Nation state, market and corporations in the context of globalization

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Abstract. *The main assumption of the present paper is related to the relationship between the State and the Market on the middle and long-term future. Under the assumptions that we use as the starting point of our analysis, global revolutions in democratic countries are unlikely, regardless of the formula and their expression domains. Thus, we start from the idea that the modern world would not know a revolution sector - economy, politics, culture, social, but a gradual change of societal type. From this point of view, our assumption favours a progressive change of the assembly-type in the society, in which the role of institutions and of the relationship between public and private / corporate will change in favour of the latter dimension. What is surprising and represents the main target of criticism in this paper is that the theorists, in their overwhelming majority, remain the prisoners of a pattern of thinking of the relations between the State and the market which were established in the nineteenth century and usually offer some sort of combination of the world political system, where, possibly, the rule of law and democracy exist and also an increased corporate social action.*

Keywords: *nation state; corporations, free market; globalization; economic and financial crisis; institutional change; corporate social responsibility.*

Introduction: two research questions

Starting from the observation that the economic effects of the financial and economic crisis, which started in 2008, had a major impact on the institutional reform at global scale, an institutional change designed to address the new challenges of the current economic dynamics, will affect inevitably the old structure of the fundamental institutions of modernity, in which the nation state still holds a privileged place. This inquiry, though

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apparently raises a theoretical issue, seeks to start a challenging discussion for further applied research with relevance for: collecting financial data for measuring the loan level of the students involved in higher education programmes, analysing the trend of unemployment due to higher education bubble, calculating the potential that the market can have in taking over state responsibilities in the new global context, obtaining results that could potentially provide predictions on the most important points about the current relationship between the State and the market.

Accordingly, a first research question which may also be a real concern for the new global political, economic and social issues will foresee if we can really talk about a necessary connection between the State and the free market. From this formulation it is clear that it will not be easy to formulate a response, knowing that, at least the institution of the nation State, not only that it was not designed to provide an appropriate response for the challenges we see today, but it did not even experienced them in the past.

The novelty of the relationship between the state and the free market nowadays, which tends to be available worldwide, leads to the assumption related to the research which says that not only there is no necessary connection between the State and the free market, but, among them, there is even a tension, respectively, the free market can provide higher development of various sectors, not just economic and financial but educational etc.

Thus, more specifically, a second research question can arise: can the free market provide a more efficient development of different sectors, not just economically, financially, but also educational? In what follows I will try to formulate an appropriate response to these questions, but only after specifying some necessary methodological stages: determination of the method of analysis, defining the concepts and developing the assumptions that can help in the analysis and also in formulating an appropriate response to the research questions.

Research method

Noting both the research topic and the concepts mentioned above, especially the free market and the State, we can fit this analysis in the holistic approach, which is encountered in many fields like economics, philosophy, sociology etc. In terms of methodology, a simple distinction mentioned early from Plato, who distinguished between knowledge as a whole and knowledge as part, is the distinction between methodological holism and methodological individualism; for example, structuralism is holistic, existentialism is individualistic, while the rational choice approach is also individualistic.

I think therefore suitable as method of analysis and also consistent with the holistic approach for this paper to use the case study as an analytical tool, by which I will analyse the present financial crisis and that of the higher education bubble. As Feagan, Orum and Sjobert (1991, p. 12) affirm, „the case study is an ideal methodology when a holistic, in-depth investigation is needed". Although the case study is most frequently used in sociology, procedures for applying this analytical tool have been refined over time, becoming more robust. This has allowed that when these procedures are followed, the researcher will be following methods as well developed and tested as any in the scientific field (Tellis, 1997).

Simply defined, the case study is „an empirical inquiry about a contemporary phenomenon (e.g., a "case"), set within its real-world context—especially when the boundaries between phenomenon and context are not clearly evident" (Yin, 1984, p. 18). Although the relationship between the state and the free market in the context of the economic effects with global impact, is a complex phenomenon with various branches of analysis, I use the case study about the higher education bubble and about the now a days economic and financial crisis in order to reserve a specific field for analysis, so that it can serve me as a concrete material for the broader discussion mentioned above, the relationship between the State and the free market. Thus, using the case study to reveal this relationship (the particular case of higher education) it is expected that this method of analysis developed in the social sciences will „use different methods that are combined with the purpose of illuminating a case from different angles" (Johansson, 2003). For the case discussed here, as a practical enquiry for this paper, I also resort to the case study analysis because, as a qualitative method, it has other methodological advantages which offer an approach that facilitates exploration of a phenomenon within its context using a variety of data sources. This feature of the case study „ensures that the issue is not explored through one lens, but rather a variety of lenses which allows for multiple facets of the phenomenon to be revealed and understood" (Baxter & Jack, 2008).

