

TOM STRAW ILLUSTRATION FOR FOREIGN POLICY

ESSAY

Welcome to the Post-Leader World

The United States has abdicated its dominant role. Here's how to fill the gap.

JULY 4, 2020, 6:00 AM

By Oona Hathaway and Scott J. Shapiro

Listen to this article

On April 14, as the enormity of the coronavirus crisis was finally becoming clear, U.S. President Donald Trump announced that he was halting funding to the World Health Organization (WHO), delivering a major

blow to an organization that depends on the United States for nearly 10 percent of its budget. Washington followed that decision with a declaration 10 days later that it would not take part in a global initiative to speed up the development, production, and distribution of drugs and vaccines to fight the COVID-19 pandemic. In early May, the United States sat out a global vaccine summit led by the European Commission, and later that month, Trump announced that the United States would withdraw from WHO altogether. Meanwhile, the United Nations Security Council has been silent, paralyzed by the rising tensions between China and the United States.

The coronavirus pandemic has laid bare how much global institutions have come to rely on a United States that has now abdicated its role as the world's indispensable nation. The Trump administration hasn't just responded to the emerging health crisis by imposing travel bans, carrying out draconian restrictions on immigration and asylum, and pressing intelligence agencies to distort assessments on the source of the outbreak. The United States has also turned on the global institutions it was instrumental in creating after World War II to address just such global threats.

But the United States' abandonment of global leadership may have an unexpected upside. As the world loses the positive impact of American exceptionalism, it might also start shedding its downside—top-down global governance that has favored a small number of nations, too often at the expense of the rest. The waning of U.S. hegemony opens up new possibilities for more decentralized, democratic systems of global governance involving genuine cooperation among a critical mass of nations. Rather than a world governed by a hegemon, it may be time for one managed by what might be called global clubs.

Realist hegemonic stability theory, a leading school of

thought in international relations, suggests that an open and liberal world

economy requires the existence of a dominant state that has the capacity and the will to lead and overpower other states. The hegemon provides the rules that govern the international system and underwrites that system's stability and reliability with its military might. But when the hegemon declines, the system becomes unstable and eventually will collapse.

America's rejection of hegemonic responsibility—its unease with global institutions and tendency to go it alone—emerged long before COVID-19. And in the face of this growing absence of U.S. global leadership, some have asked—sometimes with optimism, more often with trepidation—whether China might come to fill the global leadership vacuum. The potential for China to take on a greater role in international affairs has been the subject of speculation for years, but it has taken on new urgency during the pandemic.

Yet China's effort to step into the vacuum left behind by the United States has been more a stumble than a waltz. In May, some of the health care supplies Beijing donated to other countries turned out to be defective, and many of the so-called gifts it had touted were in fact purchased by the recipients. China has been put on the defensive by growing evidence that it suppressed information about the emerging coronavirus outbreak. It is hobbled, too, by its naked need to quell internal dissent by feeding rapid economic growth by any means necessary. Beijing's bid to expand its control over the world's resources can't help but breed suspicion. China is too obviously out for its own interests to effectively unite the world behind it.

Some have hoped that the current crisis will finally spur reform and reorganization at the United Nations. But those aspirations have been repeatedly dashed by the insuperable fact that no reform is possible without the five permanent members of the Security Council—China, the United States, Russia, France, and the United Kingdom—and those members have no interest in effective reform precisely because it will loosen their

stranglehold on the organization.

Does this mean we are doomed, as Richard Haass recently argued in *Foreign Affairs*, to enter "a global landscape of increased great-power rivalry, nuclear proliferation, weak states, surging refugee flows, and growing nationalism, along with a reduced U.S. role in the world"? Not necessarily. The crisis offers the opportunity to transform the global order from one dominated by a single state, or a small number of them, to a more equal system of global governance. It's time to stop waiting for a hegemon to come to the rescue and instead try to address more of our global problems through independently organized global clubs.

The crisis offers the opportunity to transform the global order from one dominated by a single state, or a small number of them, to a more equal system of global governance.

Global clubs are a form of governance that operates on principles similar to any other club: States voluntarily choose to join an alliance to gain benefits of membership. In return, they agree to comply with certain conditions. Any state with the initiative could start a club of its own to achieve cooperative goals. And members could discipline one another by denying the benefits of membership to those that break the rules.

We are already seeing some signs that middle-sized powers are tired of relying on the great powers to address the pandemic. Australia, for example, pushed for a global inquiry into the origins of the coronavirus pandemic, building what Andrew Hastie, a backbencher in the Australian Parliament, called a "coalition of like-minded nations." To act on the stage as a middle power, he argues, "you need to do it from a position of strength—that includes strength in numbers."

