LUHMANN AND WORLD SOCIETY

The Three Tempi of Globalization

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Abstract: Central to Luhmann's theory of modernity is his theory of differentiation. In a grand historical scheme he distinguishes between stratificatory and functional differentiation – between feudal society, where human beings are born into an all-inclusive social position, and modern society allowing selective and role-defined career paths. From the Renaissance on functional subsystems evolved as environments for specialized questions and answers. Luhmann expected that functional differentiation would reduce the importance of segmentary and stratificatory differentiations and undermine national, religious and ethnic conflicts.

In Luhmann's scheme of three different kinds of social system (interaction, organization and society as a whole) "society" in not, as in colloquial talk, the nation state, but the system of all communication, an inclusive concept with no social counter-concept. As he defines social systems in only one dimension, communication, and as communications can easily connect to other communications across geographical borders, it is no wonder that the spatially defined nation state is not occupying an important position in his theory. "Society", is, by definition, the world society. Globalization is, by this choice of basic concepts, built into his theory of social systems.

By making the nation state a peripheral concept Luhmann is, however, unable to make a serious contribution to the discussion of globalization. What his theory wins in elegance, it loses in relevance. But even if he claims that functional subsystems are global in scope, he defines the state as "the self-description of the political system", hereby implicitly taking the point of view of the nation state and accepting a plurality of political systems. Following his theory design there should only be one state, a world state. And such a state is, at the present, non-existing.

Such theoretical irregularities call for a renewed systems theoretical analysis of globalization. Taking globalization serious requires in the first place a revitalization of the concept of nation state. In the second place, the problems of globalization arise as a consequence of differences in speed and tasks of three different kinds of social system, functional subsystems, organizations proper and nation states.

According to Luhmann, globalization is not a problem, but as a fact. The conflict between the national and the global point of view is dismissed with a few remarks on the obsolescence of the national semantics.1 But even if the semantics of the nation state in historical, cultural or ethnic terms is outdated, the nation state is still alive, and the important political distinction is not state vs. non-state, but successful vs. failed state.2

In the following the problems of globalization will be analyzed in Luhmanian terms. This will require a theoretical upgrading of the concept of nation state, making it possible to follow the interplay between functional subsystems, nation states and organizations proper. As these social systems have different functions, necessities and tempi, tensions arise which are summarized as "problems of globalization". As a start, the dramatis personae will be presented.

Functional subsystems

Long before any talk of a "world society", the world was loosely integrated through the activities of merchants, war lords, scientists, ministers and travellers. Driven by need, greed or curiosity man has always been mobile, so that even hostile parts of the world have been populated. This does not imply that the world was globalized in the modern sense of the word. Only as a consequence of the great discoveries and the invention of the printing press in the 15th Century it was commonly known that the world was globular and limited. Based on this insight the word "globalization" became possible. An unlimited world can not be globalized.

According to Luhmann modern society, as distinct from feudal society, is differentiated in functional subsystems which standardize communication, thereby gaining an advantage of speed and making large-scale social integration possible. They are autopoietic systems, organizing themselves as environments with attractors for specialized problems and solutions. They are used by hierarchies, but are not centrally planned or controlled. They are the prime movers of modern fragmentation.

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4 The theory of functional differentiation and functional subsystems is a development of Talcott Parsons' AGIL scheme. Instead of, like Parsons, to argue that for logical reasons there can be only four subsystems, Luhmann makes the number of subsystems a purely empirical question. In his own theory he specifies ten, but other candidates have been proposed. For further detail see Niklas Luhmann, "Generalized Media and the Problem of Contingency", Loubster, Jan J. et al. (eds.), Explorations in General Theory in Social Science 1-2, New York: The Free Press, 1976 and Niklas Luhmann, Die Gesellschaft der Gesellschaft, vol. 1, chap. 2.
A functional subsystem is a semantic program operating in a symbolic generalized medium⁵ and oriented towards one and only distinction directrice, a binary code with asymmetric poles which makes it also a system of preference. It takes over the classical function of rhetoric: simplifying, motivating and measuring success and failure. On the basis of the extreme simplification of the code, artificially splitting the world in two, complicated semantic programs can be developed. By coupling and decoupling words with hinges of many kinds – cause and effect, logic and experience, similarity and difference, proximity and distance in time and space – functional subsystems become refined resources for collective experience.

The internal dynamics of functional subsystems such as economy, politics, science, masse media and technology has been the main vehicle for the making of a world society, and no nation state is refusing their contributions as success or failure of a nation state is defined in terms of the values of functional subsystems. But as always, words come after facts. Only in the beginning of the 19th Century Goethe could talk about Weltlitteratur,⁶ and only in the mid-19th Century Marx argued for an economic world market.

Due to their nature functional subsystems are global. The communication they program and the connections they facilitate may take place all over the world. They are not stopped by geographical borders. Innovations in their semantic programs can diffuse quickly and new communicational centres, focusing on a subsystem, can arise from day to day. Communication programmed by functional subsystems is organized as markets, so that global communication is vitalized by market principles such as competition, innovation and growth.