It is suitable to show that we reject any historicist temptation, both the leftist one, of the need to overcome capitalism, and the opposite one, which denies the tension between the State and the free market, arguing instead that they both bring the end of history, "stopping the progress in developing the principles and the political institutions because all the really important issues have been resolved" (Fukuyama, 1992, p. 12).

The analysis is situated at this level of depth, including definitions of the State and of the market; she is merely to find the facts, to assume that the "historical connection of the two is based on a state of mind and not on the mechanical system of the market and democracy" (Lindblom, 2001, 230). Being focused on facts and acting non-speculatively, we are interested especially to explore the future developments of these fundamental institutions today, the State, the free market, and the corporations. Methodologically, this research focuses on analysing the tension between two concepts that define increasingly less cooperative and less communicating realities in the contemporary reality, an evident tension in the two cases that are studied here.

Defining the concepts

Defining the problem – the State and the free market: a number of indicators on the relationship between state and society, the state and the market, the free market and corporations look increasingly clear that the most important feature, not just the last 50 years, but probably for the next 50-100 years of societal development is the tension between the character, limited and local, of the most important political institution, the State, and the universal vocation of the most important capitalist economic institution, the free market.

The most widely accepted definition of the State, used by Max Weber, says that "the state is a human community which, on a defined territory - and the key word here is territory - claimed (successfully) the monopoly of legitimate physical force" (Weber, 1921, p. 397). The State institution is related, by all its functions (security, taxation, foreign relations etc.), of a territory and of the global society, and its institutions are, in their great majority, products made by the states. By their definition and by their link to a territory, states have the vocation to control all activities at their level, including the main institution of the capitalist economy, the free market. The latter is based on supply and demand with little or no government control. However, in order to be able to be understood more appropriate, „a completely free market is an idealized form of a market economy where buyers and sellers are allowed to transact freely (i.e. buy/sell/trade) based on a mutual agreement on price without state intervention in the form of taxes, subsidies or regulation… in simple terms, a free market is a summary term for an array of exchanges that take place in society". Defined in this way, the free market will always include notions like *exchange*, understood as „a voluntary agreement between two parties who trade in the form of goods and services" (http://www.investopedia.com/terms/f/freemarket.asp). But the origins of such formulations about the free market features can be found, as is widely known, from Adam Smith, an 18th-century philosopher and free-market economist known his ideas about the efficiency of the division of labor and the societal benefits of individuals' pursuit of their own self-interest. In his first book, *The Theory of Moral Sentiments*, Smith invented the concept of the invisible hand, understood as „a tendency of free markets to regulate themselves by means of competition, supply and demand, and self-interest" (http://www.investopedia.com/terms/a/adam-smith.asp) and also like a kind of an unobservable market force that helps the demand and supply of goods to reach equilibrium automatically.

It is important to note that the two concepts mentioned above, the state and the market were very often part of great debates concerning how they can be defined, and also how their relationship evolved. Thus, abandoning the intention of defining them strictly separated, it is more useful to further consider their meaning by appealing to the relation between them, in which the State tend to be perceived as a fundamental institution that allows the context for the development of economic exchanges, while the market can no more be defined without a reference to the State. In this sense can be understood more appropriate the indication of Oppenheimer, according to which “by the State I do not mean the human aggregation which may perchance come about to be, or as it properly should be... I mean by it that summation of privileges and dominating positions which are brought into being by extra economic power” (Oppenheimer, 1926, p. XIV). At the same time, taking into account further its relationship with the market, even the State can be perceived as an amount of procedures by which political factor manages to create “a systematization of the predatory process over a given territory” (Oppenheimer, 1926, pp. 24-26). Following the same idea, Rothbard says that “the State provides a legal, orderly, systematic channel for the predation of private property; it renders certain, secure, and relatively “peaceful” the lifeline of the parasitic caste in society” (Rothbard, 2009, p. 16), and, because the relationship between the state and the market is mainly based on the framework of production and consumption of resources, it appears that the market not only occupy a previously place (Rothbard not accept the idea of a social contract), but also the State can be reduced in essence to a mechanism of resource extraction from what is produced on the market, beyond its traditional definition by which the State is seen only as the main institution responsible for the production of public services / goods.

