

Differentiation, Rationalization, and Actorhood
in World Society

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Introduction

In this paper I contrast world culture theory and systems theories for the purpose of addressing issues raised by the new macro theories of world politics. The two types of theories have some similarities that allow for this: they see the world as a whole and theorize about long-term historical change. The differences on which my contrast focuses are the mechanisms of change and how macro-level changes are related to actors. I explore a key concept in systems theory, differentiation, contrasting it with a key concept in world culture theory, rationalization. Systems theorists tend to view functional differentiation as a master trend that drives change; whereas world culture theorists use rationalization as a sensitizing concept. Each in turn conceptualizes actors in particular ways: theorists of world politics either self-consciously omit actors from differentiation processes or assume that they pursue functional differentiation as a rational means of increasing coordination and control in complex environments; whereas, world culture theorists conceptualize non-rational actors that enact identities and associated institutionalized scripts that present functional differentiation as a general solution to social problems. The challenge for both theories is constructing historical, cultural explanations of change that neither reduces these changes to actor interests nor under-conceptualizes the complexity of actors.

Differentiation versus Rationalization in Contemporary Society and in Social Theory

Contemporary society is characterized by a high level of differentiation and by a type of rationality that Max Weber labeled practical or instrumental. Consider bureaucracy, the epitome of contemporary life: it is comprised of specialized offices in a complex division of labor and is marked by a standard of efficient means that permeates all offices and all levels (see for example Berger et al. 1973). The occupational structure, with myriad professions and occupations, reflect a high division of labor, and all are marked by a practical rationality. Everyday life is divided into highly bounded spheres and they in turn are sub-divided. All spheres and occupations, even religion and the arts which are associated with expressivism, are marked by the practical logics of career planning, expert knowledge, technical evaluations, and individuality.

The concepts of differentiation and rationalization consequently appear in most social theories, and most theories tend to build on differentiation as the more basic but all try to delineate how they are related. The appeal of differentiation as the more fundamental concept is traceable to many classical sociologists, but especially Durkheim and Marx. Durkheim saw social development as increased functional rationality which was a response to increasing material complexity of society. Marx saw the dynamic as very different, but nevertheless conceptualized increasingly complex forces of production and associated class conflicts that required functional differentiation to control. Weber came the closest, of the classical theorists, to balancing the two concepts, but he was not able to integrate them thoroughly as evidenced by the tendency to have two very distinct Weberian sociologies. One presumes an evolutionary developmentalism and focuses on state administrative bureaucracies as functionally adaptive. The other is rooted in his sociology of religion that emphasizes the role of increasing the practical rationality of religious worldviews and practical ethics. Parsons's synthesis integrates the two, but in practice functional differentiation came to dominate the structural-functional paradigm, and this has had a lasting legacy on neo-Marxism, Habermas, and systems theorizing. Attempts to develop a coherent theory of rationalism and developmentalism tend to equate

rationalism with functional differentiation (Schluchter 1981; Munch 1990).

This issue is the major difference between systems theories and world culture theory. Systems theories and macro theories of social change focus on functional differentiation as a “master trend,” the general if not essential character of modernity that needs to be theorized and also as the driving force behind change (Colomy 1990). Many systems theories also include the concept of rationalization but tend to view it as derivative of a more basic, material differentiation. World culture theory, in contrast, not only emphasizes rationalization as the central characteristic of contemporary society it analyzes differentiation as derivative of it. There is another difference. Rationalization, at least in world culture theory, is used as a sensitizing concept (Turner 2003); it has increased historically and diffused globally, but this is taken as an empirical observation, not a master trend of history. Rationalism results from mechanisms that are historically conditioned; this is not a Hegelian unfolding of an essentialist logic of development.

These differences are related to different conceptions of the actor (both individual and collective). Some systems theorists such as Niklas Luhmann exclude actors, both individuals and organizations, as having a significant role in differentiation. Others, such as neo-liberal theorists in IR theory understand rational actors as producing functionally differentiated institutions as strategies for creating social optima – stable conditions in which all players can optimize their interests (e.g., Baldwin 1993). Like Luhmann, world culture theorists place analytic primacy on macro, cultural-historical structures, but unlike him sees non-rational actors, including collective actors, as participants in change. One important goal of world culture theory is in fact to understand how people and collectives of all sorts and in diverse situations are constituted as actors with rational agency and identity. Put another way, it has an agenda of identifying the nonrational foundations of rationality.

Differentiation and Systems Theories

Systems theorists view functional differentiation as the essential aspect of modern societies and as a master trend of history from less differentiated to the recently more highly differentiated social systems. Consequently, they tend to use the concept of differentiation to explain the origins and dynamics of modernity: historical, macro change is change toward functional differentiation. Whether conceptualized as intended by actors or as being above actor meanings and intentions, change is inexorably toward greater differentiation. Differentiation is both a social structural concept and a systems theory concept that points attention downward toward material life.

The general form of argumentation is along the following lines. Increased density and complexity of interaction results in particular needs. One need is the reduction or management of competition. Another need is for greater coordination and control of complex interactions and tasks. Functional differentiation is a natural adaptation to complexity which nevertheless further increases system complexity, resulting subsequently in yet further differentiation. Macro-level systems theories, in other words, argue that complex systems evolve over time to even more complex systems through feedback mechanisms that adapt to environmental complexity by increasing differentiation.

There are micro-level versions that use methodological individualism to fill in the mechanisms of change. They presume that rational agency is naturally immanent in actors, and

the adoption of specialization is a rational solution to problems of coordination and control associated with complexity. Actors rationally calculate that differentiating specialized agencies or institutions is necessary to pursue interests and to produce social optima. A specific version of this is exemplified by neo-liberal theorists in International Relations, although many of these are not systems theorists strictly speaking. Rational choice theories depict actors (including states) in systems of bilateral exchange relations. In bilateral exchanges, a social optimum obtains when all actors are able to optimize their profits relative to their initial resources or power. When the system of exchange relations is complex and does not allow for a social optimum, actors demand effective norms or institutions to coordinate bilateral exchanges with the purpose of engineering a social optimum. Specialized institutions and thus greater differentiation result.

In all versions, but especially apparent in rational, actor-centered ones, the resulting cultural order of rationality is a byproduct. In many versions, rationality is presumed to be intrinsic to the actor. In some versions, rationality is epiphenomenal, something of a “rationalization” in the psychodynamic sense after the fact. In other versions, rationality is taken to have its own consequences but ultimately traceable to differentiation and the need for coordination and control.

Systems theories of all stripes argue that there is no overarching cultural order. Differentiated complex societies are comprised of disparate compartmentalized functional systems and logics. Luhmann, who argues that world society is not an integrated system, is not alone when he argues that the greatest threats to modern societies are attempts to integrate differentiated spheres or to apply overarching logics which he associates most closely with religion. Conflating the lack of system integration and the absence of an overarching or a cross-cutting cultural schema is understandable given the limitations of previous theories of integration. Parsons (1950), for example, understood integration as a paramount practical and theoretical issue, conceptualizing integration ultimately as resting on the individuals’ internalization of values in the cultural system that are prerequisites for the functioning of the social system. Even subsequent phenomenologists graft into their theories of institutionalization a stage of internalization (e.g., Berger and Luckmann 1967). This particular conceptualization of culture and the idea of an internalized consensus of values cutting across differentiated spheres have not held up empirically. Current systems theorists accurately argue that any possible system integration cannot be based on a consensual cultural system of values, but by assuming that this is the only conceptualization of culture available they reject out of hand the possibility of a cross-cutting culture.

