



Transformation of Sovereignty

Is Globalization Transforming Icelandic Sovereignty?

Einar Pétur Heiðarsson

Lokaverkefni til MA-gráðu í alþjóðasamskiptum

Félagsvísindasvið

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HÁSKÓLI ÍSLANDS

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Ritgerð þessi er lokaverkefni til MA-gráðu í alþjóðasamskiptum og er óheimilt að afrita ritgerðina á nokkurn hátt nema með leyfi rétthafa.

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Abstract

Ever since the peace treaty of Westphalia was signed in 1648 sovereignty has gradually gained a status as the defining principle of the international state system. Since that time the sovereign state system has gone through various transformations which have altered the conceptual understanding of sovereignty and the nation state. This dissertation addresses the current transformation of sovereignty in the post-WWII period and puts it into historical context by employing the theoretical framework of international relations. The concept globalization is used to analyze this transformation which is caused i.g. by escalating influence of international governmental organizations, supranational institutions, and the progress of technology. Special attention is given to the transformation of Icelandic sovereignty and the effect that globalization is having in driving Iceland towards closer cooperation with the European Union.

The main conclusions are that the sovereign state system, and the nation state, are currently going through various transformations that are effecting different dimensions of sovereignty, and the nation state, with distinct results. Sovereignty is no longer a permanent status of the nation state but a conditional one and sovereignty is now defined as a responsibility rather than as a control.

Útdráttur

Allt frá því Vestfalíu friðarsáttmálinn var undirritaður árið 1648 hefur fullveldis hugtakið smátt og smátt öðlast þá stöðu að vera grundvöllur alþjóðlegs samfélags ríkja. Frá þeim tíma hefur þetta samfélag fullvalda ríkja farið í gegnum ýmsar umbreytingar sem hafa leitt til endurmats á fullveldis hugtakinu og þjóðríkinu. Í þessari ritgerð er fjallað um þá umbreytingu á fullveldiskerfinu sem staðið hefur yfir frá lokum seinni heimstyrjaldarinnar, hún er sett í sögulegt samhengi og skoðuð út frá sjónarhorni alþjóðasamskipta. Hugtakið hnattvæðing er notað til þess að greina þessa umbreytingu sem meðal annars má rekja til aukinna áhrifa alþjóðastofnanna, yfirþjóðlegara- stofnanna, og tækniþróunnar. Umbreytingin á fullveldi Íslands er skoðuð sérstaklega og reynt að greina áhrif hnattvæðingarinnar sem hefur knúið Ísland til aukinnar samvinnu við Evrópusambandið.

Megin niðurstöður rannsóknarinnar eru þær að samfélag fullvalda ríkja og þjóðríkið eru að fara í gegnum margar aðskildar umbreytingar sem hafa mismunandi áhrif á aðskilda þætti fullveldisins og þjóðríkisins. Fullveldi er því ekki lengur skilgreint sem varanlegt fyrirbæri heldur skilyrt, auk þess sem fullveldi felur í sér ábyrgð en ekki einungis rétt til valds.

Prologue

This dissertation is the conclusion of a Master's degree in International Affairs from the School of Political Science of the University of Iceland. The dissertation is 30 ECTS and was written in the summer of 2012 under the guidance of Maximilian Conrad, lecturer at the School of Political Science. I started my Master's degree course in the fall of 2009 right after I finished my Bachelor degree in Philosophy from the School of Humanities of the University of Iceland. During the winter of 2010-2011 I was a Nordplus student at the University of Uppsala in Sweden where I finished the second year of the course. It is with great joy and gratitude that I look over these past three years and I am proud to turn in my dissertation as a sign of a mission completed.

The concept 'sovereignty' has fascinated me through all of that time. Sovereignty is a building block of the international society of states; a principal subject of international relations; a philosophical idea; a definition of national identity. Sovereignty is all this and much more. And like all great concepts, sovereignty is vibrant with life, an infinite source of discussion and debate. For these reasons sovereignty was an obvious choice for my final thesis.

The phrase 'transformation of sovereignty' may look and sound illogical at first, considering the fundamental position of sovereignty as the building block of the international society and as the definer of the national state. However, one only has to look close enough to see that, this giant building block is not static, it is moving. The sovereignty state system has gone through many transformations since 1648 and even before that time although that date has become year one for the discipline of international relations. The current transformation of sovereignty is my subject. A transformation best described with one concept: globalization.

I would like to thank Maximilian Conrad for being my mentor in writing this dissertation. Also I would like to thank Bryndís Pjetursdóttir, my fellow student, for her generous help and motivation. Daði Rafnsson and Arnar Steinn Þorsteinsson have been my partners in crime and deserve a thank for their inspiration, and so do Erla Bolladóttir and Jóhanna Friðbjörg Sigurjónsdóttir who helped me finalize the document, and my spouse Elísabet Magnúsdóttir and Ólöf Amelía, our offspring, for their endless patient.

It is an old saying that one learns the love of politics at the kitchen table. That is true in my case and for that reason I dedicate this dissertation to my father, Heiðar Sigurðsson, who taught me to question the convenient truth of the evening news and to debate and digest its content. One should never swallow the food at the kitchen table but carefully chew on every grain (of truth).

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1. Introduction

Sovereignty is a tricky concept. It is commonly used and highly debated. Its meaning is known to all but its implications not. Some scholars say it's the 101 of International Relations (IR) but at the same time the discipline does not agree on a common definition. Sovereignty is said to be the defining unit in the international state system, highest form of authority and inferior to none, and a during concept that has the ability to adapt to the transforming nature of society (Jackson 2007). Still the sovereign is a subject to international law and its authority compromised in number of ways everyday. Some scholars even go as far as to talk about our times in the 'post-sovereign-era' where "states must share their prerogatives with supra-state, sub-state and trans-state systems" (Keating 2001: ix). As a student of IR this fact woke my interests in the concept. State sovereignty is seen as something undisputed, sacred and clear but at the same time a disputed and a messy relic. This is what I call a 'gap of understanding'.

Another manifestation of this 'gap of understanding' is the current political debate in my home country; Iceland. Since applying for full membership of the European Union (EU) in the summer of 2009, and in fact prior to that, Iceland's sovereignty has been a key issue in the domestic political debate. In that debate the concept is used vigorously to represent all things Icelandic and to define the battlefield in the 'everlasting war of independence' (hin eilífa sjálfstæðisbarátta, Bergmann 2009). Being an Icelander I have often wondered how the concept is used in other states. Do politicians in other states have the same understanding of the concept as their Icelandic counterparts? Or do they stand alone in this constant battle for self-preservation?

This dissertation has its origin in these kinds of contemplations. The Westphalia sovereignty is the heart of the international state system, granting states 'absolute' rights in internal matters and a legal status in the international arena (Bull 2002). Nevertheless this 'absolute' power in internal matters is clashing with current development of globalization as world trade, transnational organizations, supranational institutions, environmental problems, international legal systems and human rights traverse state borders. By signing treaties and committing to follow international law and by establishing international institutions like the International Criminal Court (ICC), sovereign states have 'de facto' breached their own legal

sovereignty but without establishing high authority that can implement these law or enforce its rulings fully. Here we have another ‘gap’. States claim their sovereignty to be absolute but still they create a system of law and institutions that fracture this absolute rule.

The scope of the dissertation is though much more driven from the current academics debate then from the political or nationalistic debate taking place in my country. Both is it that Icelandic scholars have been writing on the domestic debate in the last few years, with Eiríkur Bergmann leading the way, and secondly that my perspective on the concept has changed reasonably as a result of my study over the last two years. I no longer question the debated nature, or the nationalistic connection, of the concept.

So, what is the scope of the dissertation? In one of the introduction books to IR Peter Sutch and Juanita Elias address their readers directly on this point: “Your search begins with an attempt to find your own voice in the debates about how best to ‘do’ IR. The early decisions you make must be held permanently up to the critical scrutiny of new ideas and different points of view because in engaging with our subject you add an informed voice to the political dialogue of international relations” (2007: 177) For a student of IR this interjection is a guiding light. To find ones own voice in how to ‘do’ IR is a challenge one must face. When writing on such complex concepts as sovereignty a student is hardly expected to come up with new ideas to resolve all issues related to the general notion. To develop ‘a different point of view’ is more appropriate for a master dissertation and the course that will be followed here.

The aim of this study is to reveal the limiting meaning of the concept sovereignty when used in domestic political debates like the one taking place in Iceland right now concerning the possible entry of the state into the EU. Iceland has, like most sovereign states, taken part in the advancement of the international system since it became sovereign state in 1918. Over these 94 years Iceland has become a member of over fifty international institutions and organizations, including the United Nations (UN) in 1946, the North Atlantic Treaty Organization (NATO) in 1949, the Nordic Council in 1952, the European Free Trade Association (EFTA) in 1970 and the European Economic Area (EEA) in 1994 (Government Offices of Iceland 2012). Membership of these, and other, international institutions has effected Icelandic sovereignty in many different ways over the course of time but it is also worth remembering that sovereignty has made it possible for Iceland to become a member of these institutions. To simplify that story it can be said that Iceland left a little piece of its sovereignty at the door when entering these institutions. This fact begs the question; are we

still talking about sovereignty in the same way today, in 2012, as we did in 1918? Is there a different point of view that deserves the attention?

Pointing to the current domestic political debate in Iceland is though only done as a reference. The focus will all be on the concept and its changing nature of the international system. If there is one thing true about the international system it is the fact that it is constantly changing. The change itself is the only constant, if we rephrase Heraclitus's famous quote. Kings come and go, and so does their kingdoms. The sovereign state system is no exception. Although the system has lasted for three hundred years and conquered the world, the meaning of the concept is not the same today as it was in the Westphalia cities Osnabrück and Münster (modern-day Germany) in 1648 when the great European powers signed the great peace treaty and sovereignty became a defining principle in the international system. On that day authority and legitimacy was transferred from the Holy Roman Empire, and the Pope in Rome, to princes and kings in then their sovereign kingdoms. Again that authority and legitimacy was transferred to the people, or the nation, in the American and French revolutions in the late 18th century. By the end of the Second World War (WWII) we see yet another great change is the sovereign state system with the creation of the first truly global organization, the UN, where legitimacy of war was transferred to the Security Council (UNSC).

By focusing on Icelandic sovereignty we narrow the focus of the dissertation down to the twentieth and the twentieth first century and the great change in the sovereign state system in the post-modern era after the WWII. In this period we see the truly global effect of the sovereignty system and a spike in the number of international institutions and interstate activity. Sovereign states, and their governmental organizations (IGO's), are now not the only notable agents in the international arena. Non-governmental organizations (NGO's) and large multinational corporations (MNC's) are active actors with great deal of influence and large sums of money to back up their pressure on the global system. Globalization is a useful concept to construe the driving forces behind the current change of sovereignty into a single phrase for the purpose of the analysis.

Transformation is the last puzzle in the research question, which is: Is globalization transforming Icelandic sovereignty? Transformation is the core question in the research. The concept is asking for the degree of change that is taking place in the sovereign state system. Transformation means a thorough or a complete change and therefor the question is if the sovereignty system is changing so thoroughly that it hardly deserves to be called by the same name? It is in this question that my different point of view is most visible. IR scholars surly

use the term transformation in their analysis of the international system, however there is no consensus on the issue and some scholars do not at all agree with the notion of transformation. Some see the concept sovereignty as a problem and unfit to cover the reality facing the international system while others see no problem with the current system and stress the adopting nature of the concept.

With these fundamental concepts, sovereignty, globalization and transformation I set out to develop my point of view on how to do IR.

1.1. The dissertation's structure

In chapter 2, Theoretical framework, the research methods of social science will be discussed and the design of the dissertation rationalized, followed by a general introduction to the international relations discipline where the main schools of the field will be presented. In chapter 3, Sovereignty, the concept sovereignty will be put into historical context and connected to the conceptualization of modernity. Stephen D. Krasner's theory of 'organized hypocrisy' will be introduced and his analysis of the different dimensions of sovereignty. Popular sovereignty will be discussed and its origin in the popular revolutions in the 18th century and its position in the US political debate in connection to US national identity. The US sentiment is given a special attention in light of the role that the US has in the sovereignty system and its influence on the development of the international system. A negative and positive conception of sovereignty further stresses the multidimensional nature of the concept and finally the current development of sovereignty as responsibility will be discussed and connected to the post-modern era.

In chapter 4, Globalization, the concept of globalization will be introduced and connected with the development of sovereignty. In chapter 5, Transformation, the concept will be introduced and connected to globalization and to the effect that globalization is having on the nation state and on sovereignty. The German research program TranState will be introduced and the acronym TRUDI explained, but its purpose is to particularize the nation state so that it is possible to analyse the dimension of transformation on each part of the nation state. In these two chapters the transformative nature of globalization and the effect on sovereignty will become apparent.

In chapter 6, Icelandic sovereignty: a history of transformation, the historical background of Iceland will be discussed and special emphasis put on the importance of the concept of sovereignty for the Icelandic national identity. The effect of globalization on

Icelandic sovereignty will be split into two periods where the former is characterized by a passive transformation and the latter by an aggressive transformation. In the former period the emphasis, of the Icelandic government, is on bilateral relations with the US and the Nordic states but in the latter the European integration process is more prominent although the Icelandic government has not chosen to participate wholeheartedly in it. Finally the transformation of Icelandic sovereignty will be evaluated and put into context with previous chapters of the dissertation.

In chapter 7, Critical discussion, the overall subject matter of the dissertation will be discussed and put into theoretical context once more and an answer given to the research question as far as that is possible. In chapter 8, Conclusion, the research question will be discussed once more with a concluding remark and suggestions on further research.

2. Theoretical framework

2.1 Method and design

This research is 'interpretive' in its design and method and by that label one refers to the classical tradition of social scientists such as Max Weber, Heinrich Rickert, William Dilthey, and even Jean Jacques Rousseau (Hart 2005: 194). The fundamental position of the interpretivists is that there is a difference between the natural and the social world (Hart 2005: 220-221). The social world is constructed by signs and meaning produced by human beings over time, and to be able to understand that world, research it and analyse, an interpretation of texts, culture and history is needed. The complicated human existence and behaviour will not be reduced to biology and materialism. The natural world, on the other hand, is reducible to the law of physics and chemistry. This clear difference between the two worlds will though always be blurry in the narrow sense that humans are biological and physical beings. Their cognitive activity and creation, although physically rooted in their brain, can though hardly be subjected to the cold law of physics.

By conducting the research in the interpretive method is not a statement, in itself, to deny or renounce 'positivism' and similar methods in social science. The fundamental statement of positivism that "there is only one real world not dependent on how people think it is" can in fact stand here unchallenged (Hart 2005: 198). The relevant question in this thesis, on the other hand, is how can we analyse, research and discuss that world in a objective manner? The topic in question will not be measured or quantified directly. We can count sovereign states, measure their interaction in trade, wars, cooperation and so forth, but what will such statistic really give us? At best a raw data that would have to be turned into sensible information with interpretation. Quantitative methods do have its place and time, with out question, but that method is only suitable here as a data source.

The so called 'real world' can in fact be there, as far as one can tell, and will continue to be as it is 'independent' of how one thinks or talks about it. But how is it? How is this real world and how can it be understood if not through words and interpretation? The positivist Karl Popper has argued for his own variation of the general theory and called it 'rationalist

epistemology'. He states that knowledge springs from the mental activity of solving problems and that the process of selecting problems to solve is not at all value-free (Hart 2005: 205). The mere process of selecting a topic to discuss is an interpretation of that so called 'real world' and how it actually is. This is why it is necessary to turn directly to the interpretative method to conduct an analysis of this kind, and except the fact that a 'value-free' method in social science does not apply to a thesis of this kind.

Although the method is not 'value-free' it does not follow that 'anything goes'. Social science has developed methods and rules to guide the researcher to distance himself from his subject and to conduct the research in an ethical manner. The conclusion of the investigation, along with all its findings and method, is made public for others to judge and reevaluate. A biased research will not survive the rigorous criticism of the field and the so-called scientist will not be able to hold his head up high. In that sense all researches in social science are falsifiable. The internal logic of the field will get rid of the garbage and favour the work well done.