A functional subsystem having its internal criterion for success and failure is compatible with another fact: that its achievements may be interesting for other functional subsystems, observing with other distinctions and having other criteria of relevance. Religious conflicts may be of economic interest, and political

⁶ Goethe did not coin the word Weltlitteratur, which is due to the German Christopher Martin Wieland (1733-1813). It is found in a note in his own exemplar of his translation of the letters of Horace from 1790. Goethe is, however, the first to disseminate the word effectively, cf. "Weltlitteratur", Dictionaire International de Termes Litéraires, http://ditl.info/art/definition.php?term=4559.
negotiations may be of scientific interest, not because of the scientific content, but because the political system channels resources into the scientific community.

As each functional subsystem has developed its own internal complexity and at the same time is structurally coupled to other subsystems, modern society has become hyper-complex, accepting the co-existence of stability and change. Cornerstones in modern theories of globalization such as internally stimulated excitement, fluid states and loss of centre and control are integrated in Luhmann's theory, not in a polemical manner confronting an ante with a post, but as a simple consequence of his choice of theory model. Luhmann also makes Ulrich Beck's thesis on the First and Second Modernity irrelevant. A stage of nationalism and internationalism is not followed by a cosmopolitical stage, as modern society is by definition global. Luhmann expected functional differentiation to reduce the importance of segmentary and stratificatory differentiations and to undermine national, religious and ethnic conflicts. Today it seems highly improbable that these hopes will be fulfilled.

Even if a functional subsystem program or "condition" communication, it is not itself communication. It is not an action system and "does" nothing, but makes it possible to present, ascribe, reject or simulate communication of a certain type, presupposing that both parts know the rules of the game. Science or economy are not containers for knowledge or wealth, but are specialized "languages in language" with their own history, structures and methods of

9 Ulrich Beck, Der kosmopolitische Blick, p. 32, 58
11 Niklas Luhmann, Social Systems, chap. 4, sect. 7.
12 Luhmann reduces "action" to simplified and ascribed communication (Social Systems, chap. 4, sect. 7) in order to maintain the thesis that social systems can be described in only one dimension. This gives rise to serious problems. A declaration of war is communication, whereas actual warfare seems to be more than just communication – and still a social phenomenon. Even if "everything is a sign of itself" (Roland Barthes), so that a battle is a symbolic activity, designating the glory of a nation state or an emperor, the consequences of a declaration of war encompasses more than just communication.
selection and motivation.\textsuperscript{14} It takes action systems such as persons or organizations to act, even when action takes place in the artificial and specialized setting of a functional subsystem.

A functional subsystem is by its nature without geographical borders. It is not a spatial system. Even if it might be anecdotal interesting to know exactly where Cesar crossed the river Rubicon, his "move" in the Roman political system is not dependent on his position in space.

\textit{Organizations}

Prominent users of functional subsystems are organizations which are autopoietic systems of communication, distinguishing between members and non-members and structuring their communication flow with decisions.\textsuperscript{15} Whereas a functional subsystem install a one-dimensional point of view, an organization necessarily combine and balance codes of several subsystems which serve as premises in its decision making process. As a decision presupposes the co-existence of several possible solutions, and as the values of the functional subsystems are incommensurable, decision making has to absorb uncertainty in a non-technical manner, introducing the decision-maker as the responsible actor who has the official role of reflecting and acting on behalf on "his" organization. Management is an important political function in organizations, in contrast to functional subsystems which have no organizational unity and, therefore, no proper names.\textsuperscript{16}

Even if Luhmann subsumes the nation state under the concept "organization", an important distinction must be made between organizations proper and nation states. A \textit{nation state} is an organization with many purposes. It is strictly localized in a specific area and develops as a political system, using legal means to define its unity and integrate its activities.

\textsuperscript{14} Niklas Luhmann, \textit{Social Systems}, chap. 4, sect. 7.
\textsuperscript{16} Or, to be more precise: only by being affiliated with an organization, that is, by distinction, can functional subsystems get a name such as "the American economy" or "the German post-war politics".
By providing a legal system the nation state creates an "expanding limitation" (Kierkegaard) for organizations proper which are single-purpose systems, normally oriented towards a specific functional subsystem, even if other subsystems may serve as support systems. A court defines its vital tasks in legal terms, but also needs money, political backing, science and technology. The support systems are not part of its purpose, but make it possible to act as a court. In the same way high tech organizations which are oriented towards money have to be on the cutting edge of science or technology in order to survive.

By taking the point of view of a functional subsystem and describe itself as a part of "economy", "science" or "art", organizations become fluid. They are not intimately connected with any specific place and may operate everywhere. An economic or scientific organization can move freely and seek the place most favourable for its operations, only loyal to itself. Their employees may follow and become what Bauman calls nomads of the wealthy kind, the rich and favoured travellers having the whole world as their working place.