There is, however, another understanding of culture as being something other than internalized values: it is a structured ordering of cultural elements – a schema – to which actors are oriented (Douglas 1966; Zerubavel 1997). This view is central to world culture theory. In this regard, Luhmann’s formulation of media of exchange or communication spanning system boundaries fits with this view quite well, as does his later formulations that emphasize the phenomenological, discursive construction of differentiated spheres; these are potential bases for modern systems theorizing about cultural schema across system boundaries.

Problems with the Concept of Differentiation

Theories that use the concept of differentiation as a master trend cannot adequately

interpret two empirical generalizations. The first is that functional differentiation is loosely-coupled or decoupled from actual practices within organizations and across organizational fields. This empirical generalization poses a problem for macro-theories that postulate system-level feedback mechanisms through which a system differentiates as an adaptation to complexity and need for control. The same empirical generalization calls into question micro-, actor-centered theories that presume that actors rationally calculate the need for specialization to coordinate and control complex situations. These lines of theorizing require that specialization or functional differentiation actually in practice increases coordination and control and the overall efficiency of the system for producing order or optimal outcomes. If, however, the “solution” to a problem of coordination and control is never actually practiced on the ground, then the purported function it would serve if it were to be practiced is irrelevant (Meyer and Rowan 1977).

Partly in response to this problem, a trend in theorizing differentiation is to relax the assumption that it actually increases efficient coordination and control (Colomy 1990). This line of theorizing begs the question as to why specialization is adopted in the first place. Actor-centered versions might fall back on some idea of “perceived” efficacy, but the sources of the felt need and of the “perception” that differentiation is the rational solution remain unanalyzed. If actors are presumed to be rational, moreover, there must be some sort of feedback mechanism that would correct the misperception. Versions that are not actor-centered need to stipulate how differentiation is adaptive to a particular environment. This poses particular problems for modern systems theory that conceptualizes world society as a system with no external environment. Actors might be a source of random innovation, but why, and how given the lack of an environment, functional differentiation is selected systemically as adaptive remains a mystery.

Relaxing the assumptions about the effects of functional differentiation, in short, underestimates the degree to which the whole explanatory mechanism of structure and function is undermined. If specialization is just one way to deal with complexity and it does not always work, then there is no logical line of argumentation left. This problem, first raised by Robert Merton’s formulation of structural alternatives, grinds the theoretical enterprise to a halt. What would be needed to rescue it would be a theoretical commitment to linking specific functions (coordination and control) to specific structures (degrees of specialization) under specific conditions.

Second, focusing on formal differentiation and either ignoring culture or conceptualizing it as cultural values, in either the sense of internalized values or in an ethnographic sense of homogenous values, causes observers to miss the second empirical generalization: presence of a cultural order that spans differentiated fields. Statements to the effect that there is no common cultural value across the differentiated spheres of modern society are so thoroughly unquestioned they are taken as truisms. Yet, there is good evidence that it is extremely difficult if not impossible to keep spheres of knowledge compartmentalized (Douglas 1973). Moreover, analysts of modern life from phenomenologists (Berger and Luckmann 1966; Berger et al. 1973) to post-structuralists (Foucault) have analyzed the instrumental logic of bureaucracy, technological production, and the organization of everyday life. The existence of similar logics across organizational environments is discussed extensively in the sociological and organizations literatures. Associated with this logic are a rationalized ontology and an epistemology: the orderliness, predictability, and materiality of nature; the sovereignty of the actor; scientific rationality; and rational individuality (Meyer, Boli, and Thomas 1987), what has been termed

global rationalism (Boli and Thomas, 1997). These assumptions about reality in fact are crosscutting, and this crosscutting cultural schema is, moreover, a moral order: actors of all sorts are obligated to take on these identities, scripts, and lines of action, and pursuing rationality is a virtue and an obligation. Sometimes this obligation weighs heavily on local actors, and global-local tensions and conflicts take on moralistic overtones: on the one side, to not follow rationality embodied in best practices, development programs, and personal life plans is to be irresponsible; on the other side, to give in to global imperatives and to become individualistic is to sell out or to lose to globalizing powers.

Despite this evidence, the presence of a crosscutting cultural schema and the moral aspects of global rationalism are commonly missed for several reasons. For one thing, the theory of differentiation is so strong and so embedded in folk and everyday understandings that a lack of an overarching cultural and moral order is an important element of modern narrative. The absence of a cultural and moral order is especially crucial to asserting the rationality and autonomy of actors such as states, corporations, and individuals, protecting them from moral constraints. For another thing, there is no one office or agent that is invested with authority to elaborate, apply, and enforce global rationalism. But this mistakes the lack of a world state or a world church for a lack of world culture.

Both empirical generalizations, decoupling and an overarching cultural schema, combine to present problems for the ways in which systems theories that rely on the concept of differentiation understand the role of actors and the nature of actorhood and agency. Specialized formal structures cannot be explained in terms of rational actors when those structures are decoupled from practices. While omitting actors from differentiation processes has a certain parsimony and elegance, actors seem to be important agents of change and understanding them is an important theoretical goal. There, moreover, is an inability to consider the cultural accounting, the interpretive meanings, that operate. The solution to postulate individual internalization of culturally shared values has two problems: (1) it relies too heavily on internalization and (2) it depicts culture as a set of shared values, not taking into account the more structural and narrative understandings of culture.

World culture theory shares with Parsons the sense that actor agency and cultural accounting are necessary to understand the workings of modern systems; the difference is with the conceptualization of these processes. In world culture theory there is little internalization or culture as shared values or presumptions of integration. It is not that coercion and internalization do not happen, of course, but that an important mechanism is the orientation to a binding legitimate order (Weber) or what Goodman and Jinks (2008) conceptualize as acculturation. In this view, situations are embedded in underlying ontologies and narratives, and actors orient to these, enacting identities and associated scripts.

There is too much content to modern systems to be explained without reference to cultural content and to the dialectic between cultural structures and actors. Jeffrey Alexander describes differentiation this way:

Institutions gradually become more specialized. Familial control over social organization decreases. Political processes become less directed by the obligations and rewards of patriarchy, and the division of labor is organized more according to economic criteria than by reference simply to age and sex. Community membership can reach beyond ethnicity to territorial and political

criteria. Religion becomes more generalized and abstract, more institutionally separated from and in tension with other spheres. Eventually cultural generalization breaks the bonds of religion altogether. Natural laws are recognized in the moral and physical worlds and, in the process, religion surrenders not only its hierarchical control over cultural life but its institutional prominence as well (Alexander 1990:1).