Since this is not a thesis on epistemology and the nature of knowledge, the history of scientific methodology will not be traced any further than is absolutely necessary for the study. It is worth pointing out that metaphysical and epistemological debates are thriving as never before in the current IR literature. Alexander Wendt, e.g. devoted a quarter of his highly praised book, *Social Theory of International Politics* (1999), on methodology, epistemology and the nature of social science. A short thesis, like this one, is no place for such detailed discussions on theoretical principles, and so references to such literature will only be made to support my method and findings when that is needed.

2.2 International relations

The IR discipline is, in the narrow sense, a study of relations between nations where the sovereign state is the grounding principle and the key topic of study. This narrow sense provides the general framework but that is where the story ends. The international arena is crowded with agents who do not fit the criteria of the sovereign state but are nevertheless active participants in the international system and this is a topic of study in the discipline. These agents include IGO's such as the United Nations (UN), and the International Monetary Fund (IMF), regional organizations like the EU, NGO's such as the Red Cross and MNC's such as ExxonMobil and Apple. The list of important actors and acronyms goes on and on and reveals the complex nature of IR as a multidisciplinary subject area. The study covers a

variety of issues such as political integration of sovereign states, legal authority of supranational organizations, economical power of MNC's over states, ecological security risks and social equality or the lack thereof. This list is far from exhaustive. The point here is that IR is a broad discipline with wide view of the international system and the activity among actors in that field. The term international relations, is only a general description of this complex study field (Sutch and Elias 2007: 2).

This introduction is necessary to narrow down the study in question and to demonstrate the broad view of the field. Sovereignty can mean a different thing to a legal scholar studying legal implications of international treaty, or an ecologist studying the effect that global warming has on the sovereign state. In the former sense a strict literal meaning can be applied while in the latter a controversial nature of the concept is revealed when looked at from the level of the atmosphere. State borders are, e.g. defined and negotiated in legal terms between sovereign states but hardly visible or even relevant to the ecologist, let alone to the ecological system. The same can be said about state citizenship, political systems, sovereignty or even the state itself. None of these things are visible to the human eye and are thus a subject to some kind of construction or agreement between active agents in the system i.e. theorizing and politics.

The main schools of IR theory are realism, liberalism and social constructivism. These schools, although sometimes dressed up in newer versions or labelled with new or different names (neo-realism, neo-liberalism, and the English school) and divided into different subdivisions, they portray a fundamental different view on the nature of the state and the state system. This is necessary to account for these schools and to be aware of their importance in shaping the overall view of scholars and their level of analysis.

Realism assumes that individuals are selfish beings that rely on themselves and 'self-help' and so does the state that these selfish individuals form. The formation of the state takes place in 'state of nature' where 'anarchy' or chaos is the only rule. The purpose, of the formation of the state, is the security of the individuals and therefore the security of the state. Realism has its roots in classical political philosophy where Thomas Hobbes (1588-1679) stand out as a major thinker and a solid point of reference with his analysis of the state of nature and the emergence of the Leviathan as the guardian of peace and the ultimate sovereign (Hobbes and Macpherson 1968). Classical realists, like Hans Morgenthau, stress the rationality of the state and the never ending struggle for power, security and balance of power,

while later thinkers (neo-realist) like Kenneth Waltz and John Mearsheimer stress the structural importance of the international state system (Mingst 2008: 63-68).

The realist school appears in the aftermath of the WWII when writers such as Morgenthau and E. H. Carr turned against the idealist, or utopian, thinking of the inter war period which was manifested in the complete failure of the League of Nations to prevent the outbreak of another world war. They saw themselves as 'no-nonsense' thinkers by turning the attention to the analysis of state power as the embodiment of state interests. All other issues, such as the influence of the economy and international organizations, become secondary to the study of power politics and the balance of power. The school became the dominant theory of IR and a baseline of foreign policy in the victorious and powerful US who had sheltered many prominent thinkers defecting the warring Europe (Guzzini 1998: ix).

Liberalism has its origin in the enlightenment of the eighteenth century with thinkers like John Locke (1632-1704), Jean Jacques Rousseau (1712-1778) and Immanuel Kant (1724-1804). Human rationality and cooperation are the foundation of the state system and all international institutions, and the purpose of the system is to secure freedom and peace. Anarchy is also a defining factor in liberal theory, as in realism, but the difference is that liberals claim that human rationality is a stronger force and that its aim is to create order instead of chaos. Free trade, human rights and democracy are important normative tools to eliminate war and human misery. A strong argument for this statement is the fact that democratic states have not yet entered in war with each other (Doyle 1983).

Neo-liberal insitutionalist thinkers like Robert O. Keohane and Joseph S. Nye also point to the rationality of the state and the anarchic environment of the state system as a given but they stress the existence and influence of non-state actors in the interdependent international system. Economical benefits of cooperation through institutions, organizations on international and supranational level must be taken into account, in their view, when explaining international politics and the nature of the state system. Development in the state system, e.g., pooled sovereignty like in the EU, can be explained with economical reasons rather than ideological ones, i.e. it is more inexpensive to cooperate and pool sovereignty than to work alone and protect sovereignty (Mingst 2008: 59-63). The impact of globalization in the form of interdependence is driving state to cooperation on various issues like trade, security and law. The effect of cooperation is more cooperation that is explained by the 'spillover effect', a term coined by neo-functionalists (Eilstrup-Sangiovanni 2006: 94).

The normative theory, cosmopolitanism, that human rights shall be universal and a higher principle than state sovereignty has its roots in liberalism and especially in Kant's

famous 'Perpetual Peace' essay from 1795 (Kant 2005), as will be shown in more detail below. Normative principles are at the heart of classical liberalism and what distinguish it from classical realism, speaking in broad terms. The neo-neo synthesis of realism and liberalism into one comprehensive theory of IR, where realism focuses on security and power (high politics) and liberalism focuses on economy and institutions (low politics), has been strongly criticized for blocking out important social and ecological issues from IR (Wæver 1996).

Social constructivism on the other hand is not a traditional rational theory and rejects the notion that political reality can be explained with one comprehensive theory. To them, and to other thinkers in the critical strand, there is no such thing as value free theory and all knowledge is socially constructed. That being said, the general theory is that elite beliefs, identity and social norms are key factors in the international state system. Alexander Wendt and Ted Hopf both reject realist theory of balance of power on the ground that it is not material, or weapons, that determines relations among states but ideas, interests and structures (Mingst 2008: 72-75). In other words, the United States (US) does not regard Canadian armament in the same light as Iranian armament. The subject is the same but the relations are different. The perception, or identity, is the defining factor, not the armament itself. In that sense Wendt can say, "anarchy is what states make of if it" (Wendt 1992). In this sense he is not denying the existing of anarchy in itself as a theoretical concept or its importance in the theoretical discussion. His point is that 'anarchy' is an idea and as such a social construction like all ideas. Some ideas are so strong that they have the status of 'truth' or 'fact' or what he calls 'inter-subjective beliefs' (Wendt 1999: 385). Anarchy is one of those ideas and so is the concept of power. What Wendt gains from this kind of thinking is the notion that the system is not made up of some universal truths that can only be seen in one narrow way but rather that the system must be seen as man-made, or artificial, and therefore ideas and identities matters when it comes to explaining and understanding international politics and international relations.

Although IR enjoys a rainbow of theories in its arsenal these three; realism, liberalism and constructivism, form the backbone of the field and are the general point of reference in the theoretical debate in this dissertation.

3. Sovereignty

3.1 Origin of sovereignty

The classical narrative in IR, found in every basic textbook of the discipline, is that the sovereign system replaced the pre-modern medieval system of kings, princes and nobles who reigned in a hegemonic system under the supervision of the Pope in Rome and the Holy Roman Empire. As a result of the Renaissance, the Reformation and the rejection of Habsburger's hunger for power, Europe broke out in overall war that lasted thirty years from 1618 to 1648, making it the longest running war in European history. The war itself, the Thirty Years War, is traditionally seen as a prelude to the inception of modernity and the peace agreement in Westphalia, in 1648, as the birth of the modern international system and as such the starting point of IR (Sutch and Elias 2007). The concept sovereignty became the defining principle of the state in the Westphalia treaty and what it meant at that time was that:

- Cuius regio, eius religio (the one who rules, selects the religion). This Latin phrase was first legalized in the peace of Augsburg in 1555 but became a general rule of the sovereign system and ended the religious wars between states in Europe.
- Autonomy. The ruler had rights to make law for its subjects and enforce them. The sovereign was a subject to no one except God and the law of nature. No superior arbiter had authority in relations among states. The ruler, was though, bound by treaties he signed with other sovereign rulers and promises he made to his own people.
- Territory. These exclusive rights were bound to a given territory (Mingst 2008: 24).

These central principles of sovereignty that emerges after the peace of Westphalia dominated all interstate relations in Europe up to the American and the French revolutions in the 18th century, during which time the sovereign states became more powerful and centralized with standing armies, taxation and secular rule. Formation of national identity, interests and economical makeup grew ever stronger as the most powerful states of the continent fought each other over influence and alliances. Western Europe took side with capitalism, in the

spirit of Adam Smith (1723-1790), with emergence of large private companies, banks and colonialism while Eastern Europe reverted to feudal practices. The effect of the popular revolutions in America (1776) and France (1789) on sovereignty were two fold:

- Legitimacy. The sovereign authority was transferred from political leaders to the people in accordance with philosophical theories of thinkers like Johan Locke (1632-1704) and Jean Jaques Rousseau (1712-1778) who argued that the state was the creation of free men and therefor they should themselves be trusted for its control.
- Nationalism. Nationalistic sentiments were the driving forces behind rallying thousands of men to fight the standing army of the elite (in France) and the foreign power (in America). Here the nation state enters the story (Mingst 2008: 26).

These two elements had great effect on the sovereign state system, as we will describe in more detail below, and made it applicable and desirable for people around the globe as later turned out to be. The state does now get its legitimacy from its citizens, but then the question arises; who are these citizens? What is a nation? What came first, the nation or the state? In classical social science there are two competing theories on the origin of the nation. Naturalism, first put forward by Gottfried von Herder (1744-1803), is the theory that nations are natural phenomena, created by the interplay of humans, nature and language. The other theory, voluntarism or modernism, is traced back to Ernest Renan (1823-1892) who stated that ethnicity, language, religion, territory or common interests are too weak evidence to define a nation in a scientific manner. People voluntarily choose their nationality. The only plausible way to define a nation is through the folklore of the nation which is shared by the people. The creation and preservation of the folklore is on the other hand linked to power and control. In this sense historians play a double side by turning folklore into scientific fact, which is in fact a creation of a 'myth' (Hálfðanarson 2001: 17-18). Current scholars have in general accepted the notion that nations are created and that nationalism is the result of French revolution but they differ in their view on what that entails as we shall see below.

The 19th century saw a further development of the sovereign system with deepening of cooperation between the European powers through active 'diplomacy' and 'balance of power'. These two institutions were the main reasons for the relative peaceful period that lasted from the end of the Napoleon Wars in 1815 until the outbreak of the First World War (WWI) in 1914. The so-called Concert of Europe, an informal network of cooperation among

European states through diplomatic relations in the 19th century, did not change the definition of sovereignty but can be seen as an attempt to harness the beast of war and to manage interstate relations in the ungoverned arena in between states. Its triumphs were, among others, the unification of Italy in 1870 and Germany in 1871.

Colonization and imperialism thrived in the 19th century and under the Concert of Europe, Africa was neatly divided between the imperial powers and Asia had its share of imperial rule. In that sense the sovereign system now covered the globe. Western influence reached all the continents and most regions of the world as industrialization and global trade thrived under this new system. Still dark clouds were piling up ahead and in 1914 peace came to an end and the 'second Thirty Years War' was a fact. The reason for the outbreak of WWI in 1914 were a combination of many different things such as nationalism in the Austro-Hungarian Empire and Germany dissatisfaction with its diplomatic status in Europe. It was clear that the balance of power system had come to an end and that the informal Concert of Europe did not manage to resolve differences between the sovereign states. What was thought to be a short and decisive war turned out to last for four years and claim the lives of close to ten million soldiers and civilians were modern technology was used for the first time in large scale warfare with devastating effect (Mingst 2008: 26-34).

The interwar period that followed was marked by attempts to prevent future instances of this kind. Symbolically it was the American president Woodrow Wilson who in 1918 laid down the foundations for the peace agreement with his 'Fourteen Points' speech in the US Congress in January that year (Best 2008: 36). Power and influence in international matters were slowly moving across the Atlantic to the new world in the former colonies of the European powers. His main points were to respect the sovereign state system; encourage self-determination of nations in their own states; revert from secrecy to open diplomacy and finally he proposed an intergovernmental organization that would prevent all future wars. The League of Nations was established in 1919 in the spirit of his vision but with out the new emerging power and a new key player in the international arena, the United States. That fact undermined the organization from the very beginning but its importance should not be downgraded. The League of Nations is the first intergovernmental organization in history designed to prevent war and to manage interstate disputes. As shall be shown in more detail below the institutionalization and regulation of the international arena and interstate activity is a ground-breaking event or a process in the transformation of the sovereign system. Wilson's emphasis on self-determination of nations was also instrumental in the breakup of the old empires and formation of new sovereign states and later in the process of decolonization. In

this atmosphere Iceland became sovereign in 1918 along with number of other European states (Best 2008: 32-54).

The process of establishing an organization capable of preventing war was though far from complete. The League of Nations was too weak to fulfil its goal of preventing war and after number of smaller wars in Asia and Africa, Europe was drawn into war in 1939. The Second World War (WWII) lasted until 1945 and again modern technology was used too its fullest with the result that up to 50 million people lost their lives in the deadliest conflict in history that ended with a nuclear holocaust (Best 2008: 188-213). However this is not the venue to tell the story of the great world wars, the mission is to focus on the concept sovereignty, its use and development, and the result of WWII turned out to be instrumental in that transformation. Before the war ended the leaders of the new emerging world powers, Joseph Stalin the Premier Soviet Union and Franklin Roosevelt President the US, sat down with the leader of the fading world power, Winston Churchill the Prime Minister of the United Kingdom (UK), to discuss the need for a set of new international organizations to promote collective security, now with the full participation of the US. At the Bretton Woods conference in July 1944, forty-four nations agreed on economical cooperation through two new organizations; the International Monetary Found (IMF) and the International Bank for Reconstruction and Development (or the World Bank), and in October that same year, thirty-nine countries met in Washington and agreed on the formation of the United Nations (UN) an organization that would replace the League of Nations (Best 2008: 208). The fundamental structure of international cooperation, as we still know it today, through a set of organizations, was now in place.

3.2 Westphalia sovereignty as modernity

As we saw in previous chapter the origin of the sovereignty system is so carefully intertwined with the formation of the modern state that one can hardly tell them apart. That said it does not mean that the two things are one and the same. It would be a problem to find a modern state that is not in some sense sovereign or a fully sovereign state that has not gone through some form of modernization (Giddens 2000: 93). Concepts that are so intertwined with history, as sovereignty is, must be analysed in regard to historical change, and so must other concepts as well that are being used to clear the meaning of sovereignty. The concept 'modern' or 'modernization' has been used through history to describe the endless cycle of departing from the old and embracing the new. The problem with the concept is also its

strength; the renewability. One can talk about the Neolithic Revolution in 10.000 BP as the first revolution in modernizing old work habits of hunting and gathering to organized agriculture, and one can use the same concept to explain the effect of the Industrial Revolution in the 18th century. In the history of sovereignty it is necessary to pinpoint the meaning of the concept to make it useful here.

Robert F. Cooper has classified sovereign states into three categories according to their state of development as 'pre-modern', 'modern' and 'post-modern' (Robert Cooper (1996) in Shaw 2001: 131). According to Cooper the 'western states' are now fully integrated in the transnational western and global power, as 'post-modern' states, e.g. that they do not fight war among each other and act together (NATO) when fighting other state forms, and they de facto control the global economical institutions. The 'modern' state is e.g. Russia, Brazil, China, India and Iran. These states fulfil the classical criteria of the modern national state e.g. they are fully independent and functional but not fully integrated in the global economical and political structure and are not integrated in the military power. They do use military power amongst them self's but do not stand up to the 'post-modern' state and the global power. That tension is nevertheless there and it is in this point that the real threat to the total domination of the emerging 'global state' can be found. The third group, the 'pre-modern', are states that do not reach the level of stable national state. They do function in name but barely in fact. Armed conflicts, warlordism, gangsterism and civil wars are norms, creating a pressure on the global power to act as a police.

