

“The pursuit of material self-interest is the primary reason that the international community struggles to tackle collective border-crossing problems.” Do you agree or disagree with this statement? Why or why not?

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Introduction

The nature of the international community has changed immensely throughout the history of the world. Since the 1970s globalisation has taken off, implying an increasingly integrated and interdependent world, now consisting of states which are highly connected in both economic as well as cultural and political dimensions, to name a few (McGrew, 2017). However, while globalisation has spurred economic growth and increasing prosperity worldwide, it has too caused new global challenges to emerge as well as necessitated collective global action in tackling cross-border issues (Intriligator, 2004), the global distribution of COVID-19 vaccines being a very eminent example of such (UN Security Council, 2021). While the proper treatment of global problems thus requires international cooperation (Intriligator, 2004), the international community faces great difficulties in doing so, as actors within the international community pursue their own material self-interests above all. *This assignment will argue that the international community struggles to tackle collective border-crossing issues primarily due to the pursuit of material self-interests, as actors are always acting rational and utility maximising.*

This paper will investigate the implications of utility maximizing behaviour on the ability of the international community to collectively solve transnational problems through an analysis of three presently significant global challenges. The analysis of the empirical evidence will be rooted in the theoretical framework of two prominent theories within the field of International Political Economy, namely rational choice theory and realism. The theories will be used to examine the behaviour of actors within the international system and how their behaviour disables the international community in regard to tackling global issues. Throughout the analysis, a distinction will be made between *material* interests and *ideational* interests. Whereas *material* interests are perceived in terms of wealth and military capabilities, *ideational* interests are perceived in terms of values and beliefs (Oatley, 2011). The choice of focusing on three selected examples of current global challenges, namely *environmental change*, *the refugee crisis* and *international taxation*, has been made on the basis of the limitations of the paper. While this indeed limits the scope of the empirical analysis and discussion, it does provide a sufficient explanation of the international community's general struggle in tackling such collective problems and it hereby lays the ground for further research in the field.

The paper will proceed as follows: Firstly, a presentation of the theories informing the paper will be made. Subsequently, the paper will present an empirical analysis of the three chosen cases, taken the abovementioned theories as a starting point. Lastly, a discussion of the chosen theoretical framework

will be made, followed by a discussion of the empirical evidence taken the theory of constructivism as a starting point.

Theoretical Framework

Realism and rational choice theory (RCT) are both rationalism approaches to studying International Political Economy (IPE), by which they share multiple characteristics. However, the theories too vary on certain important aspects, wherefore they will be used to complement each other in the analysis of the international community's ability to handle collective problems. The combination of the two theories is thus perceived to enable the paper to present a both nuanced and accurate explanation of international actors' pursuit of material self-interests and the implications of such behaviour on the international community. While realism provides the basis for the analysis of state action in the international sphere, RCT will be used to broaden this analysis by accounting for non-state actors and their importance with regards to international cooperation.

Realism is one of the most commonly known and used theoretical approaches within the field of IPE. A main assumption of the theory regards the principal actor within international politics, namely the state, and it thus places the state as the main unit of analysis and as where power recite. The realist state operates in an international system characterised by anarchy, which is lacking an overarching authority with the power to shape outcomes and guide the behaviour of states. The anarchical nature of the international system hereby leaves it as a matter for each individual state to pursue its own interests, and according to realism those interests will always be centered around wealth, power and security (Helgadóttir, Lecture 2, 2020). This strand of theory thus solely focuses on material interests, however, it does assume that the material interests of a state changes as the state develops through time (Watson, 2017). In order to maximise utility and obtain its self-interests of wealth and power, the state is assumed to act in a rational manner, constantly seeking out the best possible outcome for itself (Helgadóttir, Lecture 2, 2020). This characteristic of states is important with regard to international cooperation and bargaining situations, as states will always attempt to impose their own material self-interests at the expense of other states' national interests (Watson, 2017).