Other theorists might have a different list with different emphases, but the point is the amount of cultural content in such descriptions that is glossed over by the formal terminology of system theory differentiation and calls into question the view of differentiation as a raw pre-cultural materiality. The functional differentiation of a central bureaucratic apparatus that increases efficient coordination and control that gives competitive geo-political and economic advantage seems to include an extremely high amount of content: conceptions of justice, individuality, rational actors, equality, and progress. Omitting this content from our theorizing omits the cultural accounting or the interpretive process involved.

Instrumental Rationality and World Culture Theory

World culture theory (known also as world polity theory, sociological neo-institutionalism, and the Stanford School) rooted in the work of John Meyer, has been constructed inferentially from observations of formal organizations generally and of states and non-state actors globally (Meyer and Rowan 1977; Meyer 1980; Meyer, Boli, and Thomas 1987). The presence of similar formal structures, cognitive styles, discourse, and action strategies across myriad formal organizations in different organizational fields, across nation-states with different local-civilizational histories, across types of non-state transnational organizations, and across episodes of collective action, leads to inferences that a common cultural environment is present. Identifying a world culture of global rationalism highlights that whatever one's angle on the global whole, it is a cultural order: a structured set of elements, principles, and models about reality. The most material interaction or system, whether economic or geo-political, is implicitly cultural.

In world culture theory, culture is conceptualized as a schema (Zerubavel 1997) or structured order (Douglas 1966) comprised of institutionalized categories or types (Berger and Luckmann 1966). In this view, institutions are cultural categories, rules, principles, and models. This cognitive schema is appropriated as situated scripts (Goffman 1967) and established practices (Foucault) and takes the form of cognitive styles and narratives guiding and justifying decisions and actions.

These processes are general, but it is helpful to examine organizational forms to illustrate. Consider what happens when a country works with the World Bank to adopt and implement a development program. We know that World Bank projects have strings attached in the form of particular policy directives such as liberalizing markets. But much more is brought in, albeit usually implicitly. The program carries with it assumptions that social organization is a means to development defined as, for example, increased GDP per capita and attained through "best practices" which have been ascertained through scientific research by expert scientists. This cultural nexus in turn implies a particular understanding of history captured in a narrative of progress. There is, moreover, autonomy from the transcendent: humanity – whether the

individual, the people, or the state – have the agency to create their own destiny. This process often lies behind the top-down state-directed programs so well described by James Scott (1998). The process is complicated, however, by the fact that even in extreme cases of imposition from the top down, the programs are not adopted and enacted locally in a completely passive way. The actual programs as practiced on the ground are hybrids of global rationalism and local institutions and knowledge. Local initiatives, moreover, often link up with global imperatives to put pressures on laggard states. Local or transnational activist contentions over World Bank policies are in no small part due to contentions over precisely these underlying assumptions. Often this is because of local resistance to the global elements, but it often also is because of the contradictions within global rationalism: local groups critique World Bank practices of development by mobilizing around global elements of national sovereignty or egalitarianism. Policies and conflicts over organizational policy thus are embedded in the broader cultural schema.

It is important, therefore, to see that the concept of culture in this view is not reserved for expressivism, or personal values, or traditional homogenous cultures set against modern technical society. Culture is immanent in or co-inherent within modern, technical practices. This means that when actions are taken, programs implemented, or policies adopted, a whole set of assumptions about reality is being practiced. Sometimes actors make this underlying reality explicit by way of justification; sometimes actors are unaware of the kind of world they are building by taking these actions; others resist but often by pitting some cultural elements against others.

Rationalization is the systematic structuring of the practices and organization of everyday life within standardized, universal rules, principles, and models that constitute actors with agency and actions with meaning relative to collective ends. All types of cultural orders can be made more systematic, but instrumental rationality has the peculiar emphasis on universal, abstract knowledge and specialized expert agents all evaluated in terms of efficient means. Rationalism and differentiation are dialectically related with one feeding the other. The thesis here is that the narratives of modern life hinge on the materiality and acultural nature of technical rationality and this demands viewing differentiation as a raw, objective, material reality. If world cultural theory is correct in its approach differentiation along with technical rationality are in fact cultural. The creation of new offices and agencies and bodies of knowledge are not simple, naïve pragmatic responses to objective conditions but enactments of myths of rationalism. World culture theorizing does not derive from metatheoretical assumptions but from the empirical observations of how differentiation is practiced.

Global rationalism is the compression of the world into a global time and place to which people are oriented (Robertson 1992) and within which local situations are embedded. World culture theorists refer to it in the singular to underscore the commonalities across local situations, although it is not unitary but fraught with contradictions. Moreover, as the universal elements of the cognitive schema are appropriated and enacted, they are grafted into local cultural schema. The result is observed by many scholars: hybridization or creolization (Hannerz 1987). As Appadurai (1996) observes, this process requires that cultural elements be ripped out of their historical, civilizational contexts, creating disjunctures.

If there is one thing that is emphasized in world culture theory that is missed by other theorists, it is that modern society, including world society, is cultural and thus a moral order. As described, culture is a cognitive schema and entails an ontology and epistemology that are

morally binding. Actors are obligated to find and follow the most efficient organization and lines of action. Because specific, highly specialized actions are embedded in the broader schema, they are imbued with moral significance and actors interpret what they are doing as a moral project (Smith 2003b; Hunter and Yates 2002). Those who strive for efficiency are virtuous and those who don't are not and are undeserving of recognition or resources. Groups that organize to infuse a substantive rationality into decision making or that do not press for increased specialization are viewed as threats to the moral project.

Actorhood and Agency

Early world polity theory (Meyer 1980) was formulated in part as a way of explaining the authority of nation-states and of actorhood more generally. Understanding actorhood – identity and authority or agency – remains central to world culture theory's agenda (e.g., Meyer et al. 1997; Meyer and Jepperson 2000). It views actorhood and agency as qualities to be explained rather than assumed. This starting point derives in part from metatheoretical assumptions and in part arises from the empirical patterns noted above that are not adequately explained by methodological individualism.

Institutions, in the cultural sense used by world culture theory, constitute actor identities and agency. The mechanism is not primarily through internalization of cultural values or elements. Rather, identities are themselves institutionalized categories and thus embedded in the structured whole. An identity is associated with types of discourse and action, assumptions about nature, the purposes of society, and the sources and nature of authoritative knowledge. To take on an identity is to pursue lines of action, and vice versa (Goffman 1967). The mutual constitution of identities and practice that is observed and theorized by a wide range of scholars occurs within a cultural context – an ontology and epistemology.

World culture theory provides one “solution” to the “structure—agency problem” so much discussed in the social sciences, including IR. It's formulation is criticized as too structural because of the prevalent insistence that actors to have agency must pursue internal values, interests, and intentions unencumbered with identities and thoroughly autonomous from structure. In this view, there is a sharp distinction between what is internal to the actor and the external field. Arguments that external structures constitute internal characteristics or that blur the boundaries violate this metatheoretical presupposition. World culture theory rejects this realist view of the actor, arguing that a constructivist approach to actors' interests and intentions allows for more adequate theorizing about the dialectical role of actors without being reductionistic in either direction.