This variation of sovereign states reflects the history of the sovereign system itself. The 'pre-modern' states stand for the period up to 1648, the 'modern' states stand for the period from 1648 to 1945, and finally do the 'post-modern' states stand for the period after 1945. When defined in this way one can talk about modernization as the period when the modern state emerges as fully sovereign entity defined by territory and authority in 1648 and who fully incorporated the effect of the American and the France Revolutions in the 18th century of popular legitimacy and national identity. The development of sovereignty since 1945, which will be discussed below, can then be looked at under another banner, 'post-modern', to fully comprehend and appreciate the transformation of the system. This terminology stresses the process of history and the constant evolvement of the sovereignty system over time. Without this terminology the concept modernization could as well been used to describe another process that will be looked at in more detail below, namely globalization.

The fundamental historical development of the sovereignty system has now been established and the historical period has also been particularized into three parts, pre-modern, modern and post-modern (which represents the period after WWII). Now it is possible to move on to the theoretical debate on sovereignty to clarify in more detail what the concept means today in the post-modern period.

Stephen D. Krasner's book, *Sovereignty: Organized Hypocrisy* (1999), has become a baseline in the current academic debate on the subject. Krasner divides sovereignty into four divisions: domestic sovereignty (the authority structure of the state to regulate behaviour inside its borders), interdependence sovereignty (the ability of the state to control movement across its borders), international legal sovereignty (mutual recognition of other states as independent territorial entities with rights to enter into voluntary contractual agreements) and Westphalia sovereignty (the exclusion of external source of authority inside the state both de jure and de facto, and hence the rule of non-intervention) (1999: 9). Krasner also states "these four meanings of sovereignty are neither logically nor empirically linked in some organic whole" (Krasner 2001: 233). What that means is that state can, in his view, have international legal sovereignty and be recognized as such by other sovereign states but still be unable to uphold its interdependence sovereignty and control cross borders activity or even to enforce its authority inside its borders under the domestic sovereignty. Such a state is sovereign only in name and in Krasner's terminology a 'failed state'. Rules, institutions and practices of sovereignty are not one whole but a collection of things or "a basket of goods" (Krasner 2001: 233).

Krasner's study focuses mainly on Westphalia sovereignty and international legal sovereignty in that order and it's these two categories that are subject to organized hypocrisy. His argument is that rules and norms in the state system are broken, willingly (invitation) or unwillingly (intervention), by the states (or by the 'rulers' to use Krasner's language). This behaviour, to act in opposition to rules and norms, is the hypocrisy and since its so widespread and accepted behaviour in the system that the exception becomes the norm, in other words, it's organized. Krasner defines the behaviour of the states with 'logic of appropriateness' versus 'logic of consequences' (1999: 6). It is appropriate to act and behave in according to rules and norms but the result, or consequent of that behaviour, can or cannot be in the interest of the state in question. When states act out of their interests but not according to rules and norms the logic of consequences trumps the logic of appropriateness. Not all states can act in their own interests and not think about rules and norms. Only the most powerful states have that luxury.

Krasner's work is a historical analysis of the Westphalia system and the focus is on how the hypocrisy has become organized. He puts forward many historical examples for his case on variety of issues such as religious and humanitarian rights, sovereign debts, war, and minority rights. In all of his cases he comes to the conclusion that the Westphalia system is not a simple 'game of chess' with strict system of rules (legislative) but a system where authority is a key concept (Krasner 1999: 220). The Westphalia system has no central high authority. Treaties and contracts may bind states on certain issues but it's up to individual states to force them into action. This is what Krasner calls 'modality of compromise' (1999: 27). States, willingly, make 'contract' and 'convention' or are forced, unwillingly, into 'coercion' and 'imposition'. All (fully) sovereign states have authority to make legally binding treaties but only the most powerful ones have a real authority to force them into action or ignore them altogether. This fact makes small states keen to the idea of international central high authority and explains why superpowers do not care. What is the problem when you can have the cake and eat it too?

It is in this point where the question of power enters the debate on sovereignty. Is power a part of the concept of sovereignty, that is, does the state need power to enforce its sovereignty or is sovereignty some kind of sacred right that holds power in itself? Krasner's theory of organized hypocrisy seems to answer this question decisively, he really boils the international system down to a simple power game where interests and consequences trump international law and convention i.e. appropriateness.

Krasner's theory of sovereignty as an institution of organized hypocrisy is a traditional realism in the sense that power is a key factor in protecting the state from external threats and that international law do not, in them self, hold any power to replace the anarchy in the international system. In his view Westphalia sovereignty is a definition of an independent legal entity that does not recognize any foreign authority inside its borders or any supranational authority for that matter. The sovereign state is, an autonomous both in internal and external matters and in relation to other sovereign states, as long as the state is capable of enforcing its will upon its citizens and upholds its status towards other sovereign states. It is also realistic in the sense that it focuses on high-politics, security and balance of power, but does not stress the importance of cooperation, interests or identity, in explaining the meaning of sovereignty. In that sense his theory is one sided and blind to normative theorizing which cannot except a system that is based on hypocrisy whether it is organized or not. That being said, Krasner's analysis of the concept is very useful in displaying how multidimensional the concept really is.

As one can see when reading Stephen Krasner there is not a lot of room for supranational authority in his analysis of sovereignty. According to him the Westphalia state is autonomous and does not recognize any international authority, unless the state has freely entered in agreement with that authority legitimating its claim on specific issues. But is that the case? Is there no international authority with legitimate claim over domestic issues of sovereign states? That may have been true up until 1944 but after the foundation of UN, and later with the Universal Declaration of Human Rights that was adopted by the General Assembly of the UN in 1948 (United Nations), a new phase in the history of sovereignty has begun which differ in number of ways with traditional understanding of the concept. In that sense Krasner's theory helps to explain the many dimensions of sovereignty and can still be used as a baseline in discussion on the topic but his vision is limited to the modern period and he does not grasp the fundamental transformation which began in 1944 and is still taking on its future form. Before turning to the transformation of sovereignty it is necessary to examine the concept of sovereignty in more detail.

3.3 Popular sovereignty

The effect of the American and the France revolutions in the 18th century was that sovereign legitimacy was transferred from Kings to people as described in chapter 3.1. This shift in power from aristocratic elitism to popular vote is the foundation of modern and post-modern democracy. The idea was developed and put forward in great detail by the France philosopher Jean-Jaques Rousseau in *The Social Contract* in 1762, preceding the France Revolution in 1789 (Rousseau and Gourevitch 1997). Rousseau wrote in the philosophical tradition on the foundation of the state and human society that reaches back to Plato's *Republic* in 380 BC. Thomas Hobbes, who published *The Leviathan* in 1651, and John Lock, who published *Two Treatises of Government* in 1689, also wrote in this tradition and had extensive and lasting effect on political theory (Jónsson 2004: 9-56).

The core of Rousseau's theory is that human society can never be founded on anything else but agreement among those who live in that society. In his view humans were free and peace loving beings in the state of nature before society developed and spoiled human relations with unequal distribution of power and wealth (Rousseau 2005: 285). In this sense Rousseau is writing in more general terms then both Locke, who focuses on defending property rights against state constitution, and Hobbes, who justifies monopoly of the use of force in the name of peace. Locke did though conclude that humans had natural rights that did

predate both national and international law and was therefore in accordance with Rousseau (Mingst 2008: 310). To Rousseau the fallacy, and the root of the injustice, was to assume that authority and legitimacy was one and the same thing. The ruling elite had used power to implement authority and with that authority they had created an unequal and unjust society. Although the strong one can force you to please him it does not mean that you agree with his will. A thief with a gun can force you to hand over all your belongings but that does not mean that you accept his right to do so. For Rousseau this kind of power can never hold any claim to legitimate authority, on the contrary, such power has much more to do with suppression and slavery than society. The fallacy in Hobbes argument has to do with how the Leviathan turns his power into law. It is only through the means of power that he is able to do so and such law can have no reference to rights or justice of any kind for they rest on intimidation. Popular sovereignty rejects this idea. The source of sovereign authority, the legitimacy of it, springs from the society as a whole not from historical conditioning were tradition and power trumps logic and justice. This is the social contract in a nutshell: Freeborn human beings enter freely into an agreement and on that moment form the sovereign. The whole, the sovereign that is formed on that moment, is the presumption for any agreements or law that bind all men equally together (Rousseau 2004: 77-78).

Rousseau developed the concept 'the general will' to explain in more detail the function of the popular, or democratic, sovereignty. The general will is the collective will of the people forming the sovereign. It is independent and above the will of each individual citizen in that sense that no one can refuse to obey its orders or try to bend the general will to one's own need. The citizens collectively give up their natural right to behave as they please but get the protection of general rules in moral society in return. The general will can therefore not harm its own citizens for he would be hurting himself. In that sense the general will and the citizen are one and the same and the common good of its entire final goal. This twofold relationship is the core of the general will: the individual gives up his own natural right and becomes one with the general will, in return he is protected by general rules that apply equally to all. To ensure that relationship every citizen must pay its due by participating in the decision making process with full sincerity and even sacrifice his own life if the general will demands so. The danger is that the 'will of all' (the electoral) can become corrupt, or not in accordance with 'the general will' (the constitutional) if it is not formed correctly (Rousseau 2004: 76-87). This last point refers to the execution of democracy that lies outside the scope of this dissertation but is worth mentioning here since sovereignty is often confused with democracy.

In simple terms popular sovereignty refers to the rule of the people. But who are the people? When speaking in academic terms the word ‘people’ is an abstract concept referring to rights and should not be confused with ‘nation’, which refers to cultural identity and shared heritage. The nation state is surly generated out of the same historical turmoil as the idea of popular sovereignty but it is worth stressing that the two are not the same thing. People are the source of legitimacy and authority of governments based on ‘image of community over space’ but nation is the source of identity based on an ‘image of community over time’ (Yack 2001: 520). In these terms one can easily distinguish between the two concepts. National identity is developed over time and does change with every generation unlike ‘the people’ who hold the same right as a source of legitimacy and authority regardless of the passing of time. Nationalism is therefor not directly driven from ‘the people’ or popular sovereignty although national sentiments tend to rise with application of popular rights within state borders. Identity formation can have various sources of inspiration with political struggle being just one of them.

This differentiation between the nation and the people is though not always as simple as Yack states (2001). In the US, e.g. popular sovereignty has gained a special status in the national discourse through the Constitution, which is seen as a ‘sacred text’ and the embodiment of the rule of law versus the rule of men (Kahn 2000: 3). The discourse centres on the question whether governmental legal actions are in accordance with the sacred text or not and hence in accordance with popular sovereignty. The Constitution is seen as a defence for public rights against governmental authority, which is the right of ‘the people’ not the individual (Kahn 2000: 5). This American nationalism, which Paul W. Kahn calls a ‘civic religion’, is so strong that the idea that Americans would yield to foreign or international law or institution is ‘almost unimaginable’ for it would break the connection between sovereignty and law. The reason, in his view, is that the American political identity is so strongly embedded in the understanding of popular sovereignty and the civic religion of the rule of law. Next chapter will deal with this issue in more detail.

This point is of vital importance for the transformation of the sovereignty system since the US is by far the most powerful state whether one looks at military capability, economical might or political influence. In this sense the US is a hegemonic power. One can hardly talk about a transformation of a system with out the participation of the key player. This fact was evident in the failure of the League of Nations to live up to its goal of world peace. It may not have been the only reason for its failure but when the US refused to be a part of the organization it showed a lack of political credibility. That being said it is worth remembering

that the system did change with the foundation of the UN few years later where the US became a founding member. It became clear that the problem was not going to go away even if the key player tried to look the other way.

The key concept for this dissertation, concerning popular sovereignty, is that of rights. Popular sovereignty is founded on presumptions of freedom and equality, as do human rights, and it is largely around that issue that the debate on the transformation of sovereignty rests, as will be made clear in more detail below. The debate on universal human rights centres on the question of legitimacy of international law versus domestic law and this tension between domestic law and international law is the question of sovereignty and how that concept is defined and understood. To be better able to understand this tension we shall now turn to negative and positive conception of sovereignty, a twofold distinction which depicts the classical understanding of sovereignty, as negative, and the current trend towards deeper cooperation among states, interdependence, international law, human rights and global governance, as positive.

3.4 Negative and positive conception of sovereignty

One of the key problems with sovereignty is that the concept defines both the domestic and the international order of the state system and that each field uses its conception of sovereignty to define and control the other. The Westphalia system was focused on domestic issues, the right to rule and the principle of non-intervention, and as such formulated international law around those principles. “Contemporary assertions of sovereignty are as likely to focus on a right to participate in transnational regimes as on a right of self-determination” (Kahn 2004: 259). This contemporary trend in international relations is therefore shaping the domestic field. This duality of the concept and its consequences are best visible in relation to international law and human right issues.

Paul W. Kahn borrows the distinction between a negative and a positive liberty from Isaiah Berlin on the ground that liberty is a problem regarding both the political community and the individual and that the same can be said about sovereignty (Kahn 2004: 260). The origin of sovereignty was to define boundaries and borders and to reject any intervention from the outside, in a negative sense. The question was who or what is the sovereign? This ontological question is negative in the sense that it does not “point to any particular definition of the sovereign subject, such as an ethnic group, territorial region, or historical actor” (Kahn 2004: 261). Those issues depend on positive understanding of sovereignty. In simple terms

the negative sovereign asks to be left alone while the positive sovereign asks “who am I?” “Negative liberty insists that there is a self; positive liberty tells us the content of that self. The same is true of sovereignty.” (Kahn 2004: 261).

The Westphalia system is founded on this negative understanding but the revolutions in America and France were fought on the positive understanding of ‘self-formation’ of the people. The nation-state is the product of these revolutions and as a result all modern and post-modern states are ‘people’s republic’, formed around this revolutionary self-formation and replacing the Westphalia system. It is here that the complex question of identity enters the scene. Identity becomes an issue after the borders have been secured. Woodrow Wilson was speaking on this issue when he gave his ‘Fourteen Points’ speech to Congress in 1918 where he endorsed the principle of ‘self-determination’ (Kahn 2004: 262). What this means is that the nation-state is founded on different principles than the Westphalia state. The nation-state is formed on the principle of individual rights and a collective identification with the state, whether that identification precedes or succeeds the formation of the state, as described in chapter 3.1. But what that means is also contested. Does it mean that human rights are universal and that state intervention on the grounds of violation against them is justifiable or even a moral obligation? That would mean that the foundation of international law is no longer based on negative understanding of sovereignty. Many scholars are not willing to go that far and Stephen Krasner is obviously one of them.

The intersection between the two, the negative and the positive sovereignty, is though not as sharp as one would assume. The positive did not replace the negative in an instance with the foundation of the UN but one can say that this conception helps to explain a trend that is still in the making. In that sense the sovereign system is a tool that stabilizes the act of war and makes it a matter of law. This notion is the rationalization for the realists view that law do not stand in the way of war and therefore the system is still anarchical (Kahn 2004: 263).

The project of the UN Charter was to match negative and positive sovereignty to end the use of force as a political tool and to turn to law instead. Decolonization in the post WWII era was a part of that project. The result was though that negative sovereignty did survive and created “a domain in which differences are enabled. [...] A regime of negative sovereignty creates political conditions that are in tension with, if not in violation of, its own normative conception. As a juridical concept, it has always protected positive sovereignty as a military and political reality. It still does (Kahn 2004: 264).” The disappointment with the current

system is that “[p]reserving negative sovereignty through law is not the answer to the war system, but yet another form of its expression (Kahn 2004: 264).”

