, 2013).

Conceiving LG in this manner has implications for the political actor that will be 'designated' as the focal point for investigation (Frey, 1985). As already made clear, LG is designed to re-orientate the way we think about state spatiality in an era of interdependence. So far, the article has given primacy to state actors (politicians, their advisers and senior officials) working through state institutions within a particular country. In fact, it is gone further in acknowledging the possibility that these actors may reconfigure that state architecture so that domestic and external institutions become fused together. While these state actors will form the 'core' of any political



actor designation, as the examples above make clear, national governing elites will often be unable to operate these LG strategies alone. Because of their transnational properties (reach) their implementation may often involve working with like-minded government actors in other countries, officials in international organisations, perhaps even the co-option of transnational interest groups. The day-to-day administration of LG policy instruments may take place formally in transnational policy committees, or informally in *ad hoc* groups. Of course, the precise composition of this actor will be a matter for empirical research, but following on from Glassman and others, our notion of state agency will no longer be reified.

At the same time, these examples highlight how close the conceptual boundaries of LG are to other related terminology. The literature on *Europeanisation* is an obvious case in point. As an outgrowth of European integration studies, what originally marked out this approach was its focus on the way that the EU impacted on the domestic structures and processes of member states. In particular, research has focused on the ‘goodness of fit’ between EU and national institutions and the way that ‘adaptational pressure’ resulting from any ‘misfit’ has been mediated within the political systems of particular countries (see for example, Cowles *et al*, 2001; Goetz and Hix, 2001; Bulmer and Lequesne, 2005). More recently, political scientists have started to argue that Europeanisation is a ‘bottom-up’ as well as a ‘top-down’ process. National governments will try to ‘upload’ their ideas and policies at one time (t1) so that any initiatives coming back down from Brussels at a future date (t2) will be more commensurate with their own interests (Borzel, 2002; Borzel and Risse, 2003; Vink and Graziano, 2007; Borzel and Panke, 2013). The parallels with LG are clear. Is LG just another (unhelpful) name for Europeanisation, with the potential to cause conceptual confusion?

Despite the obvious similarities, the argument here is that subtle but important differences exist between the two terms. It is true that Europeanisation studies disaggregate the state and consider the way that EU institutions are inserted into domestic politics. Such a focus may logically lead to research on how EU and member states’ policy architectures become interpenetrated and what the effects might be. However, much of the writing on Europeanisation remains underpinned by a territorial conception of space, meaning that such a perspective is rarely adopted. Instead the main question is how the EU *impacts* upon the national level and whether such contact has led to a convergence or divergence of policy between states. As soon as EU legislation crosses over the ‘border’, it becomes ‘domesticated’: a matter of domestic incorporation, adjustment or even resistance. In short, the key difference between LG and Europeanisation is the interpretation of space underpinning the two concepts. The former’s willingness to consider space in non-territorial terms helps us to think about politics as not involving the impact of one geographical level upon another, but the fusion of properties at both levels into distinct and novel transnational entities.

Second, LG is not quite the same as *transgovernmentalism*, although again, the two terms clearly share a lot in common (Keohane and Nye, 1974). Both concepts



relax the unitary state assumption and focus on government actors at the domestic–international interface. Both approaches give analytical primacy to the interaction of internationally oriented policymakers from different countries and highlight how these elites may develop interests and beliefs that are distinct from other actors or groups in their respective countries. One small difference relates to the role of politicians. Transgovernmentalism is often portrayed as a technical activity, with the contribution of party politicians being heavily downgraded (see for example, Slaughter, 2004; Baker, 2006). LG allows for party leaders to be state actors of note who can potentially influence governance beyond the nation state in significant ways.⁴ A more important difference between the two concepts relates to the phenomena that they are trying to account for. Transgovernmentalism is a theory of IR/international political economy, originally developed to counter the dominance of state-centric interpretations of this subject, especially realism. As stated a number of times already, LG has been introduced in this article to aid our understanding of state spatiality in a world of increasing interdependence. The emphasis is on how state actors within particular countries author and reproduce transnational (functional) space, although it is hypothesised that these politicians and officials may often need help from their counterparts in other countries/international organisations to help them in this task. Of course, LG may very well have implications for how we think about IR, but this is *not* its primary focus.

So far then, the article has tried to clarify how state actors produce transnational space by introducing the concept of LG. However, LG (underpinned by assumptions from philosophical realism) can also aid our understanding of the contingent, dynamic and unpredictable nature of this strategic action. When state actors integrate previously separate domestic and international objects, such efforts may generate novel emergent properties which cannot be reduced to their component parts and might not be fully understood. These emergent properties may go on to interact with other structures and agents in ways that (taking our lead from Clark) confer ‘costs’ on their initial authors. These theoretical propositions can help to generate an interpretation of political change that is genuinely open-ended.