Although the classical view of the free market provides a definition at least optimistic and try to prove that the state regulatory trends inevitably lead to lower economic efficiency, recent perspective do not preclude the government’s role in establishing and ensuring the stability concerning various economic arrangements: „the existence of a free market does not of course eliminate the need for government. On the contrary, government is essential both as a forum for determining the “rules of the game” and as an umpire to interpret and enforce the rules decided on” (Friedman, 1982, p. 15). Of course, in its concrete form, the capitalist market is presented as essential, either through a product (oil market), either by the environment in which it took place (electronic market), either by the place in which its located (Milan Stock Exchange). But, in its essence, as a vocation (that is why she is called *free*), the capitalist market is universal, ideally it’s not subject to any limitations or rules other than purely economic ones finally expressed by the ratio of supply and demand: “the mechanism of buyers and sellers that meet each other permit the coordination of economic activities without allowing a person or a group to have control over the operation of the free market, this is the result of all the decisions taken by individual buyers and sellers" (Doyle, 2005, p. 35). Furthermore, "it is a tragic error to believe that democracy and freedom are compatible with interventionism" (Mises, 2011, p. 93), the latter being the main destabilizing factor of any system of economic organization. In the same time, "interventionist measures lead to conditions which, from the standpoint of those who recommend them, are actually less desirable than those they are designed to alleviate" (Mises, 2011, p. 93).

Looked from this deep level of analysis, of the definitions of these institutions, the relationship between the State (and when we speak of State we have in mind, as it is normal, the rule of law in a liberal democracy, because it coexists almost for about two centuries with the capitalist economy) and market (as we have seen, the *free* market, because a planned marked is, at limit, *a contradictio in adjecto*) is rather one of opposition. The State and the capitalist economy, operating together, have produced major benefits, from the unification of the market at national level, up to providing resources to citizens in order to ensure their political manifesto; the technological progress, the economic development and the ability to respect human rights are all products of this synergy between the State and the market.

It is natural that we want the perpetuation of such benefits; the question is, by what means we can achieve this thing; the economy and the state, the same as the Sabbath, were made for man and the institutional arrangements are decisive for the individual and for society. Given that, until the first half of the twentieth century, individual mobility (except the streams to the United States which are subject for another type of analysis) was not particularly marked, situations related to the difficulties about applying for financial facilities for higher education in other EU countries have more than anecdotal significance.

Developments of capitalist economy especially in the second half of the twentieth century made that the balance between the rule of law and the free market to break; There are a multitude of symptoms, usually placed under the name of globalization[2], which express an increasing tension between the free market, which tends to universalism, and the State, who attempts to control the main activities related to territory and exercising power; One thing is clear, "the nation State ... is now pressed on the one hand, by the forces of the global economy, and on the other hand, by the political demands of devolution of power" (Stiglitz, 2006, p. 21).

2. The term appeared in the Oxford Dictionary only in 1960 with the purpose of economic phenomenon of creating a single market in the world, later on its use has expanded to other areas, culture, communications, etc. Gradually the literature on this phenomenon has become enriched so much that it is very difficult to orient yourself in it; if you want to establish a definition, it is desirable to start from the cause of globalization, from what determines its emergence; from this point of view, the two definitions worth highlighting. First describes globalization as „the growing interpenetration of states, markets, people and ideas across territorial borders" (Donnelly, J. (2002). Human Rights, Globalizing Flows and State Power. In A. Brysk (Ed.), Globalization and Human Rights. Berkeley: University of California Press, p. 226). The second one describes it as „growing cross-border private activities in total economic output of the country" (Schirm, S.A. (2007). Analytical Overview: State of the Art of Research on Globalization. In S.A. Schirm (Ed.), Globalization. State of art and perspectives (pp. 1-21). London: Routledge, p. 3). First definition describes at first sight a broader phenomenon that spans different fields, political, economic, social, cultural, the second refers only to the economy and, at first glance, is centered on nation states, because it speaks about national income earned abroad. In fact, the first definition is cultural and it has rather an impressionistic character, the second has a scientific-economic background and has a technical character. If someone had to say how the globalization of States occurs, he may be in big trouble, however, it can be shown that the national income of Germany or China is achieved by investing abroad. Actually the only controllable fact is that, by its nature, capitalism tends to create a much wider market as possibly one worldwide without the restrictions of the boundaries per se, but of the different policies and scales applied by the national states. Given that, the investments abroad are one of the main ways more important than the international trade of achieving this single market; this reality expresses the second definition, while the first definition contained actually nonsense. By their nature, as shown by Weber, states try to control a territory, to exercise power over it and, even if even they have a geo-strategic influence, such as the United States, their first concern is to secure the borders, population and activities within them. Instead, private firms have every incentive to expand the market for their products and to participate in a market the widest possible for resources; the capital is the generator of globalization, the purpose being the single market and the possibility of higher returns. Specifically, the stakeholders in this process are multinational corporations that are more competitive than local firms in underdeveloped or emerging countries. Political power for the latter countries try to protect domestic capital through taxation mentioned already, but since multinationals have in turn in the back the political power from their home countries, they can put pressure and liberalize the market so as to produce economic globalization. Its main characteristics are increasing competition and the chance of higher returns for those who are competitive.

