

INTERNATIONAL PUBLIC GOODS AND HEGEMONY

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The purpose of this paper is to provide an explanation about if *the provision of international public goods can best be explained by the existence (or lack thereof) of a hegemon*. To do this, I will start with some basic definitions of what a hegemon is and what international public goods are; then I will state the theoretical framework that allows the question to be answered. Last but not least, I will provide my own opinion on the subject. In sum, the argument and explanation relies on why international collective goods can be provided without the participation of hegemons.

First, I may stated what a hegemon is and what international public goods are. The former comes from the Greek word for political leadership, and is defined as a dominant state that controls and operates crucial resources, such as: raw materials, sources of capital, large markets (access and control), and competitive advantage in the production of highly value added goods. Meanwhile the latter, an international public good, is a good where the consumption by one actor (individual, group or state) does not affect the availability for the consumption of other actors. However, “collective goods tend to be under-provided unless the interest of some actors cause it to assume a disproportionate share of the costs or some agency (e.g. government) exists that can force consumers to pay for the good” (Gilpin, 1987, p.74). The basic examples of public goods are roads and sidewalks. Consequently, for the purpose of this paper, we may understand international trade, security, and environmental protection, as international collective goods.

Furthermore, the argument concerning the provision of public or collective goods by a hegemon is fundamental to the *theory of hegemonic stability*’ (HST). This theory “is widely discussed as an explanation for the successful operation of the international system in certain circumstances and the failure of international cooperation in other circumstances” (Snidal, 1985, p.579). Thus, the theory claims that the presence of a hegemon in international relations leads to collectively desirable outcomes for all states in the international system. Indeed, HST assumes that hegemons have the responsibility to provide public goods, such as an open trading system, stable currency, international security and environmental protection, and their actions maintain the economic and political systems over the long term.

In addition, the theory of hegemonic stability entails two conclusions: (i) the presence of a dominant actor, leading to the provision of a stable international regime of free trade, (ii) although the dominant leader benefits from this situation, smaller states gain even more. They bear none of the costs of provision and yet share fully in the benefits¹ (Snidal, 1985). Thus, this theory relies in the assumption that all international public goods are provided by

¹ This latter phenomenon has been regarded as “free-riding”.

hegemons, and bears no explanation on what happens to those goods which are not provided by them, as this paper does. Consequently, there are two conditions for international public goods. The first one is “indivisibility”, and it is referred to as the consumption of the good by one does not preclude consumption by another; and “nonappropriability”, when no one can be denied access to the good (Gilpin, 1987, p.87). Taking this into account and considering that in the realm of international relations, “there is no free-lunch” (realists’ perspective), this paper explores the responsibility, incentives and actions hegemons take in order to facilitate international public goods.

In this sense, my position is that the provision of international public goods can be made without the participation of a hegemon. Basically, because a world dominant power can not provide international public goods all over the world. If the hegemon embarks in such a task, it will exhaust its resources and thus accelerate its decline in international relations. Indeed, the hegemons, from a rationalist/realist perspective, are only interested in provide and support those goods that benefit themselves. Moreover, hegemons would try to block those goods that affect their preponderance and interests.

Public goods have been established among non-hegemons (peripheral states), like regional free trade agreements. Those developed in Latin America are all good examples². In none of them, has there been participation of any kind by hegemons. However, if a hegemon (like the United States) participates in such regimes, these tends to be more fruitful and more beneficial. Indeed, an important objective in the foreign trade policies of some Latin American countries, have been to pursue free trade agreements with the hegemon of the North, in the same way as Mexico did with the North American Free Trade Agreement (NAFTA)³. If the United States participates in these free trade agreements, it provides access to crucial resources that small actors lack, such as bigger markets, sources of capital and value added goods.

