

FOUR DEGREES OF SOVEREIGNTY

They are linked to many issues in the economic, political, and social sciences. Their role in the changing world cannot be overestimated. Their significance, though unlikely to wane, will nonetheless be changing. What are “public goods” and what is their future?



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They are linked to the modern state, whose origins date back to the beginning of the industrial stage of civilization. It was then, as capitalism gained momentum and took on distinctive characteristics, that sovereign states began to take shape. Without presenting a detailed analysis of this process, we can say that public goods are the emanation of the state, whereas private goods represent property rights vested in private individuals.

Public goods are provided by the public sector, which also acts as the architect of the institutional and legal order. The public sector is an important, if not fundamental, gauge of a state’s economic and, above all, political sovereignty. In order to provide pure public goods, a sovereign state must be active in at least three areas: national defense, public security, and the institutional and legal system. Public goods obtained in this way are non-rivalrous and non-excludable, because every citizen of a given state has the right to use them on equal terms. Why are other pure public goods such as ownership and economic freedom not included, or not necessarily included, in the attributes of a sovereign state?

As the concept of the modern state evolved, the nature of both the political system and the model of economics changed, which had an overwhelming impact on transformations in the public sector and on the supply of public goods. In many cases, this is why ownership and economic freedom were protected less categorically than other pure public goods. This is a result of the changes following from economic growth, rapid technological advancements, and – at least since the 1970s – globalization and decolonization, the information revolution, the collapse of socialism, and booming population growth.

Needless to say, those changes were not without influence over the activity of the state in the sphere of regulation, the institutional and legal order, and in particular the social sphere. This is where it proved necessary to make use of both the public sector and the private sector, the latter through government contracts or under state supervision. That applied to so-called “mixed public goods,” which comprise the following:

Education. Investments in human capital bring the best effects, but they are only visible in the long term. Here, the state wields influence in at least three areas. First of all, different developed countries may have different models of financing education but public funding plays a substantial role in all of them. In the first half of this decade, the EU countries have allotted over 10% of state and local government expenditures to this objective. Secondly, the state defines the period of compulsory education at primary, secondary, or vocational level. Thirdly, the state formulates a general curriculum framework in education.

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Health care. There is general agreement that health care, just like education, cannot be left exclusively to individual decisions, because it affects society at large. In the second half of this decade, the EU countries have allotted around 12-14% of state and local government expenditures to health care. No country has decided not to offer such assistance to underprivileged groups, and this is unlikely to change in the future.

Social assistance. Although groups entitled to social assistance vary from country to country (also in terms of size), around 33% of social assistance spending has been realized via the public sector.

Unemployment. Modern development is characterized by profound transformations, especially in production. Stagnant or in decline, some industries are factories of unemployment. In a market economy, individuals are expected to assume responsibility for

their fate, but when the unemployment rate exceeds a certain level, around 5-7% of the total labor force, it becomes a macroeconomic problem, which means that the state needs to intervene by taking various measures.

Environmental protection. Irrespective of the degree to which this problem is addressed by the public sector (around 3-3.5% of spending in the EU) and by the private sector at the behest of the state or the local governments, environmental protection is turning into an increasingly acute problem, especially in the long term.

Infrastructure. Modern societies and economies are characterized by wide-ranging integration, facilitated to a considerable degree by a developed infrastructure. Infrastructure requires constant improvements and a certain long-term perspective on development. The public sector must be involved in this

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process, but it can also commission the private sector to carry out certain tasks.

Research and development. The importance of this sector for modern development can hardly be overestimated. As a result of its distinctive nature, the effects it produces come both from the activity of the private sector (businesses remain predominantly in private hands) and from the public sector. For that matter, there is an ongoing dispute as to the degrees to which knowledge represents public goods and private goods. This is because the extent to which corporations are involved in creating knowledge, and sometimes also controlling it, is enormous.

ic problems are being solved at the level of the global economy (such as trade liberalization). Secondly, various non-economic problems are emerging that also need to be resolved at the global level: environmental protection, climate problems, terrorism, drug trafficking, human trafficking, and so on. Thirdly, there is a need for the establishment of integrative groups. It could be assumed that the number of economic, social, and political problems that will have to be resolved in this way will grow.

A general conclusion from these considerations is that it is possible to assume that there are four groups of public goods, namely pure public goods, mixed public goods of a national nature, local goods, and global goods, which serve to resolve problems that go beyond the sphere of the sovereign state.

Modern era

Although selected aspects of modern development have been presented earlier in this article, we need to examine several important processes related to the functions of public goods.

Degradation of the public sphere. Shaped by many forces and various mechanisms, this process has many dimensions. Roughly speaking, we can distinguish between two systems that influence its character. One of them follows from the powers vested in the state, the other from interactions between private entities that operate in a specific area. These two systems are strongly interrelated – on the one hand, they should complement each other; on the other one, they also modify and control each other. In different periods, the strength of their influence over public order varied. Whenever one of them dominates, this usually results in an imbalance that leads to the public sphere being disrupted to a smaller or larger degree.