In short, identities are embedded in cultural contexts or fields. To present an identity within a situation requires that one, often implicitly, establishes the assumptions about reality that make that identity legitimate: make it reasonable, natural, and moral. Consider again a state adopting a World Bank development program. To participate in these programs, people must act as modern individuals autonomous from traditional kinship obligations. The state itself, moreover, has to take on a particular national identity and purpose, and the development program is not infrequently adopted as much for the establishment of this identity in the world community as for material development. The strong, mobilizing autonomous state described by Scott is better understood as a fractured, reactive entity that is taking on externally mandated practices. The process described by world culture theory helps us understand the tensions, conflicts, and

hybrids that result, how they revolve around actor identity, and thus how identities themselves are complex if not fractured structures.

A key mechanism in the rationalization process thus is the taking on of an identity because where the identity is adopted the cultural context is established. Where states establish programs and claim jurisdiction, where corporations establish markets, and where activists organize, the world of global rationalism is built. Drori *et al.* (2003), for example, forcibly show that the spread of science as an epistemology and authority (beyond its concrete practices and methodologies its depiction of an orderly material nature) spreads worldwide precisely because it is the underpinning for the active rational actor.

This is true structurally as well as situationally. That is, to establish a new profession, one must establish the rationalized cultural context in which that profession has an identity and can act. A profession has a monopoly over an area of abstract knowledge and over the set of associated practices. A common actor-centered interpretation presumes the pre-existence of an occupation or niche of experts who then press for professionalization as a way of entrenching their interests. This, first of all, begs the question in many cases in which there is no clear pre-professional group. Second, it glosses the difficulty by which a rationalized field can be captured or by which a rationalized field might be created. They are not created *de novo* but are part of a larger rationalistic context. In his study of professions, Andrew Abbott (1988) shows that any one profession or creation of a profession has to be understood in the context of a system of professions. While he does not develop the argument that rationalization is analytically prior to specialization that I am making here, he does document that professionalization depends on high levels of rationality within the system and that the construction of a rationalized field of expertise is historically contingent.

The Nonrational Foundations of Rationality

Why do people adopt functional differentiation as means to solving perceived problems? The prevalence of decoupling means the putative objective rationality of differentiation cannot help answer this question. In this light, what can account for the centuries-old increase in differentiation and complexity? A major purpose of world cultural theory is to understand the nonrational bases of rationality. This is, of course, Weber's purpose in his sociology of religion and theorizing about the origins of capitalism. Parson's continued this agenda, rooting the rationality of the social system in the internalization of values and in the conditions of differentiation. Constructivists in IR theory pursue a similar purpose, albeit not in these sociological terms. In this line of theorizing, world culture theory attempts to account for global rationalism, and thus to account for the presumed rationality of differentiation.

World cultural theorists argue that the practice of identifying problems and model solutions are built into rationalized cultural schema that provides scripts for action. The demand for and the creation of specialized knowledge and experts, is a stylized "rational" solution to innumerable problems. These practices and models spread in part because within the cultural context of global rationalism actors have the agency to and are compelled (by each other as agents of the moral project) to focus on efficient means embedded in the same cultural schema.

More fundamentally, the rationalized actions of differentiation spread because they are constitutive scripts and practices attached to identities of individuals, organizations, and states. In the seminal formulation of sociological institutionalism, the elaboration of complex formal

organization is a ceremonial enactment of myths of rationality (Meyer and Rowan 1977). Taking the example of the World Bank development program, the cultural myths of rationality embedded in ontology and epistemology establish the development program as the most effective means of attaining ends which themselves are part of the rational myths that establish states and individuals as rational actors. The contrast with prevalent IR approaches is stark: According to IR theories international organizations spread as solutions to problems of coordination and cooperation among states within an anarchic environment; whereas, world culture theory interprets that worldwide diffusion of formal organization as the enactment of a world cultural environment comprised of institutional identities and rules – in IR terms international norms rather than anarchy.

This line of argument presupposes the existence of these myths of rationality and the prevalence of a rational ontology, which raises substantive and methodological issues about origins. A large part of the world cultural research agenda involves tracing the history of particular rationalistic practices and accounts and how these came to dominate. There certainly are many examples of pragmatic solutions to problems and the adoption of functional differentiation long before modernity. The goal of understanding the nonrational foundations of rationality is not to account for every instance of purportedly rational action (although knowledge of such instances is helpful as points of contrast). Rather, the goal is to understand why instrumental rationality exists as a compelling moral force and why functional differentiation is presumed to be a natural and rational solution to myriad problems. In Weber's terms, we are interested in how the cloak of methodical practical rationality put on by the Puritans (for the especially substantively rational purpose of pleasing God) became an iron cage that we find difficult to see let alone unlock. In terms of Baudrillard (1994), we are attempting to explain hyperrationality – the accelerating circulation around the world of models of models of “rational action,” including functional differentiation.

Methodologically, if we are interested in, for example, why states adopt gender equality policies (see Berkovitch 1999), we might study the timing of adopting such policies, the discourse surrounding them, the other players involved (such as international women's organizations,) and the world-historical context (human rights discourse built into international governmental organizations and development models) during this period. Much of the causal argument of world culture theory is that the rationalized world-historical contexts have causal constitutive effects. In our example of explaining state gender equality policies, subsequent work would examine the establishing of human rights and their link to women's rights. This in turn would draw on an analysis of prior world cultural contexts. Any given study can push the causal line back only so far, leaving the earliest contexts as the “initial conditions” of that study. It has been suggested that all of this will be traceable to Christendom and in particular to its dualistic, this worldly character. But there is no one place which begins an inexorable unfolding. The methodology thus is not very different from any historical, discursive study that develops a narrative with a beginning middle and end but that does not suggest that the beginning is some essentialist beginning but only at one chosen relative to the research question. Nor is it much different from conventional longitudinal studies (whether quantitative or case studies) in the social sciences.

Dynamics of Rationalized World Culture: Nation-State and Religious Movements

To map out the relationship between rationalization and differentiation and to specify the argument that rationalized institutional structures are analytically prior to the dramatic differentiation of social systems, I briefly sketch two examples, first world society and nation-states and second religious rights and movements in world society.

World society and nation-states

I will not rehearse in detail world culture theorists' analyses of world society and the nation-state (Meyer et al. 1997; Thomas et al. 1987). In outline, powerful actors such as states and corporations and less powerful actors such as international governmental organizations (IGOs) and international nongovernmental organizations (INGOs), are established in the institutionalized schema, now worldwide, that endows them with authority to rationally pursue collective goals.

States are powerful yet fractured, mobilizing yet reactive. They pursue interests, set agendas, mobilize their societies in development programs and national reforms, they exercise sovereignty in deciding to enter or not into treaties such as economic, environmental, and rights agreements. The top-down, total institution of the mobilizing state has been well documented (e.g., Scott 1998), and the geo-politically driven state has for generations anchored state-centered and neorealist theories. World culture theory argues that the modern state is, nevertheless, cultural in nature deriving its authority from world cultural contexts (Thomas and Meyer 1984). It is now commonplace to understand the singular nation-state's authority deriving from the interstate system traceable to the Treaty of Westphalia (1648), and world cultural theory takes this further, noting that this must mean that the interstate system was characterized by a cultural schema.