The idea of decentralizing global governance to shifting alliances of like-minded nations is not entirely new. Much of international law already operates on precisely this principle of shared interests and decentralized enforcement. But unmooring global governance from reliance on a hegemonic actor, and from the global institutions we've known since the end of World War II, could become reality in part because of the conditions created by the pandemic.

The approach of harnessing strength in numbers through a global club has worked before. In 1985, the British Antarctic Survey shocked the world when it reported that a huge hole in the Earth's ozone layer had formed over Antarctica. The ozone layer protects the planet from the sun's harmful ultraviolet radiation, and its depletion posed grave risks for human health.

A decade earlier, scientists had predicted that chlorofluorocarbons (CFCs), popular as propellants in aerosol cans, coolants for refrigeration, and ingredients for making Styrofoam, had the potential to destroy the ozone layer. The British Antarctic Survey had confirmed the theory with terrifying implications.

Though galvanized to tackle the public health crisis, governments faced a quandary. They could negotiate a global treaty to ban CFC consumption, but there was no reason to think that a treaty would make any difference. Though every state had an interest in banning ozone-depleting chemicals, every state had an even greater interest in a ban that included everyone but them. A global treaty, in other words, would be hamstrung by massive cheating. States would proudly renounce the use of the cheap, effective chemicals but would secretly free-ride off the sacrifice of others. An environmental agreement to eliminate CFCs would succeed only if its provisions were enforceable. But how?

The solution, embodied in the 1987 Montreal Protocol on Substances That Deplete the Ozone Layer, was extremely clever. The protocol created a club of sorts. When members signed up, they undertook to pay their dues by assuming two obligations. The first obligation was to reduce their consumption of CFCs. The phaseout was slow enough to allow substitutes to be put in place but fast enough to prevent the complete destruction of the ozone layer. The second obligation was to sell ingredients for producing CFCs only to club members. This commitment gave nonmembers an incentive to join. To be left out of the club meant not being able to buy ingredients from those in the club. The benefits of membership, and the costs of being a nonmember, increased as the club got bigger. Because of the trade ban, every member that joined the club meant one less supplier of CFC ingredients to nonmembers.

The enforcement system is simple and remarkably effective: States are required to report their own data; states that are party to the protocol are also able to report concerns about other parties. When members fall out of compliance, there is first an effort to get that country to draw up and follow a plan to return to compliance. States that still fail to comply are referred to a "Meeting of the Parties," which may issue collective sanctions, including suspension of privileges of membership.

Thirty years on, CFCs have been phased out all around the world, and the hole in the ozone layer has stopped growing. The layer will be fully restored by 2070.

The enormous success of the Montreal Protocol should not have been a surprise. Economists had long distinguished between private and public goods and considered the different ways of securing them. Private goods are rivalrous and excludable. Only I can eat my apple (rivalry), and I can keep you from eating it (excludability). Public goods are non-rivalrous

and non-excludable. Both you and I can enjoy clean air (non-rivalry), and I can't stop you from enjoying it (non-excludability). And because public goods are non-rivalrous and non-excludable, economists predict that the market will fail to produce enough of them. If I pay for goods that you can enjoy too and I can't stop you from enjoying them, why would you pay for it?

In 1965, James Buchanan wrote about another kind of good he called "club goods." Club goods are non-rivalrous (like public goods) but excludable (like private goods). Consider a swimming club. Club members can enjoy swimming in their pool at the same time (non-rivalry) and can use a gate to keep nonmembers out (excludability). Because of the pool's excludability, nonmembers who don't pay for its construction and maintenance will not be able to free-ride off members' contributions. The market, therefore, will not underproduce swimming pools.

The Montreal Protocol was successful because it did not attempt to save the ozone layer directly. The ozone layer is a public good, and the market cannot produce or maintain public goods efficiently. It succeeded because it sought to protect the ozone layer indirectly by regulating the club goods that threatened it. The treaty set up a club where only members had access to easily trade the essential ingredients for making CFCs. The due they paid was reduced consumption.

The best way to protect or produce global goods, we suggest, is not to do so directly—through outright regulation—but rather by creating clubs that protect or produce the precursors of global goods. To see how this might work, consider a club to deal with vaccine production.

As the world races to control the coronavirus pandemic, the search for a vaccine may seem an ideal candidate for states to pool their resources. Instead of individual states testing different candidates in an uncoordinated

fashion, it would be more productive for a collective approach where states test different prototypes and agree to share results with each other. Unfortunately, the chemical composition of a successful vaccine is a public good. Anyone can use it to produce a vaccine (non-rivalry), and, like all ideas, it is hard to keep secret (non-excludability). Aside from the difficulty in maintaining secrecy, it is unethical not to share a cure for a deadly disease that is ravaging the globe.