Organizations proper can be further divided in public and private organizations. While private organizations define their success or failure in monetary terms, public organizations have a political agenda and are state-dependent in regard to purpose, rules and budget. As a consequence they are strictly confined to a geographical area, whereas private organizations are mobile as their activities are not defined by (but normally dependent on) a nation state. A private organization can move abroad, if economic conditions in terms of salaries, taxes and infrastructure are more favourable elsewhere. This possibility does not exist for the community of New York or the Ministry of Taxation of China.

Organizations of all kinds define their success or failure in the languages of the functional subsystems. They highlight their results as economic surplus, scientific progress, technological advances, crime rate, health care and education. As a consequence, they can communicate and compare their results and excite themselves in the global competition between winners and losers.

17 In the following, "organization" will refer to "organization proper" in contrast to "nation state".
'The nation state

It is easy to understand that functional subsystems are absent in Luhmann's list of social systems, as they are not social systems proper, but discourses for programming social systems. But why is the nation state not mentioned? And why is "society" defined so all-inclusive that it seems to fuse with what could be called "the social". Where is "society" as normally referred to as "the American society" or "Chinese society"?

Part of the answer has to do with Luhmann's predilection for time as opposed to space. As all social systems are composed of vanishing communications, their major problem is to make sure that communications are continuously being connected to new communications. This is a problem of time, not of space. Among sociologists, Luhmann is the theorist of time *par excellence*. All his basic concepts are saturated with time, whereas the location of communication – space – is unimportant, even if he admits that a nation state requires territory.18.

One can react to the omission of the nation state either by assuming that Luhmann has forgotten the nation state or that he has reasons for not mentioning it. If he is given the benefit of the doubt, the possibility must be considered that his list is exhaustive.

In Luhmann's typology of social systems, society is world society, not the nation state. Neither can a nation state be defined on the basis of interaction. As interaction systems are informal, they have the benefit of speed, as they can emerge and dissolve quickly. They are highly transient and not inhibited by demands of formal roles, decisions or generational change. Their speed, however, makes it uncertain which *Eigenvalues* will stabilize, so that interaction systems do not allow prognoses.19 Both descriptions of problems and solutions are unreliable.

Dismissing world society and interaction, the nation state has to be an organization. On closer inspection this expectation is fulfilled. Luhmann mentions

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18 Niklas Luhmann, *Die Politik der Gesellschaft*: "Furthermore a territorial relation is indispensable" (p. 190).
economic and public organizations side by side,\textsuperscript{20} normally with reference to their primary function, and the state is explicitly called an organization\textsuperscript{21} – even if modern society, according to Luhmann, "renounces to be an organization (corporation)".\textsuperscript{22}

Central to Luhmann's definition of an organization is membership and decision making. Here the parallel between organizations proper and nation states is convincing. A nation state distinguishes between members and non-members, and its legal system is decided and at the same time basis of further decisions. Decisions on behalf of the nation state are made in the parliament, belonging to the political system and operating in the medium of power. As political decisions create a legal frame for all activities in a nation, the nation state becomes a second-order organization, integrating other organizations. It might further be integrated in third order international systems, whether of long standing (such as UN and EU) or temporary.

By omitting the nation state from the typology of social systems, and by subsuming it under the label "organization", Luhmann's theory gains in elegance, but looses in relevance, as it does not facilitate discussions of the problems of globalization. By his theory design, Luhmann makes space and geographical borderlines irrelevant and jumps directly into a global world. Even if the nation state is defined as an organization, an important difference between "normal" organizations and nation states is territory. An organization proper can move, whereas a nation state has to stay. As seen in the writings of theorists such as Ulrick Beck, David Held and Zygmunt Bauman, a series of insistent problems are today defined as "national problems", and a significant proportion of voters reacts to the all inclusive and spaceless world of functional subsystems by withdrawing into the fictive, but simple citadel of a nation state, drawing the important distinction between "them and us" – and as Luhmann argues, everyone can make his starting distinction as he wishes.

Contrary to normal usage, "society" in Luhmann's theory is not the nation state.\textsuperscript{23} It is, by definition, the world society.\textsuperscript{24} As the world society gets its

\textsuperscript{20} \textit{Die Gesellschaft der Gesellschaft}, p. 841.
\textsuperscript{22} Niklas Luhmann, \textit{Die Gesellschaft der Gesellschaft}, p. 836.
\textsuperscript{23} In \textit{Social Systems} a single page is used to discuss the problem of the state (chap. 10, sect. 7), and the analysis is only exemplary. In \textit{Organisation und Entscheidung} the nation is not even mentioned. In \textit{Die Politik der Gesellschaft} (Frankfurt am Main: Suhrkamp, 2000) chap. 6 is devoted to the state, "The
dynamics from the functional subsystems, the nation state is not relevant to understand modern society. In *Die Gesellschaft der Gesellschaft* the nation state is peripheral and mentioned only in citation marks.\(^{25}\) Centres for the world society are "naturally" the big financial markets,\(^{26}\) whereas nation states are considered local centres, which may exploit fluctuations of the world markets, compete with each other, and perhaps serve as *Interdependenzunterbrecher*, preventing causal chains from going wild.