Analysing the main issue

From now on, more and more complex problems begin to emerge for the actors of our story, the States, corporations and individuals and also for the storytellers and for theorists. In what concerns the actors, each of them has logic of action in line with what it is: States seek to perpetuate their powers, corporations to increase profits, and individuals to keep their rights and, where possible, to increase them. Citizens, understanding the strength of the association, have used most frequently the creation of non-governmental organizations to relate with State or corporations; in the present, all these relations are still carried by the rules set by the state.

States, which are governing the activities of society, have felt pressed by the citizens, but especially by corporations, so they decided to act accordingly. Shares are widely diversified, from the establishment of supranational organizations, the European Union, to free trade agreements or free movement of persons; UN organization states have tried to integrate the United Nations Global Compact, and even the response of corporations to the challenges posed by globalization. In turn, under the pressure of the mentioned developments, corporations have developed a specific answer, Corporate Social Responsibility, "which refers to the satisfaction of economic, ethical, philanthropic expectations that at some point are demanded by the society from various organizations" (Carroll, 2007, p. 123).

But these reactions are more an approach to symptoms, not the actual ethology of the problem. The State gives solutions, but only under the great pressure of the big actors, the corporations, but no to the small actors, the citizens. In turn, the corporations understand their social responsibility as primarily ethical and that can be satisfied by economic compensation; they assume a complementary role, in fact, a secondary role, in comparison with the actions of the state in these areas. In other words, the main actors, the corporations and the State, act as if they will have to face hundreds of years further in which to act according to a model of the twentieth century with appropriate adjustments. In turn, the people, through non-governmental organizations, at a careful analysis, it appears that either fall on one or the other of the lines of action of the two main actors, the State and corporations, encouraging or criticizing their actions according to the benefits they believe they have.

What is surprising and represents the main target of criticism in this paper is that the theorists, in their overwhelming majority, remain the prisoners of a pattern of thinking of the relations between the State and the market which were established in the nineteenth century and usually offer some sort of combination of the world political system, where, possibly, the rule of law and democracy exist and also an increased corporate social action.

An intellectual like Habermas (2000, p. 40), after recording the symptoms of globalization, says simply that "on-going modernity needs to be taken further forward", describing this development as an influence of the political community upon itself which might become globalized. Despite the signs of absolute novelty, Habermas believes that the Westphalia system in which the State and the market have harmoniously coexisted can develop without problems in a democratic world. More realistic is Robert Dahl, who believes that the democratic arrangement cannot be maintained and we do not know what kind of institutions can emerge, but he is inclined to consider them as "government by limited pluralistic Elites" (Dahl, 2005, p. 203). It is easy to see, however, that Dahl remains in the same perspective of the synergy between the State and the market; it's just a question of form of political power. As for us, we consider the transient assertion of Hayek, which has a capital value for our subject, "we are only beginning to understand... the market... which turns out to be a more efficient mechanism... than any that man has deliberately designed" (Hayek, 1990, p. 34).

We believe that the phenomena associated with globalization are actually a maturing of the market and capitalism and this evolution destroys the old pattern between the State and the market. Simply, the weight falls increasingly on the latter; it will even generate new social functions and will assume and transform others. Corporations will have a fundamental role to play in the new structure of society.