This cultural schema was not created *de novo* but is traceable to Christendom (Meyer 1989) and specifically through the Investiture Conflict to Western dualism (e.g., Strayer 1970). This dualism resulted from both theological sources and centuries of conflict among political and religious powers. One might conceptualize this dualism as an initial level of differentiation necessary for subsequent rationalization, but this dualism was not early (*City of God and the City of Man*) viewed as functional or as a solution to increased societal complexity. Dualism was derivative of contradictions built into Christendom that continually disrupted the smooth operation of empire (Ellul 1978). Christendom was marked by repeated attempts by emperors and popes to undo this dualism. That is, within the cultural order this differentiation was viewed as a problem, not any solution. The break occurred when the attainment of peace and justice became a fixed collective goal – a goal transcendent in its source (church) but mundane in its attainment (state). Koenig (2005) describes this as the transfer of charisma from the spiritual authority of the church to the “secular” authorities. Cultural rationalization shifted from ways of undoing dualism and articulating a static order of things to formulating different collective goals in different spheres – to formulating a functional differentiation. That is, dualism or differentiation had not changed but the cultural accounting of them had.

Whether one wants to use a teleological account (cf., Wendt 2003) or an historical-contingency one favored by world cultural theorists, we observe historically the piecemeal construction of the nation-state vis-à-vis its national society through increased centralization, extension of citizenship through state revolution and civil war, the elaboration of state purposes around the historic charter of establishing peace and justice, and bureaucratization of state

purpose and practices. States, even the most powerful ones, thus are actors deriving authority from world cultural contexts, and states and world cultural contexts are in dialectical relationship. This is manifest currently in the fractured reactive state (Meyer 1999).

While rational-legal authority and legitimate violence devolve onto states, individuals are authorized to organize for collective goals. They organize voluntary associations, including INGOs which span national boundaries for global purposes. Tens of thousands of INGOs and regional NGOs lobby states and IGOs and put pressure on corporations. They carry a rational-moral authority associated with voluntarism and expertise. Because of voluntarism and a claimed lack of narrow self-interests, INGOs claim, not without controversy, to represent the interests of humanity and the good of world society (Boli and Thomas 1999). Because of technical, scientific knowledge, they are able to claim a professional expertise and information that rational interested actors need. These elements combine into rational-moral authority which enables them to transcend the economic and geo-political interests of states, IGOs, and corporations.

Their source of authority thus is embedded in global rationalism, and their stated goals reflect the differentiation and technical rationality of modern societies: of INGOs active in 1988, 18 percent were in industry/trade, 15 percent in medicine/health, 12 percent in science, 8 percent in sports/leisure (Boli and Thomas 1999). These organizations across the different spheres have the same sources of authority, the same types of activities, and same strategies of influence, and they press the same types of goals such as universal standards. Specialized, technical expertise and an overarching rationalistic discourse go hand-in-hand.

The logic common to world cultural research is to move inferentially from observed structures, policies, and discourse of states and organizations to the cultural elements that are implicit in them. Quantitative and qualitative methodologies can be used in different research designs, and both have been used extensively. The “reading” of underlying cultural elements embedded within structures and practices is akin to discourse analysis. World cultural projects have analyzed educational curricula (Meyer, et al. 1992), documents and discourse surrounding statehood in the United Nations (McNeely 1995); published aims and activities of international nongovernmental organizations (Boli and Thomas 1999), the claims and rationales for women’s rights (Berkovitch 1999), the content of population policies (Barrett and Tsui 1999) to name only a few of the kinds of things that can be used to infer underlying schema and narratives.

While these studies focus on identifying the dominant elements that make up global rationalism, they necessarily identify the elements that do not make it in. Many examine how elements change over time in a particular sector. Studies of curricula show striking similarities across countries, and they show what does not appear: justifying education and attempting to instill into students an appreciation for a static society in which change is evil. Women’s organizations make appeals to individual rights, not to the necessity of protecting women from the hardships of modern life, as such organizations did before World War II. Population policies show striking isomorphism, but the dominant model has changed from pro-natal, to eugenics, to anti-natal through the twentieth century. INGOs, as noted, have and discuss goals in terms of specialized, technical knowledge; the old turn of the twentieth-century-style internationalism that synthesize holistic systems has declined (Kim 1999) and by inference is not a part of world culture.

World society and nation-states: world culture theory and other macro-theories

World culture theory has much in common with the English School in IR. Theorists in the English School distinguish three systems. The international system is the increasingly complex networks of interdependent exchanges and power politics. International society refers to the system of states with a focus on institutions, rules, and norms. World society is comprised of the myriad non-state actors and associated norms and cultural understandings. World cultural theory's conceptualization of world culture is similar to both the international system and to world society as defined by the English School, although as Buzan (2005) notes, world culture theory is most relevant to international society. The English School draws attention to the institutions, values, and norms that comprise international society and shape nation-states and their interactions. Primary institutions are those cultural and normative principles that shape state interests and actions and are distinguishable from secondary institutions that are associated organizations (e.g., the United Nations and international regimes). The analysis of primary institutions is state-centric in that the focus is on the "ontology of the state" or the institutionalized assumptions that make the interstate system possible. Primary institutions thus are roughly the same as the rationalistic institutions studied by world culture theory.

There are some notable differences although they might be due to differences in emphasis. World culture theorists tend to see more and denser institutionalized cultural elements and to treat them as somewhat more autonomous and constitutive of actors. Also, they tend to dig a little deeper beyond primary institutions such as sovereignty, nationalism, and equality to basic ontological elements: individuality, mechanical nature, progressive history. Another difference is that while world cultural research has to a great extent analyzed how global institutions shape nation-states, world culture is much broader and encompasses what the English School calls world society. World cultural elements are constitutive of non-state actors as well. Thus, world culture as an institutionalized schema is comprised of institutions that shape not only the interstate system (international society) but also the field of INGOs and global civil society (world society in English School terminology).

Neither differentiation nor rationalization plays a substantial role in the English School. There is some advantage to analyzing the play of institutionalized elements unburdened with their implications for rationalism or differentiation. The strength is the inferential construction of typologies, but the weakness is underdeveloped theorizing about change. There are some works that point to tensions among primary institutions as sources of system dynamics (Buzan 2005; Mayall 1990), and this would be a substantial point of collaboration with world culture theory that views contradictory elements as a major source of the dynamism of global rationalism.

There are many commonalities and differences with Luhmann's (1990, 1982) modern systems theory of world society (see Thomas 2004a). I focus here on those differences that touch on functional differentiation and rationalization, and I point to ways in which they might be turned into fruitful dialogue.

Luhmann's modern system theory takes functional differentiation as the dominant fact of modern world society but seems to not theorize its source nor conceptualize it as a master mechanism of change. Yet because of the paramount facticity of functional differentiation within the theory, it is easily to read or misread it as a master trend, thereby highlighting differences with world culture theory. This is complicated by the fact that modern systems theory conceptualizes world society as a system that has no outside or social environment.