Nation states create contingent points of view\(^ {27}\) which, like "theories of primacy"\(^ {28}\), may serve to reduce complexity by appointing some unit or some subsystem to be the basis for understanding society as a whole society. In this manner Hobbes made the political system and Adam Smith and Marx the economic system the foundation for understanding society as a whole. But according to Luhmann, theoretically the differentiation of the political systems in nation states is just as unimportant as the differentiation of schools or hospitals.\(^ {29}\)

**The semantics of the nation state**

In discussing the nation state Luhmann is mainly focusing on semantic and historical issues,\(^ {30}\) and even if his book on organizations could be expected to deal with nation

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\(^{27}\) *Die Gesellschaft der Gesellschaft*, p. 1088.

\(^{28}\) *Die Gesellschaft der Gesellschaft*, p. 571.

\(^{29}\) Niklas Luhmann, "Identitetsgebrauch in selbstsubstitutiven Ordnungen, besonders Gesellschaften", in Odo Marquard et al. (eds.), *Identität*, München, 1979, p. 329.

\(^{30}\) In *Die Politik der Gesellschaft* Luhmann accepts that a nation needs a name, a territory, a people and a central power, and he argues that the plurality of nation states is due to the necessity of
states, as they are defined as organizations, one looks in vain in the index for entries of "nation" or "state". The reason is, of course, that a nation state is an organization of a very peculiar kind.

As a nation state is "de-fined" in space, it is impossible to have only one nation state. A nation state is necessarily one among others, that is, inter-national. As the political system of world society is a state system, it is not possible to treat singular states as "units per se". The global fluctuations of the functional subsystems present each nation with disturbances which they can integrate – or not– according to their own principles of self-organization.

In this context, the important point is that "nation" is no important concept in Luhmann's theory of social systems. But a disturbing feature to this thesis is that Luhmann defines the state as "the self-description of the political system". As states are in plural, this definition opens for a plurality of "political systems", contrary to the thesis of functional subsystems as global in scope.

The nation state is based on a segmentary, not a functional differentiation. It emerges in a process of regional, linguistic and cultural differentiation, normally finding its identity via negationis, as resistance against wars of expansions and experimentations with state building. In the 19th Century, the nation state had the ambition of furnishing an all-inclusive collective frame for personal identity in the style of pre-modern rank and class. But in same period another type of identity emerged, making the world society the frame of identity for cosmopolitans as defined by Ulrich Beck and David Held.

The global identity, however, became an interesting option only for the global elite, who defined its identity in terms of a career path "inside" a specific functional subsystem such as economy, science or politics and, following the logic of functional subsystems, easily transgressed national borderlines. For the losers,

differentiating in the world society (p. 190f). But he also claims that "all space-related centralisms are transcended" (p. 220), thus paving the way for a description of (world) society in temporal terms.

33 Die Gesellschaft der Gesellschaft, p. 1045.
34 Die Gesellschaft der Gesellschaft, p. 1046.
especially in the rich world, the national identity was interesting because only the nation state offered a level of welfare-financed income without any quid pro quo.

Even for the elite the loyalty to the world society is only one loyalty among others and perhaps not a strong one. "We, the mankind" is a weak "we" as compared to "we Germans", "we, the doctors" or "we from the Upper East Side".

Printing, public law, colonial and imperial endeavours and an energetic construction of identity favoured national centralisation, converging from different paths in the 19th Century and getting much of its impetus from an overestimation of proper names and the symbolism of art. Only The French Revolution made the nation state into a "necessary concept", because the old idea of "the Kings body" was replaced by a national assembly, giving the nation a new reference of legitimation, "the people". The nation state became an imaginary unit, a frame seeking a content, so that it could take over the old regional patriotism and create its own history, including a myth of the beginning.

The idea of "the people" as a distinguished group, united by features such as history, ethnicity and religion, is invented in the first half of the 19th Century simultaneous with the functional differentiation of society becoming irreversible. In this period the nation state became the normal manner of large-scale organizing, and societies not complying with this model were treated as backward cases.

So national differentiation took place in the very same period as functional differentiation, showing that there is no necessary conflict between the two kinds of differentiation. Even if functional subsystems are global, and nation states are regional, the organizations which give social reality to the functional systems are only possible inside a legal and political frame constructed as a nation state.

It is, therefore, only a half-truth that functional subsystems make unity triumphs over difference, as Friedrich Schlegel claimed in 1802. Unity is only possible on the basis of difference, and as the two sides of a distinction define each other no one side of a distinction can, in principle, triumph over the other.

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37 *Die Gesellschaft der Gesellschaft*, s. 1047.
It is highly questionable if we have to choose between the world society of the functional subsystems and nation states. Accepting one does not force us to dismiss the other. A functional subsystem is unable to realize it self and to limit itself. It takes organizations to do so, because organizations balance the conflicting demands of functional subsystems in their ongoing decision making – as when a person is wondering whether he should use the code of love or the code of money in choosing a spouse. Rich and unattractive, or poor and attractive? And it takes nation states to create the legal environment for the highly specialized private organizations.