A new Corporate Social Responsibility - two case studies

The traditional understanding of CSR as " a way to characterize the corporate values and / or corporate behaviour" (Thomsen, 2006, p. 40) must be essentially redefined; we must redefine its meaning and get it out of the moral and the complementary aspect of the state; developments in the market and society will make the players, the corporations, the main suppliers of the rules of the game of intelligence and skills that make the design of a society; corporate responsibility becomes fully understood after engaging corporations in a number of sectors that are so far exclusive or primary for the State. We must stop thinking like those barbarian kings who once considered themselves Roman consuls; it's not a simple revolution, a replacement of an empire with a republic or vice versa; simply, in the context of the market forces, we are in a process of a societal change; we need to innovate, to create institutions and to slowly stop relating to the past. It is a difficult and courageous decision, but the analytical superiority it's just seen in exploring solutions that are less familiar to us, but which we see that are more likely to evolve. It will provide a multitude of problems: from how they would regulate labour relations, to how we will educate our children and the market will have to be one of the leading solution providers and the corporations along with it.

The financial and economic crisis

The first case concerns an event that began in 2007 and whose consequences we still fell nowadays, the economic and financial crisis; basically, the same mechanisms described for this case can be discerned in the previous crises. I want to be short, because there is a huge literature of the phenomenon; the two statements I make are, however, undeniable.

The first is the proven fact that financial and banking crisis was caused by excessive incentives which the banks management have received in order to obtain profit, coupled with the poor link between this management and the long-term interests of the financial bank institutions.

The shareholders have put pressure on the management in order to achieve higher profits, and the management was also interested to act in this direction because its reward was directly related to the provided profits, so that there were invented more sophisticated and more risky financial tools;

but “much of executive compensation is short-term, it splits the issuance of long-term ESOs, so there is also the possibility that encourage these incentives CEOs to run great risks, show enormous profits, and collect huge payoffs, all in the short run these problems ... is endemic ... ” (Kolb, 2011, p. 249).

The second assertion concerns the doctrine of *too big to fail* and the aid offered through the treasury by Henry Paulson in 2007 to the largest banks, even to those who had no trouble after the collapse of Lehman Brothers. This policy of the state is actually the one that introduced major distortion; if there is no safety net provided by the state, shareholders are more interested in short-term quality control of the management to avoid long-term problems caused to it. In simple terms, if the market is allowed to work alone, no matter how painful it would be the consequences in the short and even medium term, they would be salutary on the long term.

Even before the crisis, there were others who were protesting against the policy of government support for banks in difficulty because of the reason *too big to fail*, but from the officials, “the message WAS the same: policy makers and the public should not spend much time worrying about how to address too big to fail” (Stem and Feldman, 2004, p. XII), and after the crisis, criticism became more severe; Democratic chairman of the Finance Committee of the House of Representatives, „Barney Frank, mockingly declaring that he was going to propose a resolution to call September 15—the day Lehman filed for bankruptcy”—as “Free Market Day”, “The national commitment to the free market lasted one day”, Frank said. “It was Monday” (Sorkin, 2009, pp. 269-270), one of the best economists saying the necessary conclusion: „we must also return to and embrace the principle of capitalism that a failing firm must vanish with no life support offered by the government and financed by taxpayers’ money” (Moosa, 2010, p. 199). I know that this opinion is against the tide that favours the strengthening of regulations, but I point out that more sophisticated regulations usually lead only methods of breaching them, even more sophisticated themselves. This road we’ve travelled several times; the societal transformation we are witnessing will force us to adopt another way, the market way.

The issue of higher education

Like the housing bubble, the higher education bubble appeared as a phenomenon of overselling a public good under the conviction that everyone ought to attend to higher education, ignoring the fact that knowledge is a matter of competition and hierarchy, not just a right for all like the primary education. As was expected, among the first effects were found the falling of academic standards, the rise of uninterested students and, most important, the rise of unemployment by creating a huge number of graduates on a market that could not absorb this offer of potential employees. In contrast to the early twentieth century, when college attendance was relatively rare—limited to only the very brainy or very wealthy, and most universities were private, placing little burden on taxpayers, since the 1940s, enrollment in colleges and universities has permanently been on the rise (see Figure 1). Thus, by 2009, 70 percent of high school graduates enrolled in a college or university, moreover, President Obama saying that he wants that, "by 2020, America will once again have the highest proportion of college graduates in the world" (http://www.popecenter.org/commentaries/article.html?id=2511#.U_MR6sWSz97).