Another pertinent example is environmental concerns. This helps us to understand that public goods have been provided without the participation of hegemons. First, I may state that environmental and sea protection is a public good, because the consumption or contemplation of marine life bears no costs for other actors, which in principle have the same opportunity to use the good. It was not until the United States manifested a strong public concern on the issue, that other states started willing to support actions against such a problem, thus adoption of tacit acceptance of procedures helped build measures into force more quickly than before to protect seas and punish oil pollutants⁴. Then, I may say that moreover intentional oil pollution of the oceans became an international concern, none strong measures to avoid pollution could be implemented; even though, there was concern about the dangers for the environment, mainly in small countries/actors (non-hegemons).

² Especially the Central American Common Market in the 1960’s and 1970’s; the Andean Pact in the 1980’s; and MERCOSUR in the 1990’s.

³ Chile and Costa Rica were the first countries that publicly manifested their interest in joining NAFTA. Moreover, during the visit of the US President to San José, Costa Rica in 1997, the Central American countries in block suggested Mr. Clinton the approval of “fast-track” procedures for entering NAFTA.

⁴ At the beginning, the Intentional Oil Pollution Environmental Concern, faced three major obstacles: (i) lack of concern among domestic publics; (ii) strong support for measures depended on the level of opposition from domestic oil and shipping concerns, and (iii) the difficulty of developing a coalition of states willing to support strong international action (Mitchell, 1995, p.191-192).

As has been proved, the hegemonic stability theory is suggestive but not definitive when related to the provision of public goods. Concentrated power, by itself, is not a sufficient condition to create a stable international economic order, in which co-operation flourishes and discord is banished. The argument that hegemony is necessary for co-operation is both theoretically and empirically weak, because "... the concept of hegemony, defined in terms of willingness as well as ability to lead, helps us think about the incentives facing the potential hegemon" (Keohane, 1984, p.39). Thus, concern about the incentives for the leader should alert us to the frequently neglected incentives facing other countries in the system. Indeed, for economic liberals, the state, through its social institutions, should provide such "public goods" as law and order, sound money, regulation of markets, and security; acting merely as a "night-watchman" (Gill, 1994, p.79). We could translate this to the international arena arguing that hegemons have an incentive to provide international order to maintain their own hegemonic stability and interests and would avoid and even block all other attempts that "threaten" their hegemony.

Moreover, the myriad of relations and interactions in the international system are unbalanced, and each actor (state) pursues its own benefits and development rationally. In this sense, the relations among hegemons are those of equals, as are the relations among non-hegemons. But when dealing with hegemon—non-hegemon interactions, the relationships always will be unequal, in favour of the former. The hegemon plays the leading role, coercing and providing the international public goods that are of most benefit to itself.

Thus, at this point, the careful reader might have already asked, why provision of international public goods is possible without a hegemon? Well, this is because non-hegemons must interact among themselves in order to strive to develop. They simply can not wait until the hegemon decides when to provide free trade, security or environmental protection (just to mention some international public goods). Non-hegemons must look for the provision of international public goods if they want to develop and improve their status as well as the living conditions of their citizens.⁵ In that sense, it is important to remember, as stated previously, that international public goods tend to be under-provided, until some actor's interest move it to support them. Consequently, if a non-hegemon perceives a benefit from an international public good, from a rationalist perspective, it may be willing to assume a disproportionate share of the costs of that good, in order to create and provide it, and thus pursue its own interests.

In conclusion, the main argument of this paper is that a public good can be provided by non-hegemons, but when a hegemon participates in it, it will tend to be more prestigious, durable and stable, than without its participation. Consequently, I strongly support the argument that the emergence of co-operation among egoists is possible, even in the absence of common government or hegemon, but the extent to such co-operation will depend on the existence of international institutions, or international regimes, with particular interests (Keohane, 1984). Last but not least, this paper has demonstrated that there is no need for public goods to be provided by hegemons. International collective goods have been created and developed by smaller states/actors. But when a dominant actor takes part in it, that public good tends to increase and improve the benefits to all parties. Finally, what is important to

⁵ Moreover, Mancur Olson argues that "unless the number of individuals in a group is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, *rational, self-interested individuals will not act to achieve their common or group interests*" (1971, p.2).

determine is the effectiveness of international collective goods without the participation of hegemons.

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