Externally nation states are particularistic, accepting inter-national relations, while they internally are universalistic, demanding total sovereignty and being present in all dimensions of daily life. After The French Revolution, in a period of enormous changes in norms and classes, the nation state supplied a stable and public frame of identity, being able to demand a stronger loyalty than functional subsystems. Even if it was accepted that the bourgeois, the man of private interest, co-existed with the citoyen, the man of public interest, private interests were only possible in a public frame of law and order. While a functional subsystem is only organizing a role, that is, a segment of what Luhmann calls the Vollmensch,\(^3\) the nation state offers a concept of inclusion independent of functional subsystems and forces the political system to treat all members as equal.\(^4\)

Following his theoretical strategy of making globalization a fact, not a project, Luhmann minimizes the importance of the nation state, stating that the end of the era of nation states coincides with the end of the First World War, even if the declaration of peace ironically emphasized the sovereignty of the nation state (the "Fourteen Points" of Woodrow Wilson).\(^4\) From now on, the nation deconstructs itself by being forced to make decisions without being able to accept the consequences (such lowering of taxation to attract international investments), balancing conflicting demands of security, wealth and welfare.

From the outside global integration and alliances and from the inside regionalism and individualism undermine state loyalty. The demand of democracy is

\(^4\)Die Gesellschaft der Gesellschaft, p. 1052.
\(^4\)Die Gesellschaft der Gesellschaft, p. 1054.
re-entered in democratic nations, so that sections of the population strengthen their identity by defining themselves in contrast to the national identity, being a Basque, not a Spaniard. The result is "failed nations", small and conflict-ridden states with little or no state capacity of maintaining order. So the conclusion of Luhmann is that the national vocabulary belongs to a "bunch of transitory semantics" which once fascinated, but now is more harmful than useful by blocking understanding – and, as many proponents of free market enterprise stress, by blocking global trade and putting heavy transaction-costs on financial operations.

Following this train of thought, the importance of the nation state is minimized. A nation state, of course, has a name, thereby creating an illusion of unity. But "the state", in the singular, is a semantic trick used for making differentiation in systems already differentiated. What emerge are descriptions involving more complex and, consequently, more improbable presuppositions, making it possible to reduce structural conflicts by attributing them to different systems.

While the nation state integrates all function subsystems in a limited area, accepting limited control, "the state" is, according to Luhmann, a structure in the political system – a reflexive concept used in its internal self-description, but not identical with the social function of making collectively binding decisions. As a consequence of the very size of the state – a Riesenorganisation im politischen System – state-oriented activities arise outside the state. The whole system of society, Luhmann states laconically, must register that this is so.

In passages such like these Luhmann tacitly changes his frame of reference. The political system is no longer global, as there is no self-description of the global political system except for vague appeals to "the world society" to take action in case of genocide or hunger catastrophe. The political system suddenly is

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42 Cf. Francis Fukuyama, State Building.
44 Die Gesellschaft der Gesellschaft, p. 489.
45 Die Gesellschaft der Gesellschaft, p. 714.
46 Die Gesellschaft der Gesellschaft, p. 758.
47 Die Gesellschaft der Gesellschaft, p. 841.
geographically limited to the nation state. If Luhmann accepts that the state is an organization, he must also accept that the state much have a management, making collectively binding decisions. Even if he tend to underestimate the importance of management and ascribes it a rather passive function as an address in the organizational decision making,\(^49\) any organization, also the nation state, must have a management, *in casu* a government which has the role of re-presenting, that is, be present on behalf of the people and symbolize the unity of the nation state.

Luhmann is aware that his statement of the irrelevance of the nation state is insufficient. Even if the nation state "in many ways" is left behind, it is indispensable for democracy.\(^50\) Without a constitution and a public sphere, no democracy can exist, and the nation state furnishes exactly this. So suddenly we meet a counter current in Luhmann's text. If democracy is indispensable for the legitimation of a modern nation state, and if the state, as the political organization representing the nation state, is indispensable for democracy, it is hard to see that the state is "left behind".

Even if the nationalist vocabulary was fading in the 1970'ies and 1980'ies, it got a revival in the wake of post-colonialism and the fall of the Wall in 1989 and as a consequence of the wealthy nations trying to defend their welfare systems against modern immigration. But the nationalist semantics is not vital. Even if nation states have used it in the past and even if populists are trying to recycle it in their appeal to voters threatened by globalization, nation states are not dependent on a nationalist ideology. In the following, we will take a closer look on the functions of the state.