To return to the example above, it was noted above that the Thatcher government’s decision to integrate the ERM into its institutions for economic management created a LG strategy through which it was able to enter transnational space (the international currency markets) and better manage inflation. However, in the second half of the 1980s (and before the United Kingdom joined), the structures (internal relations) of the ERM interacted with a number of contingent events in ways that significantly altered the properties of this mechanism. By 1987, the decline of the US dollar led to an appreciation of the Deutschmark, which had the effect of dragging up the value of the French franc and other currencies, in what was an unwelcome tightening of policy. These developments led to complaints about the ‘asymmetrical’ nature of the ERM and in particular, the power of the Bundesbank. The collapse of the Soviet Union and re-unification of Germany exacerbated concerns about the power of the



latter in Europe. This combination of structures generated momentum for Economic and Monetary Union, of which ERM membership now became a necessary first stage. By the time British politicians got round to appropriating what they thought was a free-standing policy instrument for controlling inflation, the properties of this mechanism had changed. Being part of a broader political project, it became more rigid and much less tolerant of the devaluations/revaluations that characterised the first 5 years of operation. We might refer to this rigidity as an emergent property.

When the ERM interacted with a number of contingent relations after 1990, this rigidity (emergent property) made this LG so inflexible that it became unworkable from the perspective of the Conservative leadership in office. In this context, one might cite the divergence of the United Kingdom and German economies at this time. Britain was experiencing a recession and was in desperate need of low interest rates to stimulate production and consumption. Conversely, the German economy was beginning to overheat as a result of the substantial public investment programme in the east that accompanied re-unification. As it was, the decision by the Bundesbank in July 1992 to raise its discount rate from 8 to 8.75 per cent caused sterling to slip to the bottom of the ERM. Calls by British policymakers for a general revaluation of ERM currencies (including the pound) were rebuked on the grounds that such action would jeopardise the credibility of EMU. It was of course Helmut Schlesinger's (Bundesbank President) call for such a revaluation on 15 September, when sterling was already under tremendous pressure that set off the chain of events leading to 'Black Wednesday' 24 hours later (Connolly, 1995, pp. 144–158; Stephens, 1996; Lamont, 1999, pp. 246–266). However, it is the structural rigidity of the ERM more generally that is stressed here. What was supposed to be a subtle method of helping politicians enforce anti-inflationary discipline at the societal level, ended up severely restricting governing autonomy because the self-same politicians misunderstood the properties of the LG strategy they adopted.

In an interesting post-script to this story, British policymakers have resisted creating a new LG strategy in the area of monetary policy. This is despite the fact that the issue of global currency speculation persists, and that an alternative LG policy instrument has exists 'on spec'. Through the establishment of a single currency, EU members have created an independent European Central Bank and have accepted the fact that its decisions have *become an integral part of their monetary policy regimes*. More recently, in 2011, 25 EU governments (including countries currently outside the Single Currency), negotiated a Fiscal Compact requiring them to codify into national law a commitment to pursue balanced budgets. And this trend looks like being further strengthened after the recent agreement to extend the ECB's remit into banking supervision (Alexander, 2014; Moloney, 2014). Continual rejection of these moves by successive British governments (not to mention Greece's current plight) helps to crystallise the observation that there is nothing inevitable about the occurrence of a LG strategy. The existence of a high level of global interdependence does not automatically guarantee that actors will seek to merge foreign and domestic



policy. State actors may (re)adopt a resolutely territorial perspective, attempting to manage, shut out or simply ignore transnational forces from behind their borders.

Conclusions: LG and the Concept of the State

If we problematise the assumption of territorial space, for so long a central theoretical proposition of much political science literature, what might be the implications for our understanding of the state in a world of increasing interdependence? This article has argued against presenting rapidly emerging transnational functional spaces as being in binary opposition to states. Many academics would agree and indeed, they often pay lip service to this sentiment. But having declared the significance of transnational functional space, their analytical focus is understandably drawn to non-state actors who are hypothesised to play a starring role in this domain. There are approaches that do still place the state-centre stage, but it has been argued here that they need to be clearer concerning how this institution interacts with this transnational functional space and what the consequences might be. This article has tried to engage with these questions. It has argued that state actors can deploy LG strategies to reproduce and shape transnational relations, so that their own interests are positively promoted or at least not negatively affected.