This duality of the sovereign state system is well visible in the American political discourse on international law and popular sovereignty. Prominent scholars and politicians on the right wing of the American political spectrum have written extensively on how international and domestic law are incompatible since the former has no place in popular sovereignty. John Bolton, the US ambassador to the UN in 2005 and 2006, even went so far as to say that “making “international law” [is] a contradiction in terms” (Goodhart and Taninchev 2011: 1049). As stated above popular sovereignty is understood as the rule of the people and since international law do not spring from the domestic democratic institutions they can not have any value for the people or bind them in any way. But can this really be the case? If a government which is democratically elected signings a binding international treaty that must be an expression of the will of the people. By rejecting the legality of such a treaty one must be referring to some constitutional limitation rather than to limits of popular sovereignty. Rousseau’s general will, the foundation for the legitimacy of authority, is not limited to any special kind of legislation so international law cannot be invalid on that account, and in fact the same must be true of constitutional law. A constitution is in principle a code of law that rests on the same legitimacy as any other law, namely the general will. The view that a constitution is some kind of sacred text that cannot be altered does contradict the principle idea of popular sovereignty that the legitimacy of law rests on the general will of the people.

The other problem addressed in this chapter concerns the balance between individual rights, or human rights, versus sovereign rights of nations. Ever since the Declaration of Human Rights was ratified by the UN in 1948 the sovereign state system has been faced with this problem of who to reconcile human rights with sovereignty and the rule of non-intervention. The resent evolvement of that issue will be the subject of the next chapter on post-modern sovereignty.

3.5 Post-modern sovereignty

A great majority of scholars who write on post-modern sovereignty come from classical liberalism and the more recent trend of constructivism. Many of them refer to Immanuel Kant, and his famous essay Perpetual Peace where he put forward his idea of cosmopolitan law, as the classical idea of cosmopolitanism. One of them is Garrett Wallace Brown who argues that

Kant was highly critical of the Treaty of Westphalia and saw it as a legitimation of Hobbesian 'state of war' where the 'absolute' power of the state would not guarantee peace but justify and regulate war (Brown 2005: 498). In Brown's view Kant is arguing for federation of states who agree on international law protecting public rights, regardless of nationality, and everlasting peace. Brown rejects the interpretation that Kant is arguing for the abandonment of the state like many scholars, ranging from Hegel to Bull, have accused him of. For him Kant is merely rejecting the idea of the sovereign state having absolute rights. Individuals, as well as states, have sovereign rights that should be protected. He admits that sovereign states have the right to self defence and that states are the centre of the international system but the system should be controlled by universal law not by universal government (Brown 2005: 499). Here we have the heart of the post-modern sovereignty theory; universal or international law should be superior to state 'absolute' sovereign rights and the rule of non intervention should not be the centre of the system for it does not recognize the individuals as sovereign or having universal rights.

As was stated in chapter 3.2 it is useful to divide the historical development of sovereignty to fully understand and appreciate the transformation of the system. The post-modern era, according to the terminology used here, commence with the foundation of the UN in 1945, the Bretton Woods agreement in 1944, the end of WWII in 1945 and last but not least with the Declaration of Human Rights adopted by the General Assembly of the UN in 1948. The foundation of the U. N., on the remains of its forerunner The League of Nations, is the first global institution who manages to take on the challenge of bringing all the sovereign states in the world together in order to maintain global peace (United Nations n.d.a). The event is a historical one with out a doubt, and made possible by the sovereign states and the sovereign state system but it is also transformational event because for the first time in history an international organization is given a status above the sovereign states when judging on the legality of their action. This last point is of course, and rightly so, contested by many scholars and politicians although the event is generally accepted as an historical one. What is contested is the degree of authority granted to the institutions and, since they are run by state officials or state representatives, and one could ask if the institutions could really be seen as independent or above the sovereign states? A true realist, like Krasner, would say that is it more appropriate to see these institutions as an extension of the sovereign state system, where realpolitik is still a vital part in their operation and state officials are controlling their behaviour and action. A liberal intergovernmentalist, like Moravcsik, would on the other hand point to the fact that state officials sign treaties and form organizations to regulate the

behaviour of the state and to contain what state officials can do in the name of sovereignty. In other words, state officials see the value in regulated cooperation and on that ground they are willing to make compromises on the autonomy of sovereignty (Moravcsik 2000).

As will be shown below it is true up to a point that the post-modern institutions are highly dependent on the sovereign states e.g. in their founding and implementation of their rulings. But does that fact mitigate the real value or the influence and power this institution have and the role they play in the international arena? This debate will be depicted in more detail in later chapters.

In no other institutions is the transformational element more visible than in the Declaration of Human Rights. There, for the first time in history, human beings are granted universal rights, that cannot be compromised by individuals, organizations or states. Individuals are in fact granted sovereignty, or absolute rights, in their own matters and in that understanding individual sovereignty trumps the sovereignty of states.

The implementation of these rights granted in 1948 has been gradual since then. The International Criminal Court (ICC) was established in 2002 based on the Rome Statute from 1998 where 120 sovereign states agreed to found a permanent and an independent institution, which could prosecute, and sentence war criminals for crimes against humanity based on the Declaration from 1948. Up to that point war criminals and state officials had been brought to justice by temporary institutions such as the Nuremberg Military Tribunal after the WWII and the International Criminal Tribunal after the wars in Yugoslavia and Rwanda (ICC n.d.). It can be argued that the Cold War delayed the formal development of the system but despite obstacles and disagreement among state officials over a period of time the trend remains the same. Human rights have become an expected factor of the sovereign state system, a factor that truly transforms the system and justifies the term post-modern sovereignty.

Another milestone in that development was laid down by the United Nations World Summit in 2005 which defined a new rule or a norm that would enable international institutions, organizations and states to act when states fail to protect their own citizens or even attack them (United Nations, 2005). The rule is called the 'Responsibility to Protect' (R2P) and was applied for the first time in United Nations Security Council Resolution 1973, issued on 17 March 2011, to authorize Member States to use force to protect the Libyan people since the Libyan regime had failed to fulfil its responsibility to do so (UN Security Council, 2011).

Again the trend is to reinforce human rights through international organizations and international law, which restrict the behaviour of sovereign states. In a strict sense R2P is not a new rule of law but a norm that defines how existing laws on human right and state intervention should be applied. The main contribution of the R2P report from 2001 is to define sovereignty as a responsibility rather than as control (International Commission on Intervention and State Sovereignty 2001: 13). What that means is that states and state officials are accountable to their own citizens and to the international community for their “acts of commission and omission” to protect the safety, lives and promotion of welfare of their citizens. By signing the UN Charter states are accepted as a “responsible member of the community of nations” and at the same time accept the “responsibility of membership flowing from that signature”. The authors of the report stress that state sovereignty is not being transferred or diluted in any way by this action only that “there is a necessary re-characterization involved: from sovereignty as control to sovereignty as responsibility in both internal functions and external duties” of the sovereign state (International Commission on Intervention and State Sovereignty 2001: 13).

The R2P report, issued by the International Commission on Intervention and State Sovereignty (ICISS) a Canadian sponsored initiative, was a originally a replay to U. N. Secretary-General Kofi Annan plea on how to reconcile humanitarian intervention and state sovereignty following the Rwanda and Srebrenica disasters where the international community stood numb on the side-line while defenceless people were being slaughtered in ethnic cleansing (International Commission on Intervention and State Sovereignty 2001: VII). The report has since then been ratified both by the Security Council in resolution 1674 from 2006 and by the General Assembly in resolution 63/308 from 2009, giving it a formal status in the UN lexicon (UN Security Council, 2006; UN General Assembly, 2009).

This redefinition of sovereignty as responsibility can be seen as an answer to the problem defined by Paul W. Kahn where he used positive and negative understanding of sovereignty to demonstrate the impotence of the UN Charter to deal with war (see chapter 3.4.). The positive understanding of sovereignty was the result of the popular revolutions in the 18th century which gave birth to the nation state and granted the people the ultimate power over their own destination but the negative understanding of sovereignty was the heritage of the Westphalia system where the state came first without any reference to the people. This difference of understanding was built into the UN Charter making the organization weaker than was originally intended. With this new conception a new element is added to the sovereignty equation; on one side of the equation the state is granted rights to act

on behalf of its people and on the other side it is made responsible for the welfare of that same people it is founded on. Finally it looks like the equation is in balance and the transformation of the sovereignty system an undeniable fact.

4. Globalization

4.1 Globalization defined

For the last twenty years globalization has been a kind of a buzzword in international politics, as well as in the media and the public discourse all over the world, although the concept has a longer history and is in itself not a new thing. Humans have trotted the globe for centuries bringing with them things and costumes to leave behind and brought back home new things and costumes that have changed their behaviour forever. In that sense humans are a global species. If the concept is used in such a broad way it loses all meaning and becomes useless in any meaningful discussion. The concept can also stand for interaction and lasting connections between us globetrotters and in that sense globalization was well under way as early as the sixteenth-century when Europeans had expanded their commercial activity to all continents. That definition is also too broad to grasp the escalating process of interaction, connectivity and dependency of the late twentieth-century and at the beginning of the twenty-first century. To be able to use the concept properly a much finer definition is needed.

The manifestation of globalization can for example be seen in the growing interconnectedness and interdependencies of sovereign states in the “society of states” (Bull 2002); growing influence of governmental organization’s, NGO’s, MNC’s and regimes of various type and interests; growing influence of, and revolutionary pace of, technological innovation and scientific mastery on unprecedented scale; growing influence of global trade and growing power of a global monetary system; changing perception of national security, new threats and growing influence of defence alliances and the Security Council; growing influence of humanitarian issues and human rights; growing awareness of ecological issues and, last but not least, growing influence of international law and treaties. All of these issues cross state borders, jurisdiction, autonomy and sovereignty in various ways on every day. Put under one hat, globalization, these growing trends of interconnectedness and interdependency can be analysed collectively as a force that is driving change.

Globalization is a given factor in this thesis, that is, globalization is used to explain transformation of sovereignty. One can debate what globalization really is and how to define the concept but that debate is not a key point in the analysis of the transformation of the

system. Although globalization is debated, the concept is that well known and so much used in the IR literature that it can be accepted as a general fact describing the evolving reality of the late twentieth century onward. The concept will though be defined here below and put into context with sovereignty but it is not the subject of this essay to trace or analyse the complete history of globalization and the theoretical debate on the matter.

In his book *Globalization, A Critical Introduction*, Jan Aart Scholte argues that over the last few decades globalization has been ill defined and misused concept were old ideas on the nature of the international community are dressed up in this new concept. He rejects connecting globalization with these old concepts, such as internationalization, liberalization, universalization and westernization, and the theories that follow them (Scholte 2005: 54). For him these concepts are too much based on narrow understanding of trade and cooperation and are prone to old imperialistic ideas that do not grasp the transformational element of the current era. The concept must incorporate this new reality in its definition to be able to explain the effect globalization is having and to able to add new value to the academic field of study.

What really defines globalization today is a new emerging reality in which place and space have in fact been superseded (Scholte 2005: 59-64). The world has become 'supraterritorial' in the sense that the world is a single place and 'transplanetary' in the sense that the world is a single space. Space and place have been a defining factor for interaction and communication among humans as well as states until recently. The location on the globe has been a dominate factor for national identity and dictated how state interact with each other and has played a major role in defining national security and defence and the same can be said about trade and culture. New technology in communication, traveling, shipping and surveillance has now devalued the importance of location. Goods can be shipped directly on the global market in hours instead of months, businesspeople and state officials can attend meetings in different continents on the same day, face to face conversation over the internet is almost free of charge and the flow of information and access to entertainment material is limitless. These examples and countless others show how the perception of time and space has been transformed over the last decades. To use the chronology of this thesis globalization is a concept belonging to the post-modern era. Innovation in technology was an important part of WWII, which ended with an atomic blast in Japan and at the same time beginning the nuclear age. The atomic bomb was the deadliest and most destructive weapon ever built by man but at the same time the result of the biggest and the most expensive scientific project

ever undertaken by man at that time. The impact of the war industry, what D. Eisenhower called the military-industrial complex, on technical development can hardly be measured.

The effect of the transplanetary and supraterritoriality nature of globalization is that a new social space for interaction among humans is emerging. A space that is not bound by the geographical limitation of normal face to face interaction in the social sphere. In traditional understanding of globalization and interaction across the globe the focus was on crossing real territorial distances but today the interaction takes place in a new space that is not bound in any way by territory or geographical location. The new space is beyond or supra territorial (Scholte 2005: 63). Territory is of course still an important factor of spatial interaction but it does not have monopoly in the field anymore. All academic theory and research must take notice of this changing reality of the field of study. Political, economical and in fact all social theory must be revalue since the subject of study is now acting in a new social space. Transplanetary issues such as global warming are ill suited for politicians who focus on ‘their’ territory alone, and the same goes for global economical issues such as a world recession.

Manifestations of globalization can be seen everywhere in society. Clothes and gadgets are designed in one state, produced in other and then sold in the third one. The production line is financed with a loan paid out in a global currency (US Dollar, Euro or Yen) from a bank in yet another state while the multinational corporation responsible for the global brand is registered offshore to avoid territorially bound taxation. The clothes may be used to dress up a soldier who operates a computer in Texas, which controls a drone flying over Afghanistan dropping missiles on enemy targets. However, according to Scholte globalization is not replacing traditional social spaces but merely adding a new level on top of “the regional, the national, the provincial, the local and the built environment” because “[w]hile globality is a discrete concept, it is not a discrete concrete condition. It is helpful, analytically, to distinguish different spheres of social space; however, concretely, the global is not a domain unto itself” (Scholte 2005: 78). At the same time it is important not to avoid simplistic distinctions between the global and the local. The global is as much a part of the local as the local is a part of the global. The interaction between the two is not defined by good vs. bad, new vs. old or us vs. them.

James N. Rosenau has coined the term ‘fragmegration’, by merging the two opposing concepts fragmentation and integration, to explain the dynamics between the local and the global in what he calls “the transformation that are altering the course of events” (Rosenau 2001: 127). Rosenau views globalization as adding a vast number of variables to the equation of governance both domestically and globally. According to him forces, fragmentation and

integration, are at work in the current transformation and cannot be told apart. The world system is becoming centralized and decentralized, local and global, at the same time. Rosenau's point is similar to Scholte's theory of the new social space that cannot be understood properly without a new conceptualization.

4.2 Globalization and the sovereign state

Jan Aart Scholte is unambiguous when speaking on the impact that globalization has had on the sovereign state: "Since the mid-twentieth century, accelerated globalization and the rise of supraterritorial connectivity have made Westphalia constructions of state sovereignty obsolete. [...] supraterritorial circumstances cannot be fixed in a territorial space over which a state might aim to exercise absolute control" (Scholte 2005: 189). This end of statism is the centre of his theory on the development of the sovereign state system. In his view the state itself has not completely lost its power, meaning or claim to existence in any way. What has changed is the role the state play in this new system, which he calls 'polycentrism'. Governance in the globalized post-modern era is no longer solely in the hands of state officials and governments but diffused through interconnections among various regional, national and global sites in a multi-layered and trans-scalar network of both governmental and nongovernmental regimes, institutions and organizations.

The theoretical debate concerning the effect that globalization is having on the sovereign state system can be, with some simplification, divided into two schools. One assumes that all forms of globalization is under the jurisdiction of the national state and that the Westphalia sovereign state is still the key holder of authority and power in the world. This school, which is dominated by realists, praise the flexibility of the sovereign system by referring to historical examples of variety of sovereign states and the victorious achievements of the system that now dominates the stage and has surpassed all other forms of governmental authority (Krasner 1999; Jackson 2007). The other school, dominated by liberal and cosmopolitan thinker, claim that globalization is creating a political stage that is above the nation state and that global governance (a governance without a government) is emerging in the form of supranational institutions and international organizations (Hardt and Negri 2000; Shaw 2001; Scholte 2005). Martin Shaw, like Jan Aart Scholte, belongs to the second school and he states that a conglomerate of the 'western state' is creating a 'global state'. In his view the 'western state' has emerged, through history, as a global power and a constitutional definer of the state system and is now taking on the form of a 'global state'. Scholte does not

go as far as to claim that a global state is emerging and he stresses the importance of the state and the role it plays in the polycentric system. To him the sovereign state is one form of authority among many other forms. The difference between Scholte and Shaw lies though rather in the representation than the core understanding of the system and the same can be said about other liberal thinkers such as Robert O. Keohane and Joseph S. Nye. They agree with Scholte on the effect of globalization but are much more cautious in drawing a conclusion that would tone down the importance of the state. A ‘complex interdependence’ is the term they use to describe the current reality facing the sovereign state where ‘transnational’ interaction of global agents deal with variety of issues in no ‘hierarchical’ order and where ‘military force’ is not used to resolve disputes among rival states in the system although force is still used between competing blocks of the system and between less developed states (Keohane and Nye 2012: 72).