Functional differentiation in most material understandings is an adaptive reaction to complex environments; or more precisely, the selection of innovations for adapting to environments. If there are random changes or innovations, say from individual actors, on what basis are some selected for adoption at the systems level?

Modern systems theory views functional differentiation as going hand-in-hand with the discourse or semantics surrounding rational actorhood. World culture theory argues that rational actorhood is embedded in rationalized contexts that include depictions of nature as solely material and mechanical, highly differentiated social organization that is a means to value attainment, and specialized scientific and technical knowledge. The modern systems argument that functional differentiation and the discourse or semantics of rational actorhood go together thus is consistent with world culture theory *if* it does not view this discourse of rationality as merely a “rationalization” of a driving material reality.

While the conceptual apparatus and methodology of modern systems theory, especially its attention to semantics and discourse analysis (Jaeger 2005), are close to this world culture theoretic formulation, in practice it seems to diverge on this point. According to modern systems theory semantics respond to increased complexity that in turn is affected by the type of differentiation. Changes toward functional differentiation affect what semantic forms are possible such that semantic forms indicate the type of differentiation present in society. In Jaeger’s (2005) application of discourse analysis it is striking that the discourse clusters around problems of differentiation. World culture theory similarly argues that discourse identifies and focuses on problems that need to be solved. In empirical analyses, there thus is substantial convergence. The difference is that in modern systems theory, the problems to which differentiation is an adaptation seem to be objectively given and link social structure and the self-observation of semantics. In short, the type of differentiation shapes the semantic form that is successful. Thus, while differentiation and semantics are co-constitutive, the mode of differentiation is in the end determining.

World culture theory also sees rationalization and differentiation in a symbiotic relationship, but it argues that in the end there is content to functional differentiation that derives from instrumental rationality. For any given research question, a degree of differentiation (and associated rationalism) might occur first chronologically, but both its meaning and its source are entailed in rationalism. It is for this reason that I use the peculiar phrasing that rationalization is *analytically* prior.

Another source of difference is Luhmann’s conceptualization of systems as strongly bounded or autopoietic whereas world culture views organizations and differentiated spheres as open to environments with porous boundaries. This is in fact a fairly significant difference for the study of organizations. Relative to the themes I am here focusing on, it is significant relative to the presence of an overarching cultural and moral order. The modern systems emphasis on the dominance of differentiation and the tightly bounded nature of systems and sub-systems means that there is no cultural schema cutting across world society. Culture within a system consists of its symbolically generalized media which is distinct from that of others. The strong conclusion that there is no culture spanning world society seems to be a stark difference with a theory called world culture theory.

Despite these differences, there are aspects of modern systems theory that potentially converge with world culture theory, or at least provide potential bridges. Modern systems theory conceptualizes world society as a system of communication and recognizes with globalization

that communication spans subsystems. Does this mean that a media of communication emerge that span boundaries? If the media are the message, then there is likely a crosscutting cultural schema. Also, Luhmann moved toward emphasizing that autopoietic systems of communication are socially constructed through discursive mechanisms. Are the discursive mechanisms that generate autopoietic spheres analytically prior to those spheres? Does this relax the earlier lines of argument that see semantics as derivative of differentiation types? More theorizing about these media, constructivist mechanisms, and the implications for communicating and diffusing cultural schema seems important and are potential points of convergence with world culture theory. World culture theory would also suggest the possibility, not dissimilar to Habermas's idea of lifeworld colonization by systems logics, that the communications internal to the conceptualized autopoietic subsystems have become characterized by similar cultural schema. More concretely and to use systems that are the frequent topic of modern systems theory, the semantics both of politics and of law have increasingly become characterized by practical, technical rationality. How modern systems theory answers the questions of subsystem isomorphism, the possibility of emergent boundary-spanning media, and their characterization as technical rationality, either closes or opens points of collaboration with world culture theory.

The conception of instrumental rationality and a focus on the worldwide dominance of global rationalism shares much with Habermas's analysis of instrumental rationality/systems. There are similar conceptions of its rationalizing everyday life, which he captures through the idea of lifeworld colonization. Both agree that increased system rationalization results in cultural movements and resistances. World culture theorists would suggest that he underestimates the extent to which modern conceptions of lifeworld are shaped dialectically as ritualized rebellions that ultimately reinforce technical rationality (Thomas 1987).

World culture theory has the greatest metatheoretical similarity to constructivists, including modern systems theory and social constructivists such as Alex Wendt. These exemplify what some have called the "cultural turn" in studying the state (e.g., Steinmetz 1999). Wendt argues, for example, that the ontology of the state is the culture of the interstate system, and the actions or "cognitions" of the state are interpretable only in the context of that culture. Power and interests are constituted by and derive their content from culture. Moreover, both have similar structural conceptions of culture. As Wendt puts it when speaking about how to conceptualize culture, "IR scholars should think more like structural anthropologists than economists or psychologists. (Wendt 1999:372)"

As with world culture theory, one mechanism of constitutive effects is that actors take on identities and the associated scripts of actorhood. Wendt (2003) develops this in part as a drive for recognition. He makes a distinction between thin and thick recognition that has not been extensively explored by world culture theorists. Thin recognition is when states, individuals, and corporations establish mere legitimacy of actorhood. States, individuals, and corporations pursue thick recognition when they attempt to establish particular recognition or high prestige or standing. It would be interesting to see if these two types of recognition exhibit empirically different strategies or are associated with different conditions.

There is a literature associated with macro theories that attempts to fill in the social psychology of macro order. The questions explored include the bases of institutional stability and why actors accept or comply with institutions. A commonly drawn distinction is among coercion, incentives/calculations, and belief/persuasion (Wendt 1999; Hurd 1999). There has been a turn to the latter as a source of legitimacy. World cultural theory tends to downplay the

importance of internationalization. It also tends to view the importance of belief in a particular way. It is not so important whether or not actors *believe in* a cultural schema as much as (a) actors know that other actors are oriented to that schema as a legitimate, binding order and (b) the schema is taken for granted in constituting actor identity. Goodman and Jinks (2008) refer to this as acculturation. We see another similarity with the English School, at least as formulated by Buzan (2005), who suggests that beyond the first three bases of compliance, there is an incorporation of norms into institutional rules and practices (see also Bull 1977; Hurrell 2002). One implication of this formulation is that an actor's refusing an orientation to a binding legitimate order is one and the same as refusing the collective (Douglas 1966; Alderson and Hurrell 2000; Zerubavel 1999). Working this through would have much to say practically about understanding current conflicts over religion in general and Islam in particular.

Religion and Religious Rights in World Society

The exemplary case of functional differentiation as a master trend is the separation of religion from public life and politics. The seventeenth century institutionalization of the early interstate system, however, was characterized by the opposite tendency: religious violence and wars were solved by each sovereign state establishing an official religion. Only after the great revolutions did the modern presumption emerge that saw the functional differentiation of the state and religion as the solution to religious conflict and violence. Consolidated in the eighteenth century, this became the world-historic formulation with which all nation states have had to deal with their "religious question:" In what ways and to what extent is religion to be excluded from the state or from politics?