What are the consequences of the LG approach for our understanding of the state as a structure? This article accepts the view of the state put forward by Glassman (based on Jessop) as a strategic site of institutions and practices, which has no pre-given unity or form (see also Painter, 2010). However, we have seen that when state actors (or other groups/classes) work through state institutions and try to cohere them for the purposes of furthering their own interests, such strategic action may involve them venturing into transnational functional spaces. LG may be one method or tool for unifying the state in an era of growing global and regional interdependence. Indeed, if successful, it may serve to deepen the interpenetration of domestic and international structural properties and 'thicken' transnational functional space. This argument highlights a more general point: that there may be times where we need to conceptualise these transnational functional spaces *as part of our definition of the state*. This position makes logical sense in a paper that seeks to downplay territorial notions of state spatiality.

Transnational functional space may constitute our definition of the state (and our understanding of the international system) but it does not replace these entities. Clearly, not every aspect of a country's institutions will be integrated into the international system of which it is a part. There will be parts of the national polity (not to mention its societal structures) that have little or no interaction with its external environment. Likewise, there will be many aspects of the global world that will not touch or directly engage with the country under examination. It follows then, that there will be plenty of issues and decisions to which the LG perspective will not



apply. State actors will still preside over ‘foreign’ and ‘domestic’ policy and territory will remain an important organising property in the study of politics. Instead, LG is a modest addition to our theoretical apparatus: a concept that will not necessarily discover new evidence, but may interpret familiar examples in a different but hopefully plausible and interesting way. Understanding the reasons why LG strategies are formed, how they endure and why they fall apart represents a potentially fruitful set of research questions: questions that are intended to move the discussion on from the ‘obstinate versus obsolete’ debate about the state that was noted at the beginning of this article.

Because this transnational functional space has its own structural properties that are not reducible to states or the global society they inhabit, it follows then that we should designate it with its own label to distinguish it. We could go with Hobson’s ‘vortex’, but that choice is rejected here. Dictionary definitions describe vortex as: ‘a whirling mass or motion of liquid, gas and flame etc., such as the spiralling movement of water around a whirlpool’. More generally, a vortex is associated with any way of life or activity regarded as *irresistibly engulfing* (Collins, 1982). Understood in these terms, once constituted, a transnational vortex would not just be constraining, but uncontrollable by those actors inhabiting it. Instead of allowing for the possibility that state actors might successfully attempt to manage the various transnational relations that made up this space, it seems as likely from this description that states would get sucked into its heart and disappear. Such a concept is clearly incompatible with the notion of states having agential power, as stipulated by both Hobson and Clark (and argued for in this article). Clark’s label ‘field of political action’ is preferable in that it is more open to the proposition that states (as agents) can shape as well as be shaped by the environment within which they operate. That said, this article will employ the term ‘transnational terrain’ simply because it is shorter and snappier.

The discussion above suggests that, ontologically, any transnational terrain spanning the interface between the domestic and external is likely to be disorganised. It will contain a range of policy areas, most notably perhaps those associated with the field of political economy. But other non-economic sectors may also be represented, especially as international organisations aligned with transnational groups increasingly penetrate the internal decision-making institutions within states. Different transnational spaces in different sectors will have their own logics that may not be related in any obvious sense. State actors deploying LG strategies may be able to influence one part of this terrain, only to find developments elsewhere rapidly evolving in ways that undermine their interests. These observations highlight the well-known challenges facing actors trying to work through and co-ordinate state institutions to exercise power in a world of growing interdependence. That said, the LG perspective may help to shed light on the way we understand these difficulties.

However, while this transnational terrain may be disorganised, this is not quite the same as saying that it will be anarchical. As philosophical realism reminds us,



transnational structures that comprise this domain at any one moment can represent the coalescence of past strategies and will be biased towards some ideas and behaviour. Over time, some actors and institutions (including states) may attain a prominence within this transnational space: like a central ‘hub’ or ‘node’ that is widely recognised as significant. They will become a common location through which a range of transnational relations flow, providing some order and structure to power relations in this realm. When this proves to be the case, these hubs or nodes would be an obvious target for any LG strategies that national governments were thinking of introducing. In this sense, state actors are not really ‘brokers’ mediating and managing the relationship between domestic and international levels. As noted, they will be one actor among many governing in a distinct transnational functional space, although this space may provide access to resources which, in turn, helps these self-same actors to more successfully influence proceedings both ‘at home and ‘abroad’.

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Notes

- 1 Ruggie (2004) has used the term ‘global public domain’.
- 2 Realism as a philosophical tradition (as opposed to a theory of IR) is clearly a broad school. It is *not* being claimed here that our understanding of this approach can be reduced to the observations in this article. Because the issue of how to account for change is being prioritised, the discussion below



highlights the work of some authors associated with this interpretation, over others. The argument below relies particularly on the work of Margaret Archer, Andrew Sayer and Colin Wight.

- 3 The ERM, as part of the European Monetary System, was originally created through an extra-legal resolution of the European Council, as opposed to an amendment of the Treaty of Rome.
- 4 Although this is not to say they will always be in control.

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