At global level, this phenomenon has been fundamentally influenced by four processes: globalization, the information revolution, decolonization, and the fall of socialism. Societies that belonged to different worlds suddenly found themselves involved in powerful interactions that were upsetting the existing order. At the same time, global threats became increasingly universal, covering, though to various degrees, practically all countries, thus creating a peculiar mixture of the influences of various cultures and changes resulting from the dissemination of the neoliberal model of economics, which determined the nature of those links in everyday business activity, especially in the labor market and in various economic transactions. Above all, however, new relations emerged between the state and society.

The degradation of the public sphere manifests itself chiefly in the deformation and minimization of the role of public goods, in particular mixed public



Redistribution of income. From the perspective of individual groups in society, this poses a major problem in the modern world. Its characteristics and scale are determined by the socioeconomic model applicable at a given time.

Local governments. They can be treated in two ways. On the one hand, local governments are public goods of a local nature that serve a specific group of voters to advance their goals according to their preferences. On the other hand, they are a provider of public goods of a nationwide nature.

The last and somewhat distinctive segment that follows from globalization processes is **the new relationship between the state and the public sector**, related to the opening up of economies and societies to their external environment. Although external links have always existed, entities called multinational corporations have emerged in the modern era and imposed new market solutions. This poses new challenges for sovereign states. First of all, more and more econom-

Provision of mixed public goods requires the utilization of the public sector and the private sector, the latter through government contracts or under state supervision. One of the elements of this group is education.

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goods, which have become privatized to a substantial degree. It is possible to alleviate the consequences of this process only when sufficiently extensive fundamental functions characteristic of all types of public goods are restored and put into effect.

Conflicts between globalization and the sovereign-national state. These chiefly result from the fact that globalization leads to the dissemination of the uniform rules of the game, or strictly speaking imposes such rules, in particular in the economic sphere but also in other fields, especially in the social and moral sphere, because it is closely linked to the information revolution. Sovereign states, in turn, are very different: they are at different stages of civilization (the agrarian and industrial stage, the developed industrial stage, and partially also the knowledge stage). They are characterized by different levels of the economic and population potential as well as different political and economic models. Their cultural systems vary. Finally, their political and economic interests are diverse and often contradictory.

Such a mixture has always been likely to spark off conflicts. It has nonetheless become particularly dangerous in the conditions of globalization, especially under the influence of increased visibility offered by the information revolution. In practice, it leads to numerous armed conflicts, acts of terrorism, and mafia activities, among other things, which upsets the existing political and social order.

Under the circumstances, public goods undergo wide-ranging degradation. This holds true in the first place for pure public goods, especially in the countries that are, or were, predominantly democratic. But this process also applies to mixed goods, which have been privatized to a significant degree and, above all, influenced by negative qualitative effects.

The restoration of public goods to their former importance appears highly unlikely in coming decades. This is because this would require the restoration of full state sovereignty, which will be extremely difficult, if at all possible.

The role of global public goods. So what are “public goods”? Answering this is by no means easy.. As a point of departure, we can start by assuming that they are products of globalization and the emanation of national public goods. They follow from a certain compromise, or a consensus reached by many states in the field of specific threats whose resolution or mitigation is not possible individually.

In order for such goods to fulfill their functions effectively, several conditions related to the acceptance of such functions must be met in the area beyond the jurisdiction of specific countries, namely the sphere of shared interests and benefits that specific countries could derive from acting together and co-financing such projects. That is because they require a certain degree of solidarity and mutual trust. How they func-

tion, after all, depends on countries that have varying economic, demographic, and above all political potentials.

The fields in which global public goods fulfill their functions, or may fulfill their functions, can be viewed as falling into an interrelated five-way configuration: politics, economics, the social sphere, cultural systems, and global threats.

In the sphere of **politics**, this applies to agreements that serve to mitigate armed conflicts and to combat terrorism, arms trade, drug trafficking, and human trafficking as well as to the functions of organizations tasked with ensuring the observance of international law and countering racial, religious, and ethnic discrimination.

The field of **economics** comprises institutions tasked with disseminating principles related to the liberalization of both the global market and national or sector-specific markets and, above all, the rules that increase economic freedom, especially by protecting property rights

The social sphere encompasses the monitoring of the public sphere on a global scale and in individual countries by making it easier to fight natural disasters caused by climate change, to protect the natural environment, to counter violence and discrimination as well as illiteracy, to expand the field of education on a global scale, and to provide assistance to underdeveloped countries. The view that knowledge in the broad sense and the whole of cultural heritage also belong to global public goods is increasingly popular.

Treating the segment of **cultural systems** as belonging to global public goods is probably the most debatable classification. Nonetheless, it is justified in that various cultural systems meet in the global space and can be used to derive general human values and simultaneously to counter their most conflict-prone characteristics.

The Future

In particular, it needs to be stressed that public goods fulfill an especially useful role in society. Any attempt to replace public goods with private goods invariably leads to certain social discrimination. We live in a period of profound and rapid civilization changes. We do not know the answers to fundamental questions about the scale and extent of modifications in the models of the state, especially as the existing model, whose origins date back to the industrial stage of civilization, cannot respond to the requirements of the emerging civilization. On the issue of public goods, we simply do not know what degree of continuation, or what degree of change to rightfully expect.

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