

Hegemonic Support and Small State Prosperity

Steve L. Monroe,
Assistant Professor of Political Science,
National University of Singapore

June 2025

Many small states are key to larger states' security interests. Djibouti hosts Chinese, French, Japanese and US bases. Bahrain is home to the US's fifth naval fleet, and the US has a forward operating base in El Salvador. China, meanwhile, has funded a carrier compatible naval base in Cambodia (Wong 2025). Security and economic considerations explain why rulers of small states help build and sustain larger states' security architecture. But to what extent do citizens in small states benefit from these arrangements?

Much of the work on small states in international relations examines small states' diplomatic relations with larger states. Scholars debate whether and when small states should bandwagon with or counter-balance against larger states (Jesse and Dreyer 2016), how to