Shaw’s argument is based on a definition of the national state which he takes from Michael Mann who claims that the sovereign state is a set of institutions with a degree of ‘centrality’, ‘territory’ and ‘authority’ (Shaw 2001: 127). In addition to that, Shaw adds his own criterion; the global state also “must be to a significant degree ‘inclusive’ and ‘constitutive’ of other forms of state power” (Shaw 2001: 129). The global state has a set of international institutions (UN, WTO, OECD and NATO); the centrality has de facto been Washington although New York (with the UN headquarters) is a candidate as the future capital. Territory would be the globe, although national states claim rights to their territory, an overlapping of power is already a standard in the state system, e.g. with EU reigning over the member states and the member states reigning over regions and ‘independent states’ inside their own borders. Authority of the global state can be seen in international law, which are binding to a degree and are enforced in various manners by sanctions, fines and even military power. The UN fulfils the inclusive rule, all states are members irrespective of their constitutive nature. The ‘western state’ on the other hand has been very constitutive and he claims that the Cold War can be seen as a constitutional war with two constitutional structures fighting over world domination. In this sense, and with regard to military power, the ‘western state’ is now stronger than the global state whatever the future holds.

This cosmopolitan theory of a global state can be seen as an analysis of how the current situation could developed if the trend will continue in the same direction as it has done up till now. A vision of the future, one could say. However, a vision that not everybody share with Martin Shaw. The important point here is that globalization is a concept that describes a

reality facing the sovereign state and the sovereign state system. A reality that is changing so fast, that even fundamental concept such as place and space are being altered. In a time of such transformation of conceptual reality no concept or an idea can escape a revision or reappraisal. As has been made clear in the dissertation, sovereignty is a concept that is prone to development, change or even a transformation. Sovereignty is not a constant as one could think when listening to a politician describing the importance of protecting the sovereignty of his state. His concern should though not be taken lightly. It is well understandable why politicians, and others as well, should worry about the current trend and what it entails.

Sovereignty is a complex of many different things as has been made clear by Krasner and his analysis of the concept (see chapter 3.2.), but the state is also a complex where sovereignty is only one pillar among other pillars holding up the state structure. It is a common mistake to mix these two things together and to talk about state and sovereignty as if they were the same thing, which they are not as, has been made clear above. At the same time, sovereignty and the state are forever connected and one can hardly tell them apart in the everyday use of these concepts. The effect of globalization is that both of these concepts are under pressure from the forces of globalization or fragmentation, to use Rosenau's concept. Both concepts are being redefined, e.g. by an IGO, such as the UN, to fit that polycentric system of complex interdependence. It has been made clear that one cannot analyse sovereignty, at the turn of the 21st century, without taking notice of globalization.

The next chapter will focus on the nation state and the concept of transformation.

5. Transformation

5.1 The concept

Transformation literally means a thorough or dramatic change in form or appearance. Transformation is used here in the IR tradition to signify a process, which is more effective than both change and development. A thing, which is transformed, can hardly be called the same after a transformation although the name itself is not the key issue here. A transformation of sovereignty will hardly lead to the disappearance of the concept from the lexicon of constitutional or international law. A redefinition or a new understanding of the concept is a more likely outcome considering the nature of the subject and the historical development it has already undergone over the last 350 years or so. Sovereignty has both changed and developed over that period, as has been shown in the thesis so far, but the question remains if sovereignty is now going through transformation that is more fundamental, to the system as a whole, to be understood as just another phase in an everlasting development of the sovereignty.

The complete breakdown of the communist system in the Soviet Union and Eastern Europe in the 1990's is a good example of transformation in the political and structural sense, which is the topic of this dissertation. It was not a small 'change' or a 'development' of the old system but a complete 'transformation' where something new replaced the old completely. Another example is the triumph of the nation state as the only form of political unit on the planet. With decolonization in the 1960's and 1970's and with the collapse of the Soviet Union the sovereign nation state has outgrown all other forms of political unity and is in fact a manifestation of a political globalization. The uniformity of the nation state is yet another manifestation of the transforming and globalizing process. Almost all nation states are formally structured in a similar way with similar bureaucratic administration and have taken over responsibility of "wide range of activities, including education, health care, management of the economy and finance, retirement pensions, environmental protection, and poverty alleviation, alongside the classic core concerns of states, foreign policy and military defence"

(Lechner and Boli 2012: 216-218). The implementation of the model does vary considerably but the core intention and structure is very similar.

The paradox is that this new uniformed structure of the post-modern sovereign state is at the same time polymorphic. It is uniform in the sense that sovereignty is a defining factor for the system and that almost all states aspire to fulfil the structural form but it is polymorphic in the face of all the tasks or challenges it has taken on. The post-modern state has taken on numerous of new assignments and follows its citizens from the cradle to the grave, regulating every step of the way and deploying roughly 40% of the gross national product. In that sense the emergence of the welfare state is a sign of transformation. Those state who do not aspire to fulfil the structure or fail trying are classified as 'failed states' and often seen as a threat to the system as a whole since they can not provide internal security for their citizens nor external security for the rest of the world (Krasner 2004). Their sovereignty becomes a problem for the system itself and in the post-modern nature of things that problem has many faces. Security is one thing, human rights another, and sovereign independence an icing on the cake. How does the transformed system deal collectively with problems of this kind?

One of the most important sign of transformation of the sovereignty system and the nation state is the emergence and the growing influence and authority of intergovernmental organizations (IGOs). By a definition IGO is a formal entity, has states as members, and possesses a permanent secretariat or other indication of institutionalization such as headquarters and/or permanent staff (Diehl 2005: 9-10). IGOs are a new supplement to the sovereignty system that has blossomed in the post-modern era and now ““it is impossible to imagine contemporary international life” with out formal organizations” (Schermers and Blokker 1995, quoted in: Diehl 2005: 26). The oldest IGO date back to 1815, Central Commission for Navigation on the Rhine, and the growth rate has been steady since with 495 IGOs being established up till the year 2000. Up till 1945 there where around 50 IGOs in operation in the world but with the formation of the UN there is sharp rise in IGOs formation. As has been stated above the formation of the UN in 1945 is a landmark in formal cooperation among states. The organization has gone through a tough period of political uncertainty in the Cold War but has in that time managed to earn a considerable autonomy from the member states, especially the powerful ones, and a respect around the world, both of the general public and the political elite, as the one true world forum.

The general motive for states to form an organization is to centralize knowledge, norms and administrative apparatus on specific issues and secondly to create an independent

platform for managing disputes and conflicts (Diehl 2005: 26-27). The new reality facing the polymorphic state is so complicated, diverse and big that cooperation seems like a good idea from many perspectives. Cost reduction has been named as a key motive and is widely used by realists to explain why sovereign states participate in organizations. To them organizations is a passive extension of the state with little or no autonomy because states are unwilling to share their sovereignty with other states or some form of IGOs. This view is very strong in the realist IR literature as well as in the domestic political discourse since sovereignty is a sensitive political issue in most states. Other IR schools such as liberalists and constructivists take a broader view on IGOs and see them as independent agents in the international community where those entire active are constructing social reality in the field. They accept that cost reduction is an issue but stress the influence of IGOs in creating norms and ideas and influencing the behaviour of the states. For them the influence is in both directions, from the states to the organizations and vice versa.

Another good example of an IGO that has really transformed its field of operation is the North Atlantic Treaty Organization (NATO). With its foundation in 1949 national security of the twelve sovereign founders (including Iceland, Denmark, US, France and the U.K.) was institutionalized and bound together, according to Article 5 of the Washington Treaty, in the sense that a attack on one member state would be seen as an attack on them all and would be defended collectively. The organization has expanded gradually and has now 28 active members and 22 active partners (including Russia, Sweden, Ireland and Georgia) (NATO 2012a). The logical response to NATO in the Cold War was the formation of the Warsaw Pact in 1955, were the Soviet Union and seven other communist states (including Poland and East Germany) resolved to defend collectively if attacked. An organization was formed as a respond to an organization.

NATO is fundamentally a defence alliance; a well-known entity throughout history, but in addition to the classical alliance there is an organization with headquarters, personnel, apparatus, structure, and ideas. Some would even say identity. The member states have retained their independence in national security and military control and are responsible for the command of their own standing armies and expenditures but when NATO takes part in a formal operation it takes over the command like in the “NATO-led International Security Assistance Forces” in Afghanistan in 2003 (NATO 2012b). That operation is in itself a historical event in many respect; it is the first NATO-led intervention outside the Euro-Atlantic are; it is fully backed up by the Security Council; and it depicts NATO as international military-police. Is it correct to say that NATO has been waging war in South

Asia for nine years now? Or is this operation an example of transnational security intervention in a transformed sovereign state system? A good argument could be made for the latter. The Taliban regime in Afghanistan was known for its violation of human rights against its own people; it harboured illegal terrorists organizations like Al-Qaeda who carried out terrorist attacks in other sovereign states; and it had destroyed invaluable antiquities that were listed as world heritage by the United Nations Educational Scientific and Cultural Organization (UNESCO). In that sense Afghanistan was seen as a failed state that was a direct threat to global security. The operation against the Taliban regime was legitimated through Resolution 1386 in the Security Council and 50 nations (out of roughly 200 sovereign states on the planet, or 25%) are currently taking part in the operation (UN Security Council, 2001).

The issue of national security has not been the same after the foundation of NATO, neither for the member states nor other sovereign states, which have to take into the account the overwhelming collective military power of the organization and its strategic importance. Although both member and non-member states do still regard national security as a key issue of importance for the sovereign state the issue is not seen in the same light as before the foundation of NATO. National security of sovereign states is to a large degree handled by an IGO and that is a sign of transformation.

It must be noted that NATO has not completely taken over all military operations of the member states and membership does not coerce them to give up their 'right' to wage war outside the institutional structure. The US did go to war in Iraq in 2003 with out the backup of NATO and with out the legitimacy of the Security Council. It did though seek legitimacy through the Council but was denied and that step, to seek legitimacy, is a new rule that seems to be emerging (Leibfried and Zürn 2005: 43-46).

5.2 Transformation and the nation state

The University of Bremen, in association with the German Research Foundation, has set up a research centre called TranState to explore if, and how, globalization is transforming the nation state, where the western nation states of the OECD (Organization for Economic Co-operation and Development) are used as a baseline. The centre was sett up in 2003 and has since then published over 300 papers and books on the subject. In a working paper, published on the TranState web page, Philipp Genschel and Bernhard Zangl argue that “[t]he state remains the central authority but its role is transforming: once monopolist, the state is now becoming a manager of political authority” (Genschel and Zangl 2008: 2). In their view the

transformation is partly caused by the state system, which has created IGOs and given them authority and executive power, and on the other hand by NGO's that have taken on an important and influential role as an independent agent in the international community. The transferring of authority from the state to non-state actors (both IGOs and NGOs) is a reversion of the process that did create and define the modern state from the time of Westphalia to our days. In that period the state acquired control over legislation and authority from church and aristocracy (they call that process 'nationalization') but, the state is now in the process of loosing that authority ('de-nationalization') over to international actors, (inter-state institutions) private actors, (non-state institutions) and transnational actors (non-state actors who operate beyond borders) (Genschel and Zangl 2008: 6). This rewinding process started, in their view, in the 1970's when decision-making was being transferred from the state to existing institutions and is still going on.

The Bremen school uses a fourfold definition of the state, called TRUDI, to mirror the multi faced dimensions of the state in the post-modern era (Leibfried and Zürn 2005: 2-11). TRUDI is an acronym of the Territorial State (key material resources, currency, taxation, and monopoly on the use of force), the Rule of Law (legislation, court of law, and sovereignty), the Democratic State (legitimation of political power), and the Intervention State (welfare, facilitation of economic growth, social equality). In TRUDI all of these dimensions come together in one unit; the nation state. The creation of TRUDI has taken roughly four centuries, as has been described above, and according to the Bremen school the golden age of TRUDI, from the 1950s into the 1970s, has already passed. In that golden age the democratic welfare system was fully developed and thus all the four dimensions in place and fully functioning. This golden age version of TRUDI is the baseline, or status quo ante, of the study and the transformation is measured in divergent from that point forward. The concept 'national constellation' is also used to describe this golden age as a precondition to the criticism of Jürgen Habermas who has described the current development of the nation state as a 'post-national constellation' (2001).

The transformation of TRUDI is measured by, how each dimension has been, and is being, changed by new legislations, behaviour, trends, norms, and etc., and how these changes are strengthening or weakening the status quo ante of TRUDI. There is of course a certain room for a change, or 'a corridor of variation' in their terms, in each of these dimensions that would not justify the use of such a strong term as transformation. A transformation is defined as a change of the 'corridor' itself, whereas the standard is being changed (Leibfried and Zürn 2005: 16). By this definition a transformation is clearly an epidemic change in how a certain

action is conducted or evaluated. This method also leads to the conclusion that the transformation of TRUDI is not a single thing but in fact a multi faced process of multiple transformations (in plural) that can occur in any of the dimensions and can lead in different directions from the status quo ante. A transformation in one dimension does not mean that the nation state as a whole is being transformed.

According to Michael Zürn and Stephan Leibfried, cofounders of the TranState research program, globalization is threatening the very foundation of TRUDI, which are “the congruence of social and political space, and the simplicity and manageability of societal interaction” (Leibfried and Zürn 2005: 12). In the traditional sense sovereignty has gone hand in hand with territory and governance of social space that people interact in to secure a successful control of that activity. This is no longer the case as was stated above (see chapter 4.1.) a new social space and place is the reality of global interaction and transaction where trans-border activity is common both socially and economically but yet political institutions and regulations are bound by state borders. The complexity of the human interaction, whether in culture, business or religion, is another constrain on governance in globalized world and makes it hard for the state to comprehend and regulate different cultures and subcultures without the help of private actors. The legitimacy is also being questioned since it is difficult to achieve legislative goals of trans-border activity without territorial authority. Identity and national sentiments are also affected by the new social space, which are at the heart of popular sovereignty and democratic authority.

The Bremen TranState research project is a mission that will take 12 years to finish and so the final result will not be clear until 2015 but preliminary results and the working thesis is a clear indicator of what to expect in the final report. Their first hypothesis is that the state is in an era of transformation that began in the 1970s, and secondly that the shift is in different directions in different dimensions of TRUDI. Some parts of TRUDI may be strengthening or reforming while others are unravelling or dissolving.

In the territorial dimension a loss of autonomy is one of the key findings so far. Cooperation, coordination and institutionalization of military, police and fiscal components of TRUDI is putting constrains on the ‘corridor of variation’ and limiting the autonomy. In the democratic dimension TRUDI is still fairly strong since the democratic process is still largely bound to the nation state the biggest threat is though in growing criticism on domestic political institutions and legitimacy of international organizations and their social responsibility. A growing number of NGOs are taking part in the operation of IGOs as a respond to that criticism but where such cooperation is not welcomed a strong international

protest movement has risen up that questions the legitimacy and authority of such organizations. The Bremen school is though very critical on ideas of cosmopolitan democracy and point to the fact the trends in that directions are very few. That fact does though not devalue the criticism; legitimacy and globalization are difficult issues to reconcile (Leibfried and Zürn 2005: 17-22).