In his seminal work on the emergence of public religions, Jose Casanova (1994) argues that secularization theory depicts three developments: the decline and disappearance of religion, the privatization of religion, and the (functional) differentiation of religion from the state. Relative to the first development, obviously religion has not disappeared. Relative to privatization, the pervasive view in the sociology of religion has been that particular forms of differentiation such as the separation of public and private spheres or the pluralism of modern life have had a profound corrosive effect on religion (Berger 1969). Pluralism undermines the taken-for-grantedness of religious and moral systems resulting in privatized and subjective ones. At most, a very thin civil religion is left. Casanova argues that the emergence of religions pressing for public, political relevance disproves the privatization of religion hypothesis. He goes on to argue that differentiation is the core of secularization theory that remains in tact. By differentiation he means simply the separation of the state and religious organizations. This differentiation is embodied in religious liberty which makes membership in any religion voluntary.

This is an important argument because it makes secularization more precisely functional differentiation, but in doing so it raises important issues. If functional differentiation entails the separation of religion from the political, then religions pressing for public, political relevance questions not only privatization but also functional differentiation. If religions can be active politically, and if religious discourse can be used in the public sphere, then just what is differentiation? It certainly cannot be complete. This is not merely an academic concern because actors in politics contest precisely this and related issues.

Functional differentiation can give little guidance as to the role and degree of religion in

political life because we cannot tell what it means apart from the content of (rationalistic) culture (see Smith 2003a for other reasons). What is institutionalized as proper differentiation in one nation-state is in another the epitome of religion controlling the state or of the state supporting religion. What makes the ways in which the USA, the Netherlands, and France, for example, exclude religion seem to be the same thing appropriately labeled differentiation or the separation of church and state? In the Netherlands the religious question was settled by corporate religious groups and the state so that state services including money for schools would go to each corporate group. In the USA it is anathema for any state money to go to anything religious, especially schools. In France, public space, and again especially schools, is to be devoid of religious symbols. Girls consequently are not allowed to wear headscarves in the classroom. Yet in the USA neither the students nor the officials seem to notice. Modern systems theories conceptualize these differences as variations of an underlying functional differentiation, but what is needed to make this work is to define differentiation and identify parameters in such a way that we can empirically determine that all of these variations meet the criteria of differentiation. I suggest that one can do this only by drawing on culture. The variations in religious separation from politics and in practices of religious liberty are in the realm of cultural content and practical rationalism, in the realm of enacting models of the secular state, citizenship, and personal religion. Historical analyses of how these particular solutions to the religion problem came about must include the discourse and narrative accounts involved.

The reason Casanova gives for retaining differentiation in the study of religion is that it and associated factors “are all modern, in the long run irresistible, structural trends (p. 213).” But given the evidence, depicting functional differentiation as a master trend is not a good reason to maintain this position. What is more persuasive is his earlier statement in the same paragraph: “It is a central claim of this study ... that established churches are incompatible with modern differentiated states and that the fusion of the religious and political community is incompatible with the modern principle of citizenship (213).” Here then we see culture and instrumental rationalism: within rationalist ontology an established state religion is both nonsensical and destructive – undifferentiated religion is irrational and immoral and very dangerous.

World culture theory describes this global rationalism as a cultural and moral project, thereby accounting for this cognitive and moral incompatibility. In a similar line of interpretation, S.N. Eisenstadt (1999) describes the metanarrative of the cultural and political programs of the modern democratic state. It includes the naturalization of humanity and nature, the superiority of reason and its autonomy from revelation, and the sovereignty and autonomy of humanity. The state and religion are incompatible precisely because of these underlying cultural elements and metanarrative. As Koenig (2005) points out, various debates and forms of separation of religion and politics occurs within the space of the “secular” that is both imagined and sacralized. This is not a neutral space.

The key difference with theories in sociology and IR that take functional differentiation as a master trend is that this metanarrative is in fact a cultural and political project and not a naïve solving of complexity problems. The result is that resistance is not an escape from complexity and modernity but rather is a cultural and political engagement of global rationalism. Religious groups tend to engage the metanarrative and much conflict between religions and states focus on these tensions. These conflicts historically have resulted in negotiated institutionalized arrangements that vary dramatically across nation-states. These institutional arrangements, moreover, experience episodes of contentions and renegotiation. The increase in

Muslim immigrants, for example, often challenges particular arrangements. The claims of these groups and state reactions are shaped by prior institutional arrangements, but transnational contexts and patterns result in emerging commonalities (Koenig 2005; Thomas 2004b).

Differentiation theories of religious change view orthodox revival movements and political fundamental movements as groups with clear and well established identities and interests that attempt to reverse the master trend and to de-differentiate or integrate. The normative implications are that they are doomed to failure because of the nearly inexorable social change, and they are dangerous threats to complex society. The analytic implication is that these religious movements are rooted in some crisis: there must be some exceptional reason why people become intensely religious and mobilize to reintegrate religion into politics and the state. Acute crises of inequality or poverty or chronic crises of modern alienation or post-modern nostalgia are posited as sources of these anti-differentiation religious movements.

World culture theory, in contrast, begins with the observation that there already is cross-national global rationalization that infuses instrumental rationality into all spheres (subsystems), including religion and other “lifeworld” spheres. This global rationalism is in tension with super-empirical religions. As a narrative it makes religious authority and practice irrelevant if not a hindrance to social, political, and economic progress. As a set of political procedures, it excludes religion from public space. Many religious movements resist this cross-cutting rationalism. In doing so, they re-construct their own identity, taking on elements of rational actorhood even as they engage them. This involves renegotiating the historical arrangements of separation of church and state, and just as these arrangements vary greatly, so the goals and outcomes of religious engagements vary widely on the form of differentiation or separation.

Different religious groups engage rationalism including functional differentiation and privatization in different styles of religious engagement found across all religious traditions throughout the world. Many groups enthusiastically adopt rationalist categories and reasoning. Labeled “liberal,” these groups reinterpret their religious traditions within rationalistic categories often reducing religion to ethics or personal expression. Another set of religious movements resists global rationalism, some of which are retreatist and fit the classic depiction that religious movements reject modernity and attempt to create protected enclaves.

Theories that rely on differentiation and crisis explanations expect religions to take either a liberal, civil religious form or if they resist a retreatist form, but these theories did not expect and have problems interpreting other types of engagements. Other groups, conservative or orthodox or fundamentalist, criticize liberal personal expressiveness as immoral and apostasy, and for these groups retreatism in practice makes religion irrelevant. In this sense, most such religious movements start out as anti-heretical movements, thereby defining themselves through rational actorhood. Religious groups that are labeled fundamentalist, orthodox, or conservative include those that are (1) apolitical, (2) those that are oriented to the state by seeking the support of the state, and (3) those that in one form or another want to control the state. The latter are labeled “politicized fundamentalists.”