Realism is prominently criticised for its state-centric characteristic, as it overlooks the importance of other non-state actors (Cohen, 2009). For this reason, this paper will be using RCT to complement realism in the analysis of the international community's struggles to solve transnational issues. Contrarily to realism, RCT perceives multiple different actors, including both states and non-state

entities, as influential within the international political system. These actors are assumed always to act rationally and purposefully in pursuit of their own interests, which, in line with realism, are perceived to be mainly material in nature (Cohen, 2009). The theory of RCT is thus highly relevant to this paper, as it helps explain how the collective outcome of individual choices and actions may not always be in the individual actor's interest, as the rational actor first and foremost act to achieve its own material self-interests (Helgadóttir, Lecture 3, 2020). RCT thus provides an explanation as to why the international community struggles to tackle collective border-crossing problems, even though resolving such problems are in the interest of each actor.

Empirical Analysis

Taking the theoretical perspectives of RCT and realism as a starting point, the paper will now proceed by providing an analysis of three major, collective border-crossing problems. The focal point of the analysis will be the pursuit of material self-interests above the collective interests by international actors, and furthermore how such action hinders the international community in tackling global issues.

Environmental Change

In the words of Swedish climate activist Greta Thunberg, climate change is “[...] not just any emergency. This is the biggest crisis humanity has ever faced” (Associated Press, 2019). While the global crisis of climate change was largely offset by the industrial revolution in the 18th century, it was not recognised by governments as an urgent challenge for which international cooperation was necessary until the late 1960s. However, while the first ever Earth Day held in U.S. in 1970 as well as the UN Stockholm Conference of 1972 elicited both political and societal awareness of the issue, the prioritisation of climate change on the political agenda increased and decreased periodically in the following decades (Dauvergne, 2013).

Presently, a growing consensus among states that the environmental change is harmful to all human well-being accentuates the need for international cooperation in tackling the problem. Nonetheless, the international community repeatedly fails to effectively act in order to reverse the negative development of the climate (Scoones, Newell, & Leach, 2015). The negotiations of global collective action plans against climate change are heavily marked by each state's attempt to maximise utility and secure its own material interests (Cole, 2008). The conflicting material interests of states causes the vast majority of international agreements regarding climate action to be weak and non-binding in

nature (Keohane & Victor, 2011). Furthermore, even when legally binding agreements are reached by the international community, they do not constitute significant steps in the right direction. As was the case with the Kyoto Protocol, from which the U.S. withdrew in 2001 while multiple other states did indeed not meet the targets of carbon dioxide emission by the end of the commitment period in 2012 (Dauvergne, 2013). The rational nature of states combined with the diversity of states' material self-interests thus hinder the international community in tackling the collective problem of environmental change. While some states, such as the members of the Alliance of Small Island States, argue in favour of global action on the issue due to their geographical urgency, other nations, such as the OPEC countries, rigorously oppose any change, as their economic capabilities largely depend on the global dependence on oil (Dauvergne, 2013).

The difficulties faced by the international community with regard to collectively tackling the climate crisis has further been enhanced by globalisation. The economic integration of the world entails an inherent collective action problem when it comes to introducing strict environmental policies within the state. As the enforcement of e.g. national environmental taxes may hurt the competitiveness of a country relative to the rest of the world, no country is willing to do so unless all countries collectively takes such measures (Folmer & Musu, 1992). As every state rationally acts to ensure its own material self-interests above all, no state will thus act to better the environment if such action causes harm to its economy.

The Refugee Crisis

The 21st century refugee crisis has for the past decade called upon collective action of the international community. By 2021 more than 6.7 million people has been displaced internally in Syria and another 5.6 million Syrians has fled the country (European Commission, 2021). While a vast majority of the Syrian refugees migrated to bordering countries, such as Turkey, a huge number of refugees has too continued through Turkey and crossed the border into the European Union (EU), by which the crisis proved to be of global character, largely critical to the Middle East as well as European countries.

While some European countries, counting both Germany and Sweden, has taken in a great number of Syrian refugees, the international community as a whole has failed to step up and take the right measures in order to cope with the crisis (Ostrand, 2015). The inability of the international community to tackle this collective problem is to a large degree rooted in the individual state's pursuit of its own economic interests. Whereas the material interests of Germany, a founding member of the European

Community, to a great extent aligns with the whole of the EU (Hill & Wong, 2011), a majority of other EU member states (MS) have diverging economic interests. Refugees are prevalently perceived to burden the economic interests of the host states, and as rational states first and foremost pursue their own interests in the handling of crises, the international community has failed to agree on a proper handling of the refugees (Bauboeck, 2017).