Even though the chemical composition of the vaccine is a public good, vaccine production is a club good. Producing the billions of individual doses to inoculate people around the world requires the building of large and specialized manufacturing facilities to create enough supply. Different types of vaccines require distinct manufacturing processes that utilize different materials. For a vaccine to be produced rapidly, facilities for all the likely candidates need to be ready when a working vaccine is discovered. The required systems cannot be created overnight, nor is it efficient for every state to build the full array of possible facilities on its own.

The solution would be for states to form vaccine clubs. Members of such a club would commit not only to share resources but to build prototype vaccine facilities based on promising candidates. Once a vaccine has been found, club members would be able to use the facilities to produce the vaccine right away. As an ethical matter, the club would provide to the world the chemical composition of the successful vaccine free of charge. But since nonmembers would not have existing facilities at the ready for the large-scale production of vaccines, they would be at a significant disadvantage.

Can the club goods approach work for issues that states have traditionally been most interested in, such as their own security? The

Can the club goods approach work for issues that states have traditionally been most

answer is yes. Indeed, NATO provides just such a kind of club good. States that are party to NATO agree to come to one another's defense: Every state gets protection from attack in return for agreeing to provide security to everyone else in the club.

interested in, such as their own security? The answer is yes.

Admittedly, NATO was formed in part to provide U.S. hegemonic support and protection to Western Europe, but the same principle could apply without a hegemon. The nascent African Union Peace and Security Council, for example, aims to promote peace, security, and stability in Africa. It has begun developing standby forces that can be deployed to prevent a dispute from escalating, engage in peacebuilding, and provide humanitarian assistance to member states. As long as these security arrangements are defensive in nature, and states consent in advance to humanitarian intervention, they are entirely consistent with the U.N. Charter's prohibition on states' unilateral resort to military force.

An advantage of clubs is that they can be formed in situations where the great powers are unwilling to act. Consider cybersecurity. Many believe that the international community needs rules for the regulation of computer hacking, but Russia, China, and the United States have been unable to agree on the rules or how to enforce them. As a result, there has been little progress in forming global rules for cyberspace.

Cyberclubs could allow groups of like-minded states to overcome this impasse. Different groups could establish their own rules for proper activities in cyberspace. Clubs would enforce those rules by limiting access to their networks to those who do not abide by the rules. Consequences could range from slower access to networks to complete exclusion for the most serious and persistent violations. One could imagine a similar approach to overcoming great-power intransigence in addressing climate

change, with climate clubs binding states to emission rules and establishing tradable credits enforced by tariffs and market exclusions.

Global clubs offer an opportunity for shifting alliances of states to gather together to pursue their shared interests by creating cooperative agreements. The club rules are enforced not by a hegemon but by members directly by denying the benefits of membership to bad actors. One advantage of such decentralized governance is that any state can start a club. It doesn't take a hegemon; it just takes a good idea.

Some global clubs already exist. If you look for them, you will see clubs across the global governance landscape. But in the postwar era, these clubs have taken a back seat to U.S.-driven international organizations that pursued policies over which there was significant consensus in the developed Western world, including free trade, intellectual property protection, international security, and, yes, public health.

The pandemic has made clear that this consensus has broken down and U.S. global leadership evaporated. Rather than build alliances and lead the world to address the pandemic, the United States has walled itself off, refused to participate in international efforts, and sought to shift blame abroad. In doing so, it has made clear that states should stop looking for a hegemonic savior that no longer exists. If they want to make progress on global problems, they should instead form global clubs.

As tragic as the collapse of U.S. global leadership may be, the shift toward global clubs could be a good thing. Clubs gain their power by building consensus: The more members join, the more powerful the group becomes. The more attractive the cooperative project, the more states will join, and the more effective the club will be. Clubs will likely not replace the existing multilateral system, but they offer a new way for states to make multilateral

progress in the face of great-power paralysis.

The failure of the United States to lead in this time of crisis has been a tragedy. But it is also an opportunity to transform a system whose efficacy and legitimacy have been slowly eroding for decades

This article appears in the Summer 2020 print issue.

Oona A. Hathaway is the Gerard C. and Bernice Latrobe Smith professor of international law and director of the Yale Law School Center for Global Legal Challenges.
Scott J. Shapiro is the Charles F. Southmayd professor of law and professor of philosophy at Yale Law School and director of Yale's Center for Law and Philosophy.