*The necessity of the nation state*

It is easy to confuse "the political system" as a functional subsystem with a. the global network of political agents and b. the state as an organization, even if they are not identical. In a narrow sense, "the political system" is a semantic device facilitating


\(^{50}\) _Die Gesellschaft der Gesellschaft_, p. 1096.
communication of a special kind, oriented towards power. In colloquial talk, "the political system" is the system of political agents, including governments, mass media, interest groups and private citizens with political ambitions. This system is global in scope, although in specific contexts it may be understood in a limited manner. The nation state is a geographically confined and highly differentiated organization, representing and acting on behalf of a population if not "a people" in the strong 19th Century sense of the word. Even if the state is a structure in the political system it has to observe itself in non-political dimensions and limit itself for non-political reasons, that is, redescribe non-political communication in political terms, so that everything that happens in a nation state may assume a political significance. A state is an organization among others and has at the same time the function of integrating all organizations, including itself. It is at the same time a first-order and a second-order organization. This is the paradoxical function of the state.

As a consequence of the global dynamics of functional subsystems and private organizations a series of problems arise which can neither be solved by interaction systems, organizations proper or the world society in Luhmann's sense. We will select three. First the problem of social order, secondly the so-called "social problem" identified in 19th Century by Hegel, and thirdly the problem of global risks, often used as an argument against the significance of the nation state. Without going into details a few comments will be made on each theme with the aim of showing that the message of the death of the nation state is a bit premature.

1. Social order. A functional subsystem can pose no limit to itself, as it is observing in only one dimension and therefore has no means of limitation. It has an anarchic tendency. From its own point of view nothing is more important than itself. It views society as an environment which ought to favour its growth by yielding unlimited resources, preferably in a liquid and non-binding form as money. How the infrastructure necessary for a subsystem to function is organized and how conflicting demands of subsystems are balanced is not the business of a subsystem.

The problem for the nation state is not to inhibit the subsystems, but to attract and integrate them by curbing their single-minded ambitions and directing
them for the benefit of the nation state. As control is impossible, this demands an ongoing effort, a day-to-day calibration. This effort is outside the scope of functional subsystems and private organizations. The state has an integrative function, as functional subsystems and private organizations are elements in a division of functions, but unable to define and maintain the unity of their differences. This task cannot be done and must be done. It is left to society as a whole – and "society", in this context, is not the world society, but the state. So even if the state is not in control of its own fate, and never has been, still its functions are necessary.

The global dynamics of functional subsystems is the background for what philosophers such as Manuel Castells has baptized the "new medievalism". The argument is that as nation states have lost control over the economic market, the information process, the education and so forth, they are atrophying. Not even the welfare system can be controlled, because nation states competing for attracting working places are eager to meet the demands from multinational organizations, asking for a flexible working force, low taxation and an attractive infrastructure.

There are several flaws in this argument. In the first place, nation states were never in control. They ride the tiger, and the tiger rides them. They try to be winners in a world where not everybody can win. Social order and security have always been fragile resources. In the second place, even if functional subsystems are global, they are operating on local scales, demanding a legal system and organizations proper which again demands a nation state.

As functional subsystems and organizations are only organizing fragments of human beings and as people, consequently, can walk in and out of their functionally defined roles, the nation state is indispensable as offering a concept of inclusion not dependent on any specific subsystem.51 It supplies a collective frame of personal identity more stable than the liquid identity granted by functional subsystems and organizations. As a consequence the nation state is not diminishing, but growing, so that we witness contradictory lamentations of the obsolescence of the nation state on the one hand, and its unrestrained growth on the other.

51 *Die Gesellschaft der Gesellschaft*, p. 1052.
So even if functional subsystems and private organizations may be highly innovative, they need a stable world for their operations, as stability is a precondition for innovation. Just as Hobbes argued, they need a legal system and an infrastructure. In modern society these achievements cannot be supplied by private organizations, because money it too limited a criterion for observing the success or failure of a population. Both functional subsystems and private organization call for another kind of organization, the state, which is committed to social order as a second-order organization.

The problem of social order can be solved in many ways as seen in the classical scheme of monarchy, oligarchy and democracy. As Western societies have moralized the concept of democracy, defining any alternative as bad, for a legal system to be legitimate is must be based on a constitution and have support from the population with regular intervals, shown in free elections. As we have seen, Luhmann argues that the nation state is indispensable for democracy. This is another way of saying that the nation state is not obsolete.

2. The social problem. As a functional subsystem orients itself via a binary code, it necessarily gives existence to a negative side in the very attempt to maximize the positive side. The negative side is not just a logical necessity, a reflection form, but has social reality, even if it is not intended. Even if all people try to become rich, some become poor. Even if most people are law-abiding, some are criminals – not only because, logically, law makes crime possible, but also because the reason to make laws is that the illegal tracks are tempting. The social problem, or the problem of the losers unable to take care of themselves, cannot be solved by interaction systems, by private organizations or by the world society.

The normative critique of globalization, put forward by Zygmunt Bauman, Pierre Bourdieu and Manuel Castells, is anticipated by Luhmann: as functional subsystems are binary constructed, they create winners and losers. But Luhmann purges this statement for any normative content. The difference is built into

the functional subsystems and can only be eliminated at the cost of eliminating the subsystems. As usual Luhmann uses the functional argument that as stability depends on lack of better alternatives, the functional subsystems are stable, not by being perfect or never-changing, but by setting a stable frame for questions and answers.

