

**Bernauer, Thomas (Zürich) 1997**

***Vom Territorialstaat zum virtuellen Staat?  
Globalisierungsprozesse und Grundstrukturen der  
Weltgesellschaft  
(Economic Globalization and Its Consequences on  
State Capacity)***

This project focuses on the consequences of economic globalization for states' capacity to individually or collectively intervene in markets and/or solve societal problems. First, the effects of economic openness on the public sector are examined statistically on the basis of data for more than 100 countries. Second, the analysis concentrates on when, why, and how states increase or decrease the extent of government intervention in open markets. This analysis is based on qualitative case studies of banking regulation, international tax competition and tax harmonization, and the regulation of multinational corporations. Third, the relationship between economic integration and political fragmentation is examined.

The principal output of this project are a book by Thomas Bernauer entitled "Staaten im Weltmarkt" (States in the World Market, published in spring 2000) and an article in the European Journal of International Relations, co-authored by Thomas Bernauer and Christoph Achini ("From Real to Virtual States?", published in summer 2000).