The EU and Schengen countries as well as Brexit constitutes some of the most distinct examples of states' utility optimizing behaviour and the implications of such action on the handling of the refugee crisis. The EU and Schengen MS have committed to maintaining open internal borders, an agreement which has largely benefitted the countries economically. However, as the Syrian crisis has evolved and millions of Syrian refugees has found their way into Southern European states, including Greece and Italy, a number of European states have implemented national border control, thus changing their behaviour in order to secure their own material interests (Bauboeck, 2017). Likewise, the UK's aversion towards receiving a quota of refugees matching its GDP and population size not only constituted yet another obstacle to the tackling of the crisis. The refugee crisis further came to play a pivotal role in their choice of leaving the EU (Outhwaite, Ness, Ruiz, & Menjívar, 2019). Thus, even though the UK merely received less than 40.000 Syrian refugees, which in comparison is approximately three times less than France (Source: (British Red Cross, 2021), they continuously acted in pursuit of their own material interests, at the cost of both the collective solving of the crisis and the European cooperation.

While the refugee crisis constitutes one of the greatest humanitarian crises thus far in the 21st century, states in the international political system remain rationally egoistic in the pursuit of their own material interests above both ideational interests as well as the collective interests (Bauboeck, 2017). The pursuit of material self-interests is hereby largely responsible for the international community's struggle tackling the crisis.

International Taxation

The nature of taxation policy has become increasingly complex concurrently with the globalisation of the world. The integration of world economies changes the nature of national taxation policy, which no longer merely has implications for domestic actors. Taxation in the globalised world has great effects on international trade and capital flows, however, in an international system lacking an

overarching authority, it is solely a matter for the individual state to decide on its national tax policy (Owens, 1993).

While this development creates great economic opportunities globally, the international community too faces several new collective issues of international taxation. Until the 1930s double taxation constituted a great problem to states across the world, as it caused actors to favour domestic over international investment, hereby preventing states from reaping the benefits of the liberalization of the international economy. The international community did, however, resolve this issue by creating an international tax regime mitigating double taxation, the DTA. The DTA, on the other hand, unintendedly furthers another collective issue of taxation, namely under-taxation. Whereas a majority of states had economic interests in the creation of the DTA, the problem of under-taxation is characterised by conflicts of interests, by which the international community struggles to cooperate on agreement to curb the problem (Rixen, 2011).

All states determine their international tax policies with the primary aim of maximising their own welfare, regardless of the collective interests. Consequently, in order to attract FDI, countries engage in excessive tax competition. The problem of international taxation is hereby not only determined by the economic interests of individual states, but it is too highly dependent on the material interests of corporations and individual taxpayers. Small countries tend to function as tax havens, as their tax systems are designed to attract foreign taxpayers, by which they experience a welfare gain. On the contrary, larger countries experience a welfare loss as a result of tax competition, evasion and avoidance. Thus, the material interests of large and small countries are highly conflictual, making it impossible for the international community to reach a collective agreement to abolish under-taxation. Paradoxically, the very nature of under-taxation entails a collective action problem, which disables the large countries from taking individual action against the problem (Rixen, 2011). The pursuit of material self-interests by both smaller states as well as individual taxpayers and corporations hereby constitutes the primary reason that the international community struggles to tackle the issue of under-taxation.

Discussion

A crucial part of the decision to use RCT and realism as the theoretical framework for the empirical analysis in this paper was the assessment of the weaknesses and strengths of both theories. The combination of RCT and realism entails both positive and negative features, however, the positive

features have been determined to outweigh the negative. Whereas RCT makes it up for the main weakness of realism, namely its insufficient attention to non-state actors (Cohen, 2009), another weakness is arguably the large degree of similarity of the two theories. As they emphasize a lot of the same characteristics of actors in the international political system, their explanation of the international political economy can be very narrow and lacking diversity. The similarity of the theories is, however, perceived as a strength of the paper, as it ensures a focused theoretical framework as well as a common thread throughout the paper.