From the point of view of economy or science, the fate of losers is irrelevant unless, of course, money can be made on nursing the losers or scientific theories can be made on their behaviour. Also for private organizations losers are uninteresting. When an employee is fired, the organization has no longer responsibility for him.

Still, the losers exist and must somehow be integrated in society. Again, the definition of society as "the system of all communication" is irrelevant to this task. Losers are not integrated just by talking or being talked to, even if this makes them part of the global system of communication. The world society in Luhmann's sense is no action system and can not solve transverse problems. Neither can a private organization handle the social problem, as its goal it to make a profit, not to create social balance. Interaction systems are, as we have seen, too unstable to solve structural problems. The nation state is the only organization which can, if not solve, then at least handle what Bauman calls the "wasted lives" of the persons made superfluous by modernization and globalization.

In a democratic state, the interest of the state cannot be distinguished from the interests of the population, which are not defined in the language of one single subsystem. While a private only appoint members to persons competent to fulfil a specific job, the state cannot deny membership to its members, only to foreigners, and politicians cannot refuse to respond to the needs of the voters, whether competent or incompetent. The state not only has to organize the wealth of the nation, but also the welfare of the nation, caring for the persons who are unattractive for private – and public – organizations.

As millions of people are dependent on welfare benefits, and as they make up a significant part of the voters, in a democratic nation they have considerably political influence, because politicians cannot just dismiss their claims as absurd or parasitic. This, of course, makes national democracy a threat to the
survival of the world society. But not taking the demands of wealth and welfare serious would provoke open social conflicts by breaking established expectations. Focusing on welfare, the state cannot wither away, because welfare does not pay in a short and narrow perspective, even if *not* supplying welfare would undermine the stability demanded by both functional subsystems and private organizations.

3. *Global risks.* An argument for the irrelevance of the nation state is the global risks, such as pollution, terrorism, epidemics and crime. No nation state is able to handle global problems in an effective manner, as its frame of reference is too narrow. When costs and benefits are seen in a national perspective, no overall solution or, less ambitious, relevant effort is possible.

Also this argument has several flaws. Even if it is possible, in theory, to leave these problems to global agents, as a matter of empirical fact only the nation states are able to handle them. This makes it uncertain if any effort is delivered, as global problems are not seen in isolation, but balanced with other considerations such as national security, employment and natural resources. Global agents such as United Nations can collect and process information, organize global treaties and take practical action. But as UN is financed by nation states and has no independent system of justice and no monopoly of violence, it can not run faster into the future than allowed by the nation states or solve problems against the will of the nation states.

*The Three Tempi of Globalization*

In spite of the modern trend of dismissing the nation state as obsolete in face of the global dynamics of functional subsystems and organizations, it is still an all-important agent in the world society. In this last part, we will argue that the problems of globalization can be traced back to differences in speed and stakeholder relations of functional subsystems, private organizations and nation states.

Functional subsystems, organizations proper and nation states are dependent on each other and in conflict with each other. Functional subsystems have only one goal, growth, but need organizations to exist and expand. This dependency goes both ways. Organizations and nation states use the values and the state of functional subsystems to define their success or failure. Their self-descriptions include references to all subsystems, and they tell stories of their achievements in economy and science, technology and art, education and health. Also organizations and nation states are interdependent. As nation states normally use private organization to produce wealth, irrespective of what kind,\footnote{55 - as each functional subsystem is oriented towards wealth of a certain kind. We disregard that nation states may exert political control over functional subsystems.} nation states must create an environment attractive for private investments. Just like organizations compete on the economic market, nation states compete on the political market to attract private organizations to produce wealth, jobs and taxes.

Functional subsystems, organizations and nation states are different kinds of social system. Functional subsystems are semantic devices, organizations and nation states are decision making systems and, consequently, action systems. Nation states and organizations are also different: they have different goals, different scope and different criteria for success and failure.

A functional subsystem has no inherent limit to growth, whereas private organizations have no interest in the unlimited unfolding of the inner potentialities of a subsystem. Their basic interest is money, not science or technology as such. At the same time, a private organization can see no reason for curbing its own growth and has no inherent solidarity with a nation state. Even if the systems are dependent on each other, they are in no spontaneous harmony. On the contrary, \textit{all conflicts of globalization can be seen as conflicts between the inherent dynamics of these three kinds of system.}

It make the differences between functional subsystems, organizations and nation states more precise, five parameters might be used, namely 1. Goal, 2. Number of stakeholders, 3. Space, 4. time and 4. Responsibility for members. This can be shown in a diagram.
### Functional Subsystems

- **Goal**: one
- **Stakeholders**: One
- **Space**: $\div (\text{global})$
- **Time**: super fast
- **Responsibility for Members**: none

### Organizations Proper

- **Goal**: one/many
- **Stakeholders**: one/many
- **Space**: $+/\div (\text{local/global})$
- **Time**: fast
- **Responsibility for Members**: few

### Nation States

- **Goal**: many/many
- **Stakeholders**: many/many
- **Space**: $+ (\text{local})$
- **Time**: slow
- **Responsibility for Members**: many

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_A. Functional subsystems_ have, according to their nature, only one goal, defined by their code. Therefore they have only one stakeholder: organizations and persons which temporarily program their communication in the language of the subsystem.