The intervention dimension of TRUDI has, in their view, shifted from the national to the international. Trans-border activity, international regulation, intervention in sovereign states, standardization, environmental regulation, and safety regulations are only a few examples of this strong trend. A growing number of disputes are resolved within regulatory framework of IGOs and a larger part of the national bureaucracy is devoted to foreign affairs of various kinds. This is what they call ‘blurring of regimes’ or ‘mixed types’ of regimes between the nation state and the international. Another trend that they have found in this dimension is the privatization of ‘public utility’ like telecommunication, infrastructure, transport, and energy. All of these issues were in the hand of the nation state until the 1970s but that has changed dramatically. The third tread of the intervention state is the welfare state and in that area privatization has not been as extensive. Private partnership and cooperation is common but the organizational structure and regulation has been changing. The nation state is still very active in healthcare, education and labour market reform. So their conclusion is that this dimension of TRUDI is transforming but in different ways that is very hard to explain or comprehend in a single perspective since the field is so big and divers (Leibfried and Zürn 2005: 25).

5.3 Transformation of sovereignty

Sovereignty is only one dimension of the nation state, as has been pointed out on numerous occasions in this dissertation, but at the same time often considered a fundamental dimension. Sovereignty is per se not a necessity for a functioning nation state e.g. Taiwan which has not been recognized as a sovereign state and is not a member of the UN is still a democratic state, with the 20th biggest economy in the world, and a membership of numerous IGOs, including WTO (CIA, n.d.a). Neither is sovereignty a guaranty for a functioning state e.g. Somalia which ranks at the top of the list of the failed state but has been a member of the UN since 1960 (Foreign Policy, n.d.). In fact ‘sovereignty’ is not directly required of members of the UN, only that membership “is open to all peace-loving States that accept the obligations contained in the United Nations Charter and, in the judgment of the Organization, are able to

carry out these obligations” (UN, n.d.). One can then wonder why Taiwan is not a member while Somalia is?

Thus, obviously, sovereignty is a political concept. Sovereignty is in some sense the embodiment of the political dimension of the state. The only sound explanation why Somalia is still a member of the UN, despite of all of its failure to live up to the promise of the UN Charter, and why Taiwan is not a member, despite of its democratic success, is a question of political will. A true realist would say that this is exactly why transformation of sovereignty is an empty idea; sovereignty is based on a political will that is beyond any regulatory or systemic transformation, a political will that can only be found in the heart of a political leader or in a political union of some kind. This argument is strong, it is simple and clear, but the reality may not be so simple and clear as the realists claim. Sovereignty is not ‘only’ defined by political will and sovereignty is being and has been regulated through history and made a subject to structural transformations in the system such as the popular revolutions in the 18th century.

Pursuant to that view it is interesting to examine the preliminary findings of the transformation of the legal dimension of TRUDI - the rule of law and sovereignty. The Bremen school have found that state sovereignty has been transformed from permanent status to conditional, since supervision with consent of prevailing international norms are now in the hands of supranational institutions and courts. Intervention in sovereign states, where exclusive rights to rule in specific territory is challenged or abolished, has been institutionalized which before was solely used in the act of war. Humanitarian intervention today, on the ground of legitimate procedures by the international community, can appear to be an act of war but are in fact an enforcement of international law by an external mechanism (Leibfried and Zürn 2005: 20).

The foundation of sovereignty now rests on the principle of humanity and compliance with human rights (Peters 2009: 514). Both external and internal sovereignty, which Krasner calls domestic and Westphalia sovereignty, are compromised by this new rule in the sense that states do not hold authority or legitimacy to act against it. Domestic and Westphalia sovereignty are still an important attribution of the state where the monopoly of the use force is necessary to protect human rights inside the borders of the state and in relations with other states. However, international law do now legitimate the Westphalia sovereignty of the state, not the other way around. A sovereign state can now loose its Westphalia sovereignty if it fails to comply with humanitarian law, and thus sovereignty is conditional.

International law have in the last 30 years gained stronger role in interstate relations and the most effective transformation has been in this external mechanism, namely, the court of law. The European Court of Justice (ECJ) has literally transformed the European legal system, for the member state of EU, and so has the ruling body of the World Trade Organization (WTO), the UN, the World Bank, and countless other IGOs, transformed this area for its members. All of these organizations have a ruling body or a court of some sort, which they use to judge on compliance with binding treaties and to impose sanctions of all sorts, ranging from fines to military intervention. These courts have increasingly superseded, or been lifted in parallel position with, the constitutional court of the nation state and in that sense the state is loosing control over the interpretation of international agreements. International treaties also tend to be more dynamic in the sense that they develop extensively over time in an unforeseeable directions and that development is also beyond the reach of the state. This last point is very well known here in Iceland, as will be discussed in next chapter, in relation with the European Economic Area (EEA) which Iceland became a member of in 1994.

6. Icelandic sovereignty: a history of transformation

As was stated in the introduction chapter the role of Iceland in this dissertation is to serve as an example of how the transformation of sovereignty can affect a nation state. Iceland is also relevant in the sense that the dissertation is written in Iceland by an Icelander and that the political discourse in Iceland, concerning foreign relations, is driven by an understanding of sovereignty. This understanding of sovereignty is related to the historical background of the young republic, which was under a foreign rule for centuries and has only recently become an independent state. Sovereignty has thus been used to define the national identity, which is, in a sense; understandable considering the historical background and the hardship that the nation has had to undergo to secure full control over its resources. This identity formation may on the other hand have come with a price in the form of lost sovereignty.

The key focus of the dissertation still remains on the transformative effect of globalization on sovereignty and so Icelandic sovereignty is a subordinated subject to the main research topic.

6.1 Historical background

Iceland became sovereign state in 1918, right after the WWI, but still remained under the Danish crown, as it had been in one form or another since 1262, Iceland then became an independent republic state in 1944, with the WWII still raging and Denmark occupied by the Nazis. The British Army occupied Iceland in 1940 as a response to the Nazi occupation of Norway and Denmark but in 1941 Iceland signed a bilateral agreement with the US to supersede the British Army in securing the national security of Iceland. As a part of that agreement Iceland became fully independent in 1944 under the protection of the US

This short historical overview demonstrates well Iceland's position and place in relation to sovereignty. Iceland is a Nordic country in the middle of the Atlantic Ocean, without military protection, that has been under the supervision of the stronger Scandinavian states for centuries. The territorial position placed Iceland on the outskirts of Europe making it almost unaffected by the development of sovereignty, democracy, and industry that had been taking place on the mainland since 1648, and wars had not been fought in the country

since the Viking Age ended in the 13th century. All of this changed in the WWII and the Cold War era that immediately followed. The territorial position placed Iceland at the heart of the new frontier in the ideological war against communism and it was considered to be inside the US security zone (Ingimundarson, 1996: 202-221). The relativity of territory, space, and place is obvious in this case although it is not being transcended, yet, as in Scholte's theory on the effect of globalization. Iceland had been sparsely populated and a remote terrain surrounded by the open rough sea and governed from a long distance in the age of ill communication. In the period of ten years, from 1941 till 1951, Iceland became an independent state, joined the UN, signed the Breton Woods agreement, became a founding member of NATO, signed a bilateral defence agreement with the US, accepted millions of dollars through the Marshall Plan, and subsequently became a member of the Organization for European Economic Co-operation (OEEC, the for runner of OECD).

However, Iceland's sovereignty was truly transformed in this period. If 1918 is the status quo ante for the Icelandic sovereign state, in the Bremen school terms, the 'corridor of variation' has literally been wide opened. Iceland went from being a powerless sovereign county in the Danish kingdom to a post-modern sovereign state, with great territorial resources, and with membership of numerous leading IGOs, in just over thirty years.

This remarkable swift in sovereign status was followed by an era of economical transition, social change, and great territorial waters expansion. From 1951 to 1976 Iceland expanded its fishery limits, in seven independent steps, from 3 to 200 miles. This tremendous expansion was met with fierce resistance by the neighbouring states especially Britain who fought the Icelanders in two Cod Wars in the open sea but lost on both occasions. But how can a state with no standing army win a war against a major military power? Iceland took its case to court where that was possible and appealed to arguments of self-determination, national interests (marine products were almost the only thing that Icelanders exported), and the need to protect the fish stock from exploitation. In that sense Iceland benefited from the progressive development of the international legal system and the emerging legalization of the high sea. The most important weapon in the Icelandic arsenal was though a more dramatic one: to threaten to resign from the bilateral defence agreement with the US, and by threatening to leave NATO (Ingimundarson 2001: 242-268; Ingimundarson 2003). In other words, the Icelandic government used the newfound territorial importance as a tool when fighting the superpowers. The strategic importance of Iceland in the Cold War was the highest trump the Icelandic government had on its hand when dealing with the outside world. The sovereign authority was used on number of occasions unilaterally to secure national interests.

Primarily it was used to secure a victory in the Cod Wars but also to force the US to help with the transition of the economy by securing favourable trade agreements, access to markets, development grants, and to provide advantageous loans in international currency (Ingimundarson 1996: 141-171; Haralz 2002). Trade agreements were also made with the USSR to resolve domestic economical problems but also to demonstrate that Iceland had no problem finding friends in the Cold War era.

In this sense the Icelandic government played the realpolitik chess in true fashion of hard realism. Territorial importance was seen as generous resource that could be harvested with great profit in the anarchic system where national interests come before anything else. But this face of the government was not visible to all and mostly used at the negotiating table abroad. Domestically another narrative was used to secure political power and unification of the people. The narrative of nationalism and identity was, and still is, the highest trump in Icelandic politics, where undivided sovereignty and complete independence are of the highest value. This narrative is deeply embedded in the national psyche after centuries of foreign rule and a long struggle for independence that was inspired by romantic ideas about the 'golden age' of Icelandic supremacy before the foreign intervention in the country. This narrative, the myth of the 'golden age', was standardized by Jón Aðils, a professor of history, and Jónas frá Hriflu, minister of education, and subsequently taught to every school child through the bulk of the 20th century (Hálfðanarson 2007: 124). All major parliamentary debates on foreign relations, international agreements, international treaties, and foreign investment are associated with the debate on sovereignty and national identity (Bergmann, 2009). In that sense Icelandic politics are driven by more ideational narrative as explained by social constructivism where ideas and identity are powerful tools in the construction of society and influential in how the international system is perceived. In Icelandic politics sovereignty is used to define national interests and all political action must be put in that context to serve as a legitimate and justifiable operation.

In retrospect this strong bargaining position, with the realistically driven foreign policy, had its shortcoming. The Icelandic government was able to resist necessary liberalization of the economy and maintain a restrictive policy in all fields of the system by putting a great emphasis on the 'special position' of the small and sensitive Icelandic economy (Þórhallson and Vignisson 2004: 22). This policy, the 'special position' which is still very much alive today in the Icelandic political debate, enabled the government to negotiate special solutions for Iceland e.g. in the implementation of the OEEC rules of free trade that was meant to follow the Marshall Plan. In the long run this policy has "retarded

economic reform in the country” and has also dominated the Icelandic perspective towards European integration (Pórhallson and Vignisson 2004: 22).

The Icelandic government did discuss the matter of European integration as early as 1957 so it is possible to say that the government has been well aware of the process from the beginning but the general conclusion was that it was not in the interest of Iceland to participate at this stage, firstly because of the special position of the underdeveloped economy, and secondly because of the fish industry. Iceland was expanding its fishery limits against the wishes of its neighbour and was in the middle of the acrimonious Cod War. Denmark and Norway were either neutral or on the Icelandic side in the contention that lasted with pauses from 1951 to 1976 but Sweden, Germany, France, Holland, Belgium, and Spain all contested the Icelandic position and took an active part in the dispute in one form or another although Britain was the only state the used force against the Icelandic trollers and the national Coast Guard (Thorsteinsson 1992: 599-660; Jóhannesson 2004).

It is fair to say that Iceland, was not embosomed by friends during the Cod Wars, and so Iceland was not invited when Britain, along with Austria, Denmark, Norway, Portugal, Sweden, and Swiss, founded EFTA in 1960. Iceland did come a member in 1970 just hours before Georges Pompidou, the France president, invited Britain to join the EU and the whole integration process took a new turn. A stroke of luck for Iceland, in the opinion of the long time diplomat Einar Benediktsson, since all the EFTA states were offered a bilateral agreement with the EU, in relation to the British entry in to EU in 1973, Iceland managed to secure access to the European market for its fish products, and that in the midst of the Cod War (Bergmann 2003: 81-84; Benediktsson 2007: 20).

In relation to sovereignty this development is very important in the Icelandic context. EFTA was from the beginning an intergovernmental response to the supranational development of the EU. The conservative British preferred the traditional customs alliance over the supranational network that called for pooling of sovereignty and founded EFTA in that spirit. The development since then has been largely in the favour of the later, the EU currently has 27 members and is growing while EFTA has been shrinking constantly and has now only 4 members (Iceland, Norway, Lichtenstein and Swiss, which is not a member of the current EEA agreement but has a bilateral agreement with the EU). The EFTA membership was controversial in Iceland but the debate centred on economical issues, the special position, rather than on questions of sovereignty, identity, and national sentiments (Bergmann 2009: 203). In retrospect the membership has proven to be a success, which is best seen by the fact that Iceland is still holding on to its membership now 40 years later. These 40 year can be

split into two almost equal periods where the former is marked by a passive transformation of sovereignty while the later is marked by aggressive transformation, which is a clear indicator that globalization is a late bloomer in Icelandic history, measured on the Bremen timescale.

6.2 An era of passive transformation

Although Iceland did come under a strong influence from America in the Cold War it always maintained a strong relationship with the other Nordic countries and literary saw itself as a Scandinavian state though geographically that is not a correct description. Cultural and social connections with the Nordic states were, and still are, an important factor in Iceland's foreign policy and national identity. The formal cooperation between the Nordic states is best described as passive in the sense that very little formal integration has taken place in those close to 70 years of collaboration. Meaning that there is no unified legislation and regulation in the Nordic states and no common authoritative institution. Instead the emphasis has been on informal or passive cooperation e.g. by securing individual rights across state borders, free movements across borders and mutual access to social security systems, labour markets, and educational and cultural institutions. The Nordic parliaments have collaborated in the Nordic Council since 1952, and the ministers followed suit in the Nordic Council of Ministers in 1971. These institutions do not have any formal authority but are seen as a platform for airing mutual interests and coordinating views. The Nordic states are despite of that known for their conformation and in more recent times they often speak in one voice in the international arena promoting norms of environmental protection, peace, and social equality (Ingebritsen 2006).

One explanation for the passive cooperation of the Nordic states was the aftermath of the WWII where Finland was under a strong Soviet influence, Sweden a neutral state, and Iceland, Norway, and Denmark all founding members of NATO. In this light the Nordic states were seen as a 'buffer' between the two competing systems in the Cold War era. Security issues were therefore not discussed publicly in the Nordic Councils and no strong position taken in that field. Instead the emphasis was on finding a common ground that would resolve sensitive issues peacefully, and by advocating protection of human rights. Ironically human rights cannot be protected without the development of some kind of supranational law protecting individuals against the autonomy of state sovereignty.

Nordic cooperation has often been used in the Icelandic political discourse as the ideal for international liaison since it protects the sacrosanctity of sovereignty. This view may seem quite naïve considering the deep European integration of the Scandinavian states. Denmark

and Norway both applied for membership of EU as early as 1962 and both Sweden and Finland used the first opportunity after the Cold War to start their integration process. Denmark became a full member of the EU in 1973 and Sweden and Finland in 1995, Norway, on the other hand, went through the negotiation process on both occasions only to be rejected by a small margin in national referendum in 1972 and again in 1994. The Norwegian 'No' did have a great impact on the Icelandic integration process since it would have been very hard for Iceland to stay outside the EU if all the other Nordic states had become full members. The Icelandic passive position is therefore, in this case, based on external development rather than on a active contemplation.

This period is called passive here in the sense that sovereignty was not under a lot of pressure from the outside and because the Icelandic government consciously chose not to participate fully in the European integration process that was though progressing considerably in this period. Iceland took part in the organizational development as it saw fit its interests but was also criticized for participating half heartedly in those IGOs it thus was a part of such as the IMF and the World Bank. Iceland was also criticized by the Nordic states for not speaking up on NATO meeting and for being too submissive to the US (Haralz 2002; Þórhallson 2007). Iceland was going through a long period of infrastructure development and was not able to devote large resources to international cooperation. Iceland did e.g. maintain a diplomatic presence to the UN but only with a small staff that was also responsible for the diplomatic relations with the government in Washington (Thorsteinsson 1992: 660).

