

below 50 % 10 years ago. Interestingly these 3 countries are some of the most open, and trade dependent in the world. The theory that national welfare regimes are under attack through globalize trade is unsubstantiated.

Clearly in the West government ownership and re-disbursement of incomes and regulatory costs are intimidating. It is not fathomable to conclude that globalization will decrease any time soon this grip by nation state institutions on their populace. What is conceivable is that national governments through regional agreements will try to limit the impact of globalization and second, use liberal market reforms to guarantee a competitive enough economy that can sustain welfare demands. As such the encroachment by the government on individuals and business might rise and not fall under globalization. How can this be accomplished in the face of unrelenting expectation that globalization will crush societies, cultures and history in its frenzied rush of liberal reform? Generally there are two reasons why nation statism and its statist structure will persist in power even in the face of globalization. First, there is a limited nature to globalization and secondly there are well defined interests in each country will reject or at the least reform globalizations impact on nationalism, local structures and cultural institutions.

Though the nation state is still the main IPE actor it is being pressured above from globalization, laterally from regional and international organisations and from below by new or sub regional demands. Globalization both constrains and unleashes new forces of state power. Pluralism, demand for reforms, economic considerations and regional agreements coupled with human rights, and the vague concept of democratic governance must be accommodated. These variegated pressures give rise to a sort of eclectic humanism²¹⁶ of global—regional—sub regional—national—civil society actors.²¹⁷ Ideologies are shifting and being redrawn as real flows of knowledge, power, technology, capital, labour and commerce intensify. Of primary importance in looking at globalization is its temporal and spatial alignment of production, which has increased competition accelerating the flows found within the paradigmatic shift from the local to the global.

As Western societies have evolved since World War II the dramatic surge in welfarism and corporatism (government controlled trade) has also intensified. We are then left with a paradox. According to the prophets of globalization all cultural socio-political frameworks and ideologies will be washed away in the tidal flood of neo-liberal economics, with golden straight jackets on nation states, defining their policy choices and ensuring compliance with the international liberal order. However since the rise of the most recent phase of globalization the nation state has itself secured more power and leverage over its productive and consumptive resources than any analyst would have predicted 50 years ago. Regionalism largely for reasons of security and economic prosperity has likewise arisen in conjunction with the transformative power and increased control of national governments. Regional units are very much controlled and used by national actors to further political and economic ambitions as global forces and transnational flows of various kinds affect local governance and power. Statist power will only increase in the future.

In this world of statist power governments in effect, through direct taxation, regulation and the administration of monopolies and oligopolies control between 30-60 % of the economy in richer countries. This percentage is set to increase. Domestic demands for equality, an ageing population, needed investments in health care, the short fall in pension funding, dubious protocols such as Kyoto and other environmental measures, and the political prerogative to get elected which is more easily achieved through public spending than public reform, will ensure that government control will only increase in the future. Such program spending will be hidden behind various nationalist ideals, accounting mirages, rhetorical appeals to pride and motherhood, and government demands that the current generation 'suffer for their children's sake'. In the real world the accumulation of debt, and unfunded liabilities makes a mockery of such platitudes and calls for sacrifice.

Capitalism and its liberal component have therefore been replaced by a set of principles that hearken to egalitarianism, government control and redistribution with limited market freedoms. The mild form (mild when compared to past history or the intensity