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The role of the nation state in a borderless global economy

Abstract

Growing tensions between social cohesion and economic competitiveness are becoming a critical challenge for democracies established in the inherited framework of the nation state. Increasing numbers of displaced or disregarded persons (unemployed, migrants, middle class endangered by downward mobility etc.) and their need for protection is in direct conflict with currently dominant patterns of wage reductions, tax exemptions and other fiscal measures to attract multinational corporations. However, the cascade of price dumping (in terms of wages and taxes etc.) creates jobs only temporarily and on ever lower levels, reducing in total the purchasing power of all wage earners. The pressure on wages as the prime carrier of the overall tax burden leads to a situation that inevitably will steer up major social conflicts.

In my presentation I will discuss some of these developments and try to address crucial questions: Who will be the "sherpas" of the global knowledge economy climbing towards highest peaks of production, speculation and unprecedented (and socially unbearable) incomes from capital transactions? How can capital become diverted towards investment in "real economy"? What makes a "strong democracy" and how to balance powers not only within a nation state, but also transnationally between states, social partners, and the civil society? Are there opportunities to stop the race to lower standards and reverse interest and power to elevate standards (of living, in equality, solidarity, environment etc.) worldwide?

Contribution to „The European Social Model“: Budapest, 25.-26. Feb. 2005
Friedrich Ebert Stiftung