6.3 An era of aggressive transformation

The fall of the Berlin Wall in 1989 and the subsequent end of the Cold War literally meant the end of the 'American century' in Icelandic history (Ingimundarson 1996; 2001; 2007). The military importance of the country was now uncertain, to say the least, and the Icelandic government would no longer be able to stall a dramatic reduction in the defence force as it had done on numerous occasion at the height of the Cold War, or use the 'special relationship' and the strategic importance as an economic shelter. The pressure was though on the government to prove the true meaning of the 'special relationship' between Iceland and the US, but that slogan had taken on a life of its own in the political discourse as well as in the economy, particularly in the municipality surrounding the military base which was the biggest employer in the area. In 1990 the defence force accounted for 7% of the national export of

Iceland so the economical consequences of a sudden departure would be considerable (Bjarnason 2008: 11).

Gunnar Þór Bjarnason has researched the response of the Icelandic government to these changes and his conclusion is that the government resisted the change in every possible way and was therefore not ready when the US finally withdrew all its military presence in Iceland unilaterally in 2006 after years of steady retrenchment (Bjarnason 2008: 155). The “sudden” departure, and the manner in which it was conducted, with a phone call, did come as a ‘surprise’ and a ‘shock’ to the government although all the facts had been out in the open for almost two decades.

This attitude or lack of foresight, a wishful thinking instead of realism, is typical for the Icelandic government in this period. The period is marked by a strong belief in bilateral relations, a focus on protection of sovereignty, emphasis on the ‘special position’ of the Icelandic economy and its currency, and a distorted view on international cooperation and the importance of institutional participation for small states. This belief has clouded the vision of the political elite in Iceland with devastating consequences for the nation. Baldur Þórhallsson, among many other Icelandic scholars including the parliamentary investigation commission, has argued that the Icelandic economic crisis in 2008 revealed a serious flaw in the national policy and must be regarded as a political crisis as well as an economic one (Hreinsson, Benediktssdóttir et al. 2010: 201-208; Þórhallsson 2010).

The most important variable in this period of aggressive transformation of Icelandic sovereignty is the participation of Iceland in the EEA, which came into force on January first 1994. The agreement is among the most disputed issues in the history of the Icelandic parliament as well as among the people, and again sovereignty and the interests of the marine industry, were the hot topics. Only one political party argued for the agreement wholeheartedly but the others changed their position depending on their place in government (Bergmann 2009: 207). The Icelandic constitution does not admit a rendition of sovereignty to a foreign state or an organization and therefore it would be necessary to change the constitution or make the case that the agreement would not lead to a compromise of the Icelandic sovereignty. Needless to say, the government went for the second option and produced a controversial legal report by four lawyers stating that the agreement would not affect the sovereignty of Iceland (Bergmann 2009: 24).

The European Economic Area is the biggest single regulated market area in the world with over 500 million inhabitants and \$15.650 trillion in gross domestic product (GDP) (CIA, n.d.b). The historical background of EEA is that after the completion of the regulatory reform

following the bilateral agreements between EU and the EFTA states in the 1970s, both EU and especially the EFTA states experienced growing difficulties in fulfilling the obligations of the agreement. The result was a foreseeable defection of EFTA corporations over to the EU. This defection had to be prevented by closer cooperation and abolition of trade barriers, restrictions on monetary transactions, and movement of labour. Talks on the matter between EFTA and EU started as early as 1984 but it was not until 1989 that Jaques Delors, then the President of the EU Commission, formed and put forward the idea of the EEA based on two pillars of institutions, one for EU and the other for EFTA, that would secure free flow of people, capital, goods and service inside the area (Bergmann 2003: 84-86). The EFTA states would implement the EU *aquis*, that fell under the agreement, into their legislation but would not participate in the legislative process except through four joint committees (committee of ministers, joint EEA committee, parliamentary committee, and consultant committee), and by nominating judges to the EFTA court and to the EFTA Surveillance Authority (ESA). This meant that the EFTA states were full members of the economic area but without becoming a full member of EU, membership without a vote, and thus without sharing their sovereignty.

Or what? Is it possible to implement rules and regulations, composed by an supranational organization, into the legislation of a sovereign state and still maintain full sovereignty? This issue is the key question in evaluating the nature of the EEA agreement. The issue is both political and legal, and is at the heart of the debate on the transformation of sovereignty. International laws are usually not implemented into the legislation of the underwriter, instead the signature is seen as a binding promise to enforce, or undergo, the agreement that is made collectively. EU law differ in the sense that the EU has a special legislative body where the member state participate collectively, according to binding treaties, in creating a special EU code of law that is on different levels binding or directive. The EEA agreement is a part of that code of law but made without the full participation of the EFTA states. The EFTA states mainly participate at the preparatory level when legislation is first discussed but have no access to the higher political level where the legislation is finalized and political deals made. The dynamic in the integration process has also devalued the EEA agreement in the eyes of the EU since so few states are still using it. The focus of the EU has been on the eastern enlargement where full membership was the only option on the table. The EU has repeatedly stated that is not willing to update the agreement and some officials have even go so far as to call the agreement a mistake (Bergmann 2003: 102-108; Benediktsson 2007: 18). These facts bring to mind a revolutionary slogan from the 18th century that

summered up the spirit of the American Revolution: 'No taxation without representation'. One must ask; how can the EFTA states justify or accept this form of cooperation?

A good way to answer these questions, concerning the nature of the EEA agreement, is to examine how the parties of the agreement have dealt with these issues. To make a long story short it is fair to say that all the EFTA states, that signed the EEA agreement, have in reality rejected it. Austria, Finland and Sweden all joined the EU only one year after it came into effect. Norway also negotiated a full membership but the electorate rejected it in national referendum and in Swiss the electorate rejected the EEA agreement but the government managed to sign a new bilateral agreement with the EU based on the EEA idea. Lichtenstein, a microstate with strong relations to Swiss, finally joined EFTA in 1995 as a response to the development in Swiss (Bergmann 2003: 102; Arnórsson 2009: 12). Iceland finally joined the club and applied for a full membership of EU in June 2009 but the negotiations are still far from over and impossible to predict how they will develop in the near future or if Iceland will at all become a member. All the EFTA states have therefor rejected the EEA agreement in principle but Norway, in the company of two micro/small states, ended up saving the agreement and keeping it alive by paying a large part of its operational costs. In this sense it is clear that all the EFTA states have found the agreement unsatisfactory and one can assume that it is because of lack of control over domestic matters that spring from compromised sovereignty.

One could conclude that the EEA agreement is a good example of the transformative power of globalization. A sovereign state, Iceland, responds to the economical reality of the globalized market by cooperating with other sovereign states but as a way to protect the sacrosanctity of its sovereignty it ends up implementing a large body of laws that it has, in reality, no power over, into its own code of law? Is it possible to say that the state is in reality protecting its own sovereignty in this way? Or is it more accurate to say that out dated ideas on the nature of sovereignty is preventing Iceland from using the power of sovereignty to influence supranational legislation that it seems to be willing to undergo anyway? The Neo-liberal insitutionalists Robert O. Keohane and Joseph S. Nye would not have any problem answering these questions. According to their theory the economical benefits of cooperation outweigh the ideological cost and so, in the Icelandic case, the emphasis is put on the benefits and the ideology is toned down and swept under the rug. It is generally accepted in Iceland that full membership of EU entails a compromise, or pooling of, sovereignty and since that issue is unconstitutional and highly controversial the EEA agreement was seen as an solution to that problem.

It must be noted here that the other main reason why Iceland has not joined the EU is the common fishery policy of the union. Interest groups and politicians claim that Iceland would lose the authority of the territorial waters over to the bureaucrats in Brussels. This fear is understandable since Iceland has fought wars with the European super states to gain that authority and losing it would amount to treason. But is this so? Is this the inevitable price that Iceland would have to pay for joining the EU? Úlfar Hauksson has researched this issue and compared the Icelandic position to existing treaties and conventions the EU has made over the years, e.g. the membership agreement that Norway made in 1994, when it applied for full membership of the EU. His conclusion is that Iceland has every right to be optimistic on reaching a fair settlement with the union and that this fear of exploitation is unsubstantiated. On the other hand this cannot be proven unless Iceland actually goes through the process of negotiation (Hauksson 2002; Hauksson 2007: 135).

The question that Baldur Þórhallson asked in this context is; can Iceland, a small state, afford to stay outside of the shelter of the dominant supranational organization in its own region? In his view the answer is clear; Iceland tried to stay outside the shelter but the crash in 2008 proved that it could not afford to (Þórhallson 2010: 199-216). Iceland had in the past put its trust on bilateral relations with the US but, as was stated above, times had changed and Iceland was no longer in the strong position it had been during the Cold War to put pressure on the US to serve as its protecting neighbour. The Nordic states did not, could not, and would not come to the rescue because the problem was so big, costly, and complicated that they conditioned any help they would make to the supervision of the IMF. So Iceland was faced with the fact that the legitimacy of its action rested in the hands of an IGO, which is a clear indicator of the transformation of sovereignty in a new globalized system where IGOs are used to solve complicated issues and disputes among sovereign states.

The main issue here is not the effect of the agreement per se but the effect on sovereignty. But it is worth noting that in Iceland there is a consensus among scholars, politicians, and interest groups that the EEA agreement has had a lasting effect on Icelandic society and mostly for the good (but in that context one must turn a blind eye to the crash of 2008 and the part that the EEA agreement played in that fiasco, and to the devolution of sovereignty through enactment of legislation without participation). The remainder of the restricted economy was swept away, in those areas that were included in the agreement (agriculture and fishery were largely excluded although market access with marine products was secured with minimum customs). The financial sector was reformed and public banks privatized, Iceland became an

active participant in co-operative projects, (especially in research and development), consumer rights and environmental legislation improved, the tele-communication sector was reformed and privatized, The Central Bank of Icelandic adjusted its working procedures to EU standards (Ministry for Foreign Affairs 2000: 12, 318; Bergmann 2003: 95; Þórhallsson and Vignisson 2004).

It is stated here that this period is marked by aggressive transformation of sovereignty and that statement is rationalized by referring to the effect and form of the EEA agreement. Iceland was under pressure from globalized trading forces to secure access to the common European market and to follow the Nordic states in their European integration. Iceland resisted this trend for number of reasons but settled on a compromise that allowed for the protection of sovereignty, at least in name, and full control over its fishing rights. Iceland lost its control over the flow of capital, people, service and goods over to Brussels and is obliged to implement EU laws directly into its own legislation. According to the language of the Bremen school this development has put a considerable constraints on the 'corridor of variation' of the Icelandic sovereignty and limited the autonomy of the state. Iceland is not free to regulate these fields or sectors of its economy and in fact has taken over 3/4 of the EU legislation, according to an extensive research by the Norwegian government on its relations with the EU (NOU, 2012). Although the report does not examine Iceland directly it is a clear indicator of the situation since Iceland and Norway have almost identical relations with the EU. This fact must justify the term 'aggressive transformation', in the sense that the change is dynamic in nature.

6.4 Has Iceland lost its sovereignty?

This question may look a bit naïve considering the emphasis in this dissertation on the multidimensional nature of sovereignty. However, the question is relevant in exactly that context. Sovereignty is multidimensional and thus it is possible to lose a part of that sovereignty but still hold the status of a sovereign state. The case of Iceland is interesting in this light.

According to Krasner, sovereignty consists of domestic sovereignty, interdependence sovereignty, international legal sovereignty and Westphalia sovereignty. It can be argued that Iceland has gone through a transformation in three out of four of these dimensions. It is only in the international legal dimension of sovereignty that Iceland has not lost some of its sovereignty.

Domestic sovereignty (the authority structure of the state to regulate behaviour inside its borders) has been compromised in the relation to the fulfilment of the EEA agreement. Iceland has rendered a part of its legislative power over to the regulative body of the EU in various subjects that belong to the agreement. However, it must be noted that ratification by Alþingi, the Icelandic parliament, is needed for the implementation of EU laws and directives into Icelandic legislation. The structure and the dynamic of the agreement has thou made it almost impossible for Alþingi not to ratify every single paragraph of law it gets in the mail from Brussels. Rejection of law or directives would mean an incongruity of the European market and would therefor be in direct contrast to the fundamental principle the homogeneity. Such action would sooner or later lead to the resignation of the whole agreement. The fact is that it has never been pursued (Bergmann 2003: 101).

Popular sovereignty is also a part of domestic sovereignty since the democratic institutions are bound to the authority and legitimacy of the nation state. Again the EEA agreement is a trouble for Icelandic sovereignty. Although EU laws are ratified, in name, by Alþingi it is impossible to give a democratic argument for the agreement. The democratic deficit of the EU has been a problematic issue in most of the member states that have participated in the integration process. The union has reacted to the criticism by strengthening the European Parliament, which is now directly elected, and an active participant in the EU legislative process. No Icelander is a member of the parliament although 3/4 of all the legislation of the union becomes part of the Icelandic legislation. In Iceland this problem is know as the double democratic deficit of the EEA agreement (Ásgrímsson, 2003).

The issue of interdependence sovereignty (the ability of the state to control movement across its boarders) is very interesting in the Icelandic context. In 2001 Iceland formally joined the Schengen scheme, which is EU cooperation on the free movement of people across boarders without personal identification at borders checkpoints inside the Schengen area. The scheme was originally an independent collaboration outside off the institutions of EU and it was in that spirit that Iceland first joined along with the other Nordic states to preserve the Nordic Passport Union (Eiríksson 2004: 51). After the EU took over the scheme Iceland could no longer participate in voting in the administrative board of the scheme since Iceland is not a member the union. Iceland was once again a member without a vote but was permitted to participate in board meetings and air its view on every issue.

The conclusion must be that Iceland has lost a considerable part of its interdependence sovereignty. Although Iceland has an active border control, as an outpost of Schengen, it is

not a full member of the Schengen scheme in the sense that it is not allowed to participate in its voting procedure. Again the double democratic deficit comes to mind.

The Westphalia sovereignty dimension (the exclusion of external source of authority inside the state both de jure and de facto, and hence the rule of non-intervention) has been discussed directly in previous chapters of the dissertation. In light of that discussion it is clear that the Icelandic sovereignty has been transformed with new definitions on the issue of non-intervention and on sovereignty as responsibility. The issue of exclusion of external source of authority Iceland has also lost part of its sovereignty because of its participation in the EEA agreement as has been made quite clear above.

The question is on the de facto part of the definition of Westphalia sovereignty. What does that mean? Is Iceland de facto the exclusive source of authority inside the state? One could argue that since Alþingi must ratify all valid laws in Iceland, the Icelandic government is de facto the exclusive source of authority but such a simplification would have to exclude all political debates on the nature of the European integration process. However, it is undeniable that Iceland has a strong sense of sovereignty and has shown that it is willing to go quiet far to make that clear to the rest of the world. The Icesave dispute can be seen in that light and also the current mackerel dispute. But does that mean that Iceland is willing to wind up all its connections with the EU and stand completely on its own to preserve its understanding of sovereignty? There is of course no answer to this question but it is clear that at this moment in time there are no signs of such a move. The Icesave dispute is currently at the ESA court and the mackerel dispute is at the negotiating table. The conclusion must be that Iceland has surrendered a part of its Westphalia sovereignty as well as undergoing the global transformation of the concept.

The final dimension is international legal sovereignty (mutual recognition of other states as independent territorial entities with rights to enter into voluntary contractual agreements). In this dimension Iceland has managed to preserve its sovereignty intact. Iceland is a well-defined territory and enjoys recognition as a sovereign state.

This overhaul of Icelandic sovereignty as defined by Stephen Krasner shows that Iceland is a sovereign state and is recognized as such by other states. However it is also clear that Icelandic sovereignty, has been transformed by forces of globalization, and that Iceland has been forced to surrender a part of its sovereignty so it could participate in the European integration process and maintain its relations with the other Nordic states as it saw fit. Whether that relinquishment could have been executed less painfully, specially in relation to popular

sovereignty and democratic legitimacy, is another question. The final chapter of the dissertation will focus more closely on the political and theoretical debate that this conclusion calls for and which will not be avoided.