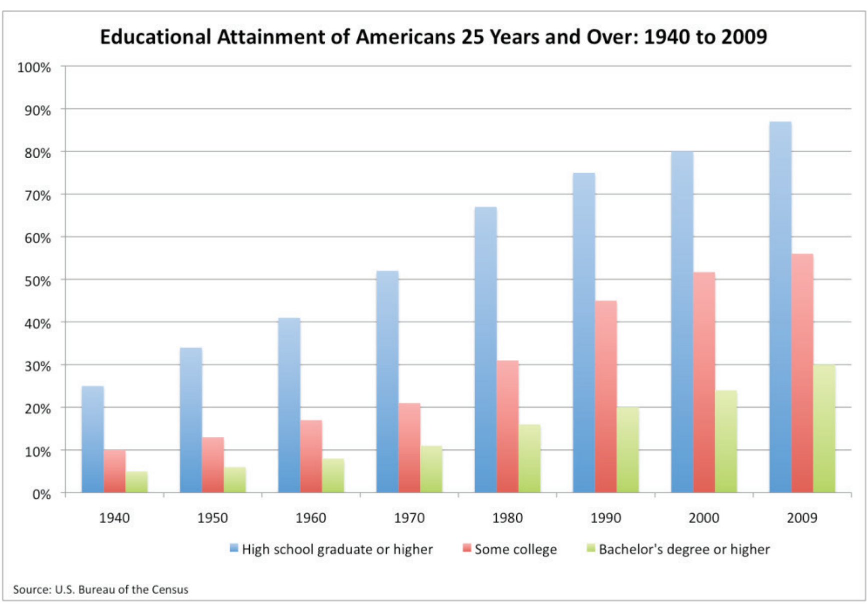

Figure 1. Educational attainment of Americans 25 years and over: 1940 to 2009 (http://www.popecenter.org/commentaries/article.html?id=2511#.U_MR6sWSz97)

At the same time, we should not overlook the observation that a higher education bubble was not possible without creating one in parallel, the high school enrollment. The data confirm this thing for a large period of time (Figure 2). Meanwhile, numerous studies (Simkovic, 2012) confirm that investment in education has led to increased economic productivity and has raised the standards of professional quality, the direct beneficiaries of higher education, the employees, managing to meet greater opportunities for development and promotion. However, the condition remains the careful selection of candidates for higher education, the main criterion being the allocation of resources and the fact that higher education must ultimately be paid by someone, and its cost must be justified by results. Thus, "allocating educational resources more efficiently would not only benefit individual students and their families — it would enhance the productivity and competitiveness of the U.S. labor force, with beneficial consequences for both the private sector and public finances. Over the long term, such efficiencies could increase the resources available for further investment in education and research" (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1941070). By contrast, together with the inflationary increase of the number of university graduates, their need for loans also increased, resulting in a bubble chain of loans, so that "student loan debt is the only form of consumer debt that has grown since the peak of consumer debt in 2008" (http://www.newyorkfed.org/studentloandebt/).

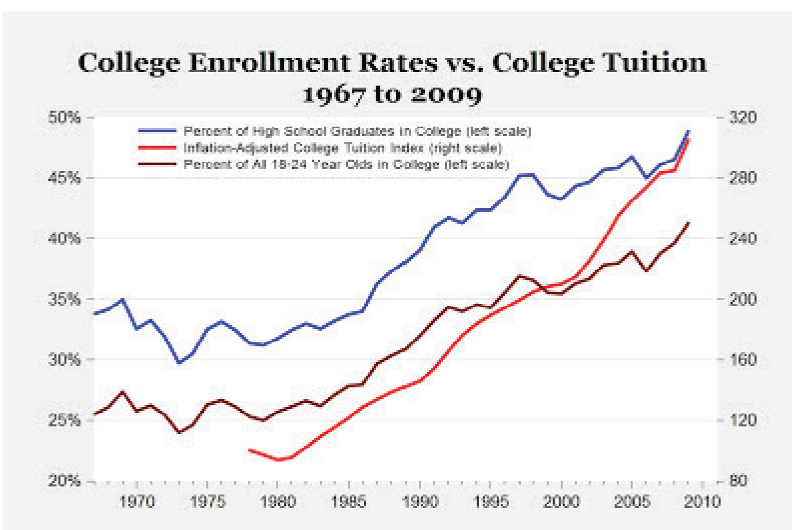

Figure 2. College enrollment rates vs. college tuition 1967 to 2009 (http://mjperry.blogspot.dk/2012/05/higher-education-bubble-vs-housing.html)