While RCT and realism provides a convincing analysis and argument regarding international cooperation, opposing arguments can be made taking constructivism as a starting point. Constructivism contradicts RCT and realism as it considers ideas, norms and beliefs to be defining the behaviour of actors. These ideas, norms and beliefs are socially constructed and hereby fluid in nature and constantly changing. Constructivist theory thus perceives interests of actors as constructed through ideas, norms and beliefs rather than being materially incentivised (Abdelal, 2009).

The constructivist analysis of international taxation provides a rather different account of the dominant reason behind the international community's disability to tackle the issue of under-taxation. The argument provided by constructivism places great emphasis on the general norms of appropriate behaviour in the international political sphere. In particular, large countries are unable to effectively pressure small countries into cooperating, as neither economic sanctions nor military coercion are in accordance with these behavioural norms (Rixen, 2011). The struggle to collectively tackle the problem of under-taxation is thus not rooted in actors' pursuit of material self-interests, but rather in the dominant norms within the international community. However, in reality the opportunity for larger countries to pay side payments to small countries is far too little, and it is thus not an option for large states to remove tax havens in such way (Rixen, 2011). Furthermore, the costs of economic sanctions to the sender nation are far too great compared to the effectiveness of such economic coercion, by which sanctions are not in the economic interests of large countries. Thus, it is the material self-interests of countries rather than norms of appropriate behaviour which prevent the use of economic coercion in the international community (Kaemper & Lowenberg, 1988).

Moreover, taking the theoretical starting point of constructivism, the primary reason that the international community has struggled to tackle both the refugee crisis as well as the climate crisis is too rooted in international norms, beliefs and ideas. Such ideas are not only constructed within the

international community, but likewise also within each state. The South commonly perceives the North as being vastly responsible for the climate crisis, wherefore these countries believe it to be fair that the North carries the heaviest burden in the tackling of the crisis. This is contradictory to the idea of fairness generally constructed in the North, which entails climate change to be an issue which must be collectively handled. These divisive ideas of fairness within different countries hinder international cooperation with regard to call a halt to the negative environmental development (Dauvergne, 2013). Likewise are the conflicting national ideas of the refugee crisis and burden sharing the primary reason the international community struggles to tackle this problem. Thus, while the EU, for instance, perceives itself as a liberal democratic actor, the lack of congruence between national norms, beliefs and ideas prevents collective action in response to the Syrian refugee crisis (Martin, 2019). However, a major limitation of constructivism is its lack of credit paid to individual action outside of group norms, which is for instance the case of both U.S, Canadian and Australian actions with regards to environmental action. These countries are generally opposed to change due to being large mine, agricultural and oil producers, wherefore change is conflicting with their national interests (Dauvergne, 2013). Such action contradicts the general norms and values concerning the environment, which have been established in the international community, and the states are thus arguably not merely acting according to social norms and ideas, but more so according to their own material interests.

Conclusion

In conclusion, this paper has argued that the pursuit of material self-interests by state as well as non-state actors is the primary reason that the international community struggles to tackle collective border-crossing problems. The argument has been made by firstly presenting the theoretical framework of realism and RCT, respectively. Subsequently, an empirical analysis of three transnational issues, which the international community struggles to handle, has been made on the basis of the theoretical framework. Finally, a critical discussion of the relevance of the chosen theories has been carried out, followed by a discussion of the chosen cases from a constructivist perspective. The empirical analysis and the following discussion have shown that rational actors always pursue their own interests, particularly their economic interests, above all. While other factors, such as the ideas and norms constructed in the international community as well as within individual states, may play a role in the handling of global crises, the pursuit of material interests have been argued to be the determining factor for the success of such international cooperation. However, a question which

remains unanswered is the role of international institutions in handling border-crossing problems. Thus, further research can be done reviewing the international community's struggle to tackle collective border-crossing problems from an institutionalist perspective, focusing on the importance of institutions.

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