7. Critical discussion

The topic of this chapter is to discuss the main research question, is globalization transforming sovereignty? And the sub-question, relating to the effect of globalization on the transformation of Icelandic sovereignty.

As has been established in previous chapters, the history of the sovereignty system stretches over period of close to four centuries, and the system has in that time gone through number of major changes. In the dissertation the concepts pre-modern, modern, and post-modern, have been used to conceptualize this development over time and to conceptualize the different stages of the development of the nation state. Although the sovereign nation state has become the uniform for all political units at the state level, those states differ considerably in their outlook and nature and some are even categorized as ‘failed states’ since they are unable to fulfil the basic criteria of a functioning state. These states are, according to this conceptualization, still stuck at the pre-modern stage of the development since they have not gone through the principal change that defines each stage. This fact that sovereign states vary in outlook and nature does though not effect the on-going transformation of the system as a whole. The sovereign system has not developed parallel to the development of the sovereign state per se. The development of the system has been driven by many different forces (such as peace treaties, popular revolutions, economical and industrial revolutions, organizational development, institutionalization, globalization, and etc.) and at different times that have taken effect either gradually or immediately, either in the whole system or only in some parts of it. The development of the system as a whole seems though to be gradual. Every new rule or norm that becomes accepted affects the overall makeup of the sovereign system and becomes a measurer of the conformity of individual states with the system as a whole. The evolution of the sovereign system is thus destined to continue according to the ancient principle that the only constant in life is change itself. Whether that change is for good or worse is another matter depended on interpretation and personal preferences.

The core issue of the dissertation has been to establish this development so it would be possible to value the current trend in relation to previous principal stages of the development and to determine whether the current trend deserves to be called a

transformation or not. This valuation is based on historical data and theoretical interpretation of the historical development, but this valuation is also marked by the challenge, presented in the introduction, to develop a 'different point of view' on 'how to do IR'. A challenge, that every student of IR is destined to find himself facing as he presents his understanding of the discipline.

The development of sovereignty can be seen from many different angles. The historical perspective is focused on facts and events of history in chronological order, but the IR perspective is focused on interpretation and theoretical construction of these facts and their effects. In that IR sense, sovereignty is not a single or a specific thing that is understood by everyone in the same manner, for social constructivist, like Alexander Wendt, sovereignty is a defining principle of the structure of the state system but also a tool that can be used to construct and shape national identity and policy (Wendt 1999: 206-9, 228). For Stephan D. Krasner, a realist, sovereignty cannot be understood fully unless one takes notice of the concept of power as well. One of the key elements of sovereignty is authority, which is based on the power to implement the will of the sovereign. Without authoritative power, sovereignty becomes an empty concept, in his view, and on that ground he put forward his theory of the organized hypocrisy where the logic of consequences, backed up by power, can always trump the logic of appropriateness (see chapter 3.2). The strong states will therefore behave according to their interests while the weaker ones are destined to accept that behaviour or face the force of power instead. In that sense anarchy is still a defining principle in the international arena.

Wendt rejects this view by adding his notion that anarchy, just like sovereignty, is prone to interpretation. Anarchy may have been understood as complete chaos in the times of Hobbes and Bodin, who both stressed that sovereignty meant undivided authority, but that time has long passed and states have, over time, developed a complicated system of interdependent relations and mutual understanding which affects their view on anarchy. The logic of appropriateness may be much stronger than Krasner is willing to admit. Wendt's famous quote that 'anarchy is what state makes of it' is directed at this issue (1992). The US does not perceive Canada in the same way that it perceives Iran, since the US identifies with Canada in a way that it does not with Iran. This identification is based on mutual understanding of important ideas that are fundamental for the identity of the state (1999: 224).

What Wendt is arguing for is "that the most important structures in which states are embedded are made of ideas, not material forces. Ideas determine the meaning and content of power" (1999: 309). Anarchy and power are both 'empty vessels' in the sense that they must

be filled with ideas to have any real meaning and are thus not themselves a part of the structure of the international state system. Ideas on the other hand are since they give meaning to such concepts as power and anarchy. To focus on anarchy as something given is a misconception in Wendt's view. Anarchy can only be understood through underlying ideas and norms.

In that sense, it is his understanding, that the sovereign state system, and the understanding of anarchy, has been developing into 'three cultures of anarchy', a Hobbesian culture where enmity is the ruling sentiment, a Lockean culture where rivalry is ruling, and finally a Kantian culture where friendship defines state relations (1999: 246). These three cultures are based on different ideas and meaning of anarchy and do in fact match Robert F Cooper's categorization of the state system, into pre-modern, modern and post-modern states, that has been used in this dissertation. Wendt stresses though that his theory is not based on a dialectical understanding of history where one stage of the development must by historical necessity follow the previous one (1999: 311). The Kantian culture, which resembles the post-modern period in the development of sovereignty, is foremost an attribution of the state, or states, who value ideas of cooperation and interdependence over ideas of rivalry or hostility. Those ideas are, on the other hand also, the foundation of the development of the organizational structure that defines the post-modern period where states have proven to be willing to surrender or share part of their sovereignty to secure a lasting peace among sovereign states. The foundation of the UN is based on that idea, not on mere reference to material or military power, although one cannot deny the fact that the veto power in the Security Council was only granted to the five most powerful states. Realists also point to the undeniable fact that wars still happen and the power still matters, but, as has been stated above, wars do not happen between post-modern states and power is not the only thing that matters in their relations. The US is not constantly evaluating the 'power' of Canada when the states are interacting.

The difference between Wendt's social constructivism and Krasner's realism is their view on power in relation to sovereignty. Realists tend to view power as material force, economical or military power, while social constructivists view power in more ideational manner (1999: 97). Krasner, along with other realists such as Jackson, are reluctant to accept any transformation of the sovereignty system since the system is based on material foundations that back up the authority of the sovereign state. Wendt on the other hand is focused on how new ideas that are with time accepted as norms, can change the structure of the whole system and therefor transform it.

The different views of the European states and the US towards sovereignty are considerable. The US is known for its emphasis on popular sovereignty, as understood through the American constitution, and reluctance to give up sovereign authority to IGOs while the European states have been pooling their sovereignty and deepening their integration all through the post-modern period. Robert O. Keohane, a neoliberal institutionalist, finds the current view of these two systems to be, in a historical sense, 'ironic' and, in relation to modern political development, a sign of 'divergence' (2002). The historical irony is that Europe used to be a defender of the classical understanding, which originated in Europe, while the US used to be a fierce critic of external sovereignty and had to go through a civil war to settle that dispute domestically. The political divergence of today may, on the other hand, threaten the productive partnership since "while Europe has moved toward a conception of sovereignty as a resource to be used in international regimes, the US has maintained much of the classical notion of sovereignty as a basis for autonomy and a barrier to unwanted movements across borders" (2002: 745).

In relation to the effect of globalization, discussed in chapter 4, the classical understanding of sovereignty is an obstacle in the development of the global governance that can prevent the full participation of sovereign states that do not hold the same powerful position as the US. This view can thus be harmful for most states since they can only "express their sovereignty [...] through participation in the various regimes that regulate and order the international system" (Chayes and Chayes quoted in: Keohane 2002: 748). In other words, those states that view sovereignty in the classical sense are side-lined while the ones that view sovereignty as a resource can participate fully in the development of the global regulatory system. Iceland is a good example of this. Classical understanding of sovereignty, mixed with strong views on national identity based on sanctification of sovereignty, not unlike the American sanctification of the US constitution, has prevented the government from participating fully in the European integration process. The cost for protecting this classical view is paid mostly, in the Icelandic case, by downgrading domestic or popular sovereignty. The transformative effect of globalization is though not side-lined as the example of Iceland has shown, and according to neo-liberal intergovernmentalism, Iceland is ready to participate because of economical reasons, it is cheaper to participate than to stay completely outside the process of integration.

Another manifestation of the different views that Europe and the US have on sovereignty was crystalized in the prelude of the US lead invasion on Iraq in 2003. The lines were though not

quite that clear since the UK, Spain, Denmark and the Netherlands sided with the US, along with Iceland and other small, or less powerful, states in the Coalition of the willing (The White House, 2003). Jürgen Habermas called this manifestation ‘the divided west’ (2006). The underlying problem of the divide is the realist’s perspective towards the value of international law and their relation to the sovereign rights of the state. The Coalition ignored the international organizations designed to guard the world peace, the Security Council, and attacked a sovereign state pre-emptively in the name of some ‘higher principle’ of justice, democracy and self-defence, which Amitav Acharya called a principle of ‘disorganized hypocrisy’ (2007). It is a form of disorganization to be underwriting international law with one hand while the other is busy breaking them.

For Habermas this is also a manifestation of the deeper problems facing the global society, which is to reconcile popular sovereignty, democracy, and the regime of human rights with the emerging global governance in the era of the postnational constellation (2001). In his view, this must be done through some form of a global constitution, which protects the individuals and organizes international relations of states without going against popular sovereignty and democratic institutions (2006: 147). The formation of this constitution has been going on all through the post-modern era, as has been demonstrated in this dissertation, but the process has not been properly coordinated and thought through and it has surely not been called a process of global constitutionalization. And since the process is disorganized and unsystematic it is easy for politicians to stir up sentiments of anger and distrust towards all forms of global cooperation in the name of national interests and national security. Habermas stresses that without the US, the only real superpower at the global stage, it is impossible to build a functioning global normative regime. In that light it is also clear that the problem of authority and enforcement of international law will not be met without the full participation of the ruling superpower. A global constitution, in the Kantian spirit, will have no meaning without some form of authority and for the time being that authority is nowhere in sight.

It is worth noting that Habermas was thinking about the Bush administration when he wrote *The Divided West*, and that the Obama administration is running a different foreign policy based on soft power, influence, and active participation in IGOs like the UN (The White House, 2010). The neoliberal Joseph S. Nye, Jr, has argued that the paradox of American leadership in the globalized world is that although the US is by far the strongest state it cannot manage the global system on its own and that it needs to use the power of attraction and influence (soft power) to achieve its goals. Globalization has, simply, made the

international system so complex and multidimensional that unilateralism is unworkable. Defining ones goals in harmony with global interest is a more reasonable and productive way to achieve those goals. Multilateralism with emphasis on democracy and global cooperation should thus be the foundation of the US strategy (Nye 2008: 62). The conclusion, which is tempting to draw from that, is that the trend of globalization, global cooperation, and formation of global governance is stronger then a national administration of any state.

A shift in US foreign policy may help the progressive trend but it will not resolve the issue of authority. As Habermas points out, the existing IGOs, which hold together the structure of the current global governance, do not have sufficient authority and must rely on its member states to enforce or demand compliance to international law. When powerful states, like the US, decides to act unilaterally and go against international laws and norms there is not much that IGOs can do but to wait for a policy change that will, according to Nye's neoliberal theory, happen sooner or later since the cost of unilateralism is to high even for the superpower. The trend of transformation of sovereignty will therefor continue although one cannot predict accurately how that trend will play out. Habermas and Wendt, along with Scholte, Shaw, and number of other scholars that have been cited in this dissertation, would agree with this understanding, while Krasner and Jackson, along with the whole realist school, would disagree and argue that the state is the only legitimate authority in the state system and, as before in history, the state will adopt to this new reality but still keep the monopoly of authority.

8. Conclusion

Sovereignty is a contested concept that has been shaped primarily by, firstly, the historical development of the last four centuries, and secondly by the formation of the nation state. Sovereignty is contested in the sense that the classical understanding supposes autonomy of legitimacy and authority while the reality, facing the state through history, has been marked by conflicts over control of authority and legitimacy. The popular revolutions in the 18th century are an example of that conflict which resulted in transference of legitimacy from the ruling elite to the public. Popular sovereignty has since that time been a fundamental force for change that is best seen in the global regime of human rights which is literally redefining sovereignty as responsibility as opposed to sovereignty of control. This redefinition is what, in this dissertation, has been called a transformation of sovereignty.

The nation state and the concept sovereignty are two distinct entities but, nevertheless, so closely connected that one can hardly tell them apart in the political discourse. And since sovereignty is often used to define national identity, as is the case in Iceland, the boundary between them becomes even blurrier. This understanding of sovereignty, or this usage of the concept, has proven to be troublesome both on the national and the international level. The nation can become a victim of its own identity if the understanding of sovereignty is in direct opposition to the general understanding and usage of the concept at the international level. In the Icelandic case this seems to be the situation and the best explanation for why the government was willing to compromise on its popular sovereignty while claiming to be protecting the sovereignty of the nation.

Scholars in international relations (IR) and political science, and classical philosophers before them, have in their analysis of sovereignty found that sovereignty is not just one thing but a collection things. This fact have further complicated the issue and made the general usage of the concept inconsistent and added to the ‘gap of understanding’ where some people see sovereignty in the light of national identity while others view sovereignty as a recourse that can be used to gain influence in the international society. This ‘gap’ is also reflected in the theoretical debate in IR where realists have tended to view authority and legitimacy as essential necessity of the sovereign state that cannot and should not be transferred or rendered

to international governmental organizations (IGOs). Liberalists and social constructivists have on the other hand taken a more relaxed position on sovereignty and recognized the value of close cooperation among states where sovereignty is redefined, rendered, or pooled.

In this dissertation the focus has been on the development of sovereignty in the post WWII era, here defined as the post-modern era, where IGOs have played an ever-increasing role in the international society. International cooperation among states have in this era transformed state relations in the way that must be described by segmental concepts such as interdependence, interconnectedness, and fragmentation. These concepts reflect the complex situation in the international arena where states share responsibility, authority, legitimacy, and identity with other states, IGOs, NGOs, MNCs, and number of other agents. This reality is fundamentally different from the one the sovereign state originated in; where the state, or the sovereign, was almost the only form of actor, besides religious institutions, at that the international level. For the last 40 years this development has escalated even further and taken on the current form of globalization.

As has been argued above, globalization is a concepts used to explain and analyse a complex network of global activity that affects all forms of social activity on the planet. The nation state is no exception and cannot escape the transforming forces of globalization. Revolutions in technology are opening up previously unknown possibilities for human interaction that can be used for both good and evil. Traditional forms of control and authority, which have been fundamental tools of operation for the state, have in a sense lost some of its value and applicability. The state has been forced to react to this development by strengthening control and authority at the global level. This cooperation is taking on the form of global governance, although it is debated to what degree and effect this new form of governance will have on the nation state.

Two main conclusions are drawn from the discussion in this dissertation relating to the research questions. Firstly, it has been argued that sovereignty *is being* transformed, and secondly, it has been argued that globalization *is* transforming Icelandic sovereignty. The general argument is based on the theoretical and analytical understanding of the effect that globalization and global cooperation, at the state level, is having on traditional understanding of sovereignty and the nation state. In the light of this understanding of globalization the Icelandic case is a good example of how these forces have enforced the state to participate in the formation of global governance although such participation is in general opposition to the national understanding of sovereignty.

The Icelandic case is also interesting since it is at the heart of the most compelling issue of globalization, which is how to reconcile the formation global governance with the demand for democratic legitimacy of authority and control. Rousseau, Kant, and now Habermas have all grappled with questions relating to this issue, and so have numerous other thinkers through out history. However, it must be concluded that the problem has not been resolved and so it is in the hands of future generations to design a global edition of popular sovereignty.

The heritage of the contemporary generation is the new definition of sovereignty as responsibility, as opposite to the older definition of control, which was ratified by the UN Security Council in 2006 and by the General Assembly in 2009. This heritage is another confirmation of the on-going transformation of sovereignty that waits to be reconciled with global democracy and legitimacy. A conceptual redefinition of sovereignty by a principal IGO, such as the UN where vast majority of sovereign states participate and can have their saying, must be taken seriously and interpreted accordingly. One can conclude that there is a genuine consensus in the international society of states to alter the common understanding of sovereignty to better fit the reality of interdependence and global cooperation.

9. Bibliography

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