Isolating a functional subsystem demands an analytical operation, distinguishing between communication of a specific kind and the organization furnishing the social frame for its operations. In this way it becomes possible to talk about "science" as a system of publications independent of the scientific organizations. Scientifically it is irrelevant whether a breakthrough takes place in Japan or Brazil, or which university or theorist is the originator. But for a nation state or a private organization it is of vital importance to be the centre of innovation and reap its political and economic benefits. For the world economy it is of minor importance whether a private organization or even a nation state goes bankrupt. The economy may flourish, even if Africa perishes and irrespective of whether US or
China dominates the economic game. But of course private organizations and nation states do not have such a lofty perspective. As autopoietic systems their own survival is on the top of their agenda.

A functional subsystem has no specific position in time and space and no centre, as cutting edge activities can change place from one season to the next and be diffused all over the globe. Innovations are diffused superfast, even if private organizations try to conceal or patent scientific or technological innovation in order to get a competitive advantage. But the very moment a new product enters the market, competitors tear it apart to see whether it contains innovations worth imitating.

Communicating "inside" a functional subsystem, sender and receiver need not know each other. They can presuppose a shared language, shared communication channels and shared motivation. Whether receiver understands and accepts the offer of communication are purely empirical questions. And just using the language of a functional subsystem creates no responsibilities towards other agents.

B. Organizations have normally one goal, supported by subordinated goals. Therefore they have one main stakeholder, whether it is the state (in the case of a public organization) or the shareholders (in the case of a private organization). But to fulfil expectations and get a license to operate other stakeholders must be served as well. If customers, employees or environmentalists are highly and loudly dissatisfied it is improbable that the main stakeholder will be served in the long term.

Public organizations are not mobile, whereas private are. Even if private organizations do not have the speed of functional subsystems, and even if their offices and plants must be placed somewhere – there are limits to how virtual an organization can be – they can move according to opportunities and consider the whole world as their space of activity. A private organization has a very restricted loyalty: it is only loyal to itself.

The combination of local position and global alternatives allows a private organization to move relatively fast. Innovation presents chances and risks, but also enforces the organization to react and change. It is committed to profit and competition and must get lean, grow, move, whatever it chooses. But a private
organization may also, alone or in alliances, put pressure on a nation state, threatening with moving abroad. As all nation states have a vivid interest in employment and taxation they will struggle to create acceptable social conditions for business. So private organizations may exploit political irregularities and turn nation states against each other. Between private organization and nation states a recurring ambivalence can be observed.

Private organizations have a responsibility to their shareholders: they must create a surplus. But towards other stakeholders their responsibility is limited. Employees are only relevant because of their competences, and customers only because of their purchase power. What happens outside the small meeting area of the market place for man power and purchase power is not the business of a private organization. It has no responsibility to what happens in society or to employees and customers in general, and it is not obliged to balance social considerations.

C. Nation states have many goals, and each goal has subordinate goals. A nation state and its representative, the state, must make sure that functional subsystems and organizations thrive, because as a matter of principle there can be no radical opposition between them: a nation state is doing exactly as good as the functional subsystems and the corresponding organizations inside its domain. But unlike organizations nation states must balance many considerations – economic growth, political stability, scientific dynamics, education and health.

A nation state is exclusively related to a geographical area and is according to its nature immobile. Even if it can expand, it cannot move abroad. Germany or Malaysia cannot threaten anybody with moving, and the same applies to public organizations. Also, a nation state cannot fire its members, if they show incompetent. To a certain degree, varying from nation state to nation state, is has a full responsibility to its members, including health, education, mental state and accepting what Anthony Giddens has called life politics.

To avoid that radical losers create social disorder, the state must for political if not for moral reasons accommodate to demands of welfare and support members unable to take care of themselves, irrespective of whether the problem is
unemployment, illness or age. Due to this plurality of consideration and the need to balance responsibilities, the speed of a nation state is slow.

Conclusion

In his theory architecture, Luhmann has chosen to define "society" as the system of all communication, so that "society" becomes a concept without social counter-concepts, being identical with what otherwise is called "the social". Society is, by the outset, world society. By this choice Luhmann is operating on a global level, and as his theoretical contribution is a large-scale analysis of modern society as a system of functional subsystems, he is more interested in problems of time than in problems of space. As a consequence, the nation state is dismissed as obsolete.

At the same time, however, Luhmann defines the state as the "self-description of the political system", hereby tacitly admitting the plurality of political systems and moving away from the global to the national level of analysis. He accepts that the state is an enormous organization in the political system. Following this lead it is shown that even accepting the global dynamics of functional subsystems and private organizations, the nation state and its representative, the state, cannot be dismissed as irrelevant. The problems of globalization are due to differences in speed and stakeholder responsibilities of three different kind of social systems, functional subsystems, organizations and nation states.