Also, the data also show that over the last decade the value of a college degree measured by wages has stagnated (http://macroblog.typepad.com/macroblog/2013/04/higher-education-a-deflating-bubble.html). But the most visible element confirming an oversold in higher education remains the decline of the enrolment, earning a college degree getting increasingly more lame for both students and policy makers, in any case no more a panacea for all personal and social problems. Not only that more colleges already admit a large numbers of academically weak, disengaged students, but also “we already have all the good students, almost all the mediocre students, and lots of bad students” (http://www.forbes.com/sites/georgeleef/2013/11/26/the-college-bubble-is-popping-so-shameless-sales-pitches-pick-up/). According to a study led by Baum, Ma and Payea (2013), significant numbers of college graduates earns today less than the median earnings for those who only have high school diplomas (http://trends.collegeboard.org/sites/default/files/education-pays-2013-full-report-022714.pdf). But, in the same time, according to The Bureau of Labor Statistics (BLS), “in 2009, almost all lawyers had doctoral or professional degrees and only about 1% of speech-language pathologists and pharmacists lacked four-year college degrees. At the other end of the spectrum, less than 2% of paving, surfacing, and tamping equipment operators held bachelor’s degrees” (http://trends.collegeboard.org/sites/default/files/education-pays-how-college-shapes-lives-report-022714.pdf, pp. 37-38). So, it becomes easy to see that the inflation created in superior education not only had decreased the academic standards, by the phenomenon of leveling and adjusting the average learning ability of the large number of students accepted in universities, but this also made the diplomas obtained to become futile for both the overall market and for the ability of students in private employment (http://www.popecenter.org/commentaries/article.html?id=2932#.U_MR6sWSz96).

The second case discussed here, about the higher education is, in fact, a suggestion about a new modelling, one on private bases, and, at the limit, without any state intervention. In the new social model, most of the universities should belong to corporations. This model is different from that of U.S. private university based on the economies of the previous generation and on increasingly unlikely integration in the labour market so that today in the U.S., it speaks of a higher education bubble[3].

Human capital is important, a corporation is interested in educating the workforce, so that it would ensure both the correct acceptance and agreement with the labour market and the financing required for students; they are encouraged to be competitive; education is future-oriented and the trade-off's with an educated workforce are cheaper. Of course, there are areas, like higher education teaching, for who the new model should propose solutions; nothing, however, precludes the corporations to take over such a field, as graduates they are useful for training their staff in other institutions of higher education from which they belong. We should not be afraid of such a development; Greco-Roman culture and education have been made with other educational systems than those we are familiar and successful.

The truth is that we are like Monsieur Jourdain, we make prose without knowing it: the market and the corporations are working fully in the on-going societal change; the two examples above show this clearly; is for our good to have the courage to recognize it.

Conclusions: state, free market and Corporate Social Responsibility

After tracking the analysis of this paper, we found not only that the two case studies discussed could not exclude the mention of the two fundamental institutions of a society, the state and the market, but even at their level of definition, the two concepts could be understood more appropriate when it was established and identified the type of relationship between them. Answering the first research question concerning the existence or nonexistence of a necessary link between the State and the market, we found that they determine each other and they can take freely each other's functions (e.g., the current trend of the market to adapt to the global context and the developing limitations of the State). Such findings could

3. This phenomenon is reported in the United States by Ginsberg, B. (2011). The Fall of the Faculty: The Rise of the All-Administrative University and Why It Matters. Oxford: Oxford University Press, and in France, by Philippe Nemo, P. (2011). La regression intellectuelle de la France. Paris: Texis.

also answer to the second research question regarding the ability of the market to provide educational services in response to the State challenges in the new global context of economic crisis.

The two case studies have positively tested the research hypothesis. The testing process offers an answer to the research questions, reaching the objective of the study, which is to show that in the presence of the tension between the State and the free market, in the future the free market should take more and more of the State functions. Such a redistribution of functions between the State and the free market seems to require a real redefinition of Corporate Social Responsibility, (i) removing the free market from the mere condition of minor complement of State's action and (ii) shifting it into the position of a major player not only in economics, finance, but also in education[4].

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