Apolitical religions that reject global rationalism focus on individuals (with group support) connecting their personal religion to society, including work and politics. These groups impact both public and private life through the individuals’ spheres of influence, and tend to defend religious rights, separation of church and state, and thus organizational differentiation. Examples are found in all religious traditions and include evangelical Protestants in North America since World War II, Pentecostalism in Latin America, many Islamic revival groups

such as that in Turkey since the 1990s, and middle class niches in urban India. These apolitical groups tend to blur into or become *groups that attempt to influence the state* to create space for religion in public institutions or to support goals that the religious groups support. That is, while initially apolitical, they figure out that the state or transnational political authorities are where the action is. Evangelical groups in North America were mobilized and politicized in the 1980s; the Muslim revival movement in Turkey is a major of electoral support for the Justice and Development Party. While these groups bring religious discourse and authority into the public sphere, they do so through individual religious rights and most thereby preserve functional differentiation at the organizational level.

A third type of engagement, *political fundamentalisms*, aggressively presses for the state to implement a religious or a religiously-inspired political program. This type of engagement of global rationalism tends to be embattled and assertive and comes closest to be explicitly anti-differentiation. When asserting an orthodox religious identity, they not only reject being privatized and marginalized from public discourse, they want to submit the state to religious authority. They view the nation-state as the agent of global forces, and they understand that to reassert an orthodox religion, they must influence if not control the state. What this means for organizational forms, rights and differentiation, however, varies widely, from merely having leaders who are religious to having a Christian, Muslim, Buddhist, or Hindu state. Many religious nationalisms have resulted (e.g., Juergensmeyer 1993; van der Veer 1994). In countries outside North America and Europe, these movements quickly realize that their own nation-state is responding to pressures from world society in general and the USA and Europe in particular. They thus tend to become anti-American or anti-globalism. For many this fuels their nationalism, whereas for others it means moving toward transnationalism and reconstituting their identities.

Islamist movements illustrate the diversity and evolution of political fundamentalisms. In general, their purpose is to submit state, society, and the individual to Alah by working through how modern institutions and categories can be articulate with Islam (Goldberg 1992). Movements such as the Muslim Brotherhood in Egypt formed early in the twentieth century and weathering trends of Arab nationalism and socialism have experienced a resurgence after the 1960s. These groups came into often violent conflict with states, and some factions of the Muslim Brotherhood dropped out forming retreatist communities. By the 1990s, more and more groups saw that their (repressive) states were embedded in global structures and supported by powerful states; consequently, these groups increasingly reoriented their goals and targets to beyond the nation-state. Leaders and factions within the Muslim Brotherhood, for example, allied with Islamic groups outside of Egypt, resulting in transnational organizations such as Al Qaeda.

These movements claim an orthodox, authentic, primordial religion, and sometimes national identity, but it is a mistake to see them as nostalgically wanting to return to a simpler, less complex, less differentiated world. They are proactively submitting modern rational institutions to the sacred or to religious authority. More detailed analyses would show that different hybrids are produced by different groups. Just as “differentiation” or separation of church and state take many different forms, so putative de-differentiation takes many different forms, and thus these movements’ goals are not neatly interpretable as de-differentiation. What these groups have in common is that they engage the global rationalism underlying current politics and the nation-state by embracing some elements and submitting them to religious

authority, thereby involving issues of organizational functional differentiation.

The processes and outcomes of religious contention will have profound impact not only on national polities but also on world society itself, and the issue of religious rights is a focal point. Contentions over religious rights are central to both engaging rationalistic culture and to formulating organizational differentiation. Without religious liberty, individuality and the myriad individual rights are undermined and vulnerable. Yet, precisely because religious liberty has historically been a package of the modern moral project associated with individuality, state sovereignty, capitalist markets, and Western rational ontology, it is not neutral and can elicit profound conflict (Ignatieff 2001).

Debates have taken place over the nature and scope of religious rights, especially the individual's right to conversion, within the United Nations since the adoption of the religious right to convert in the Universal Declaration of Human Rights. Debates continue, and how religious liberty is defined will have much to say about the nature of any emergent global civil society and world state (Thomas 2004b). Differentiation as a concept simply cannot guide us, either analytically or normatively, because given a commitment to formulating rules of participation so as to functionally differentiate the state and world polity from religion, and even given a general sense of what functional differentiation means, the details of how it will look is not at all clear. In his particular comments on religion, Luhmann argued that because of tightly bounded differentiated spheres, religion should be completely excluded. But he also moved to view such distinctions as phenomenologically constructed. Regarding the former imperative, it seems clear empirically that a simple private, moderate religion is not likely to be the solution. In contrast, the latter theoretical move converges with world culture theory and calls for more cultural analysis of the meaning of differentiating religion.

Concluding Considerations: Rationalization and Differentiation

Ultimately, for any macro or systems theory of world society and world politics, the interrelations of differentiation and rationalization must be worked out. The modern world is characterized by a centuries-long increase in functional differentiation; yet, any attempt to explain this runs into a fundamental paradox: There is an imperative to create specialized offices, actors, and knowledge to solve social problems even as there is strong evidence that functional differentiation is loosely coupled from practice. A functionally differentiated condition cannot, on its own as a putative material fact, produce greater differentiation. Any feedback mechanism has to account for why the adaptation of differentiating continues to fail – that is continues to produce greater complexity that cannot be managed – if the phenomenological interaction is to reduce complexity. “Rational” feedback would close the process off. I argue instead that rationalization is the dynamic accounting for increased differentiation. Within global rationalism styles of identifying and solving problems are established and imperatives to create specialized offices, agencies, and knowledge are institutionalized as the model rational solution to a range of problems.

In this paper I have focused on the argument that rationalization is analytically prior to functional differentiation. Understanding the cultural content of differentiation and how creating new specialized offices, knowledge, and organizations enacts rationalized cultural accounts provides some theoretical and practical advantages. This line of theorizing is empirically grounded and provides an interpretation of both the prevalence over several centuries of

differentiation and the fact that it commonly is loosely coupled from practices. It does not insist that modern systems are autonomous from external constraints. There is the recognition of and ability to analyze the workings of a cultural schema or moral order that cuts across system and sub-system boundaries.

World culture theory points to a promising mechanism mediating macro-micro, structure and actor: legitimacy as orientation to a cultural order is the basis of taking on modern actorhood. It avoids the methodological problem of measuring subjective beliefs and solves the empirical puzzle of the gap between reported attitudes and actions. It links easily with macro theories that include institutionalized cultural elements beyond the nation-state (English School), constructivist processes (modern systems theory, IR constructivism), and theories that view the world as a whole system that lacks central integration but is marked by global communication (modern systems theory). It presses other theories to consider more assertively the role of world culture cutting across subunits and subsystems and within which the rational actorhood of nation-states (and religious groups) are embedded

Using rationalization as a sensitizing concept in the analysis of world culture helps identify clashing narratives and sources and focal points of conflict. It helps identify the dominant models associated with actorhood, the great variations involved, and the contentions over them. In the study of nation-state authority and actorhood it underscores the embedded, constructed, and reactive nature of the modern state. In the study of religions, it equally analyses the constructed actorhood of religious groups as they engage global rationalism. In all of this, functional differentiation is implicated and important: it is a key part of the script for modern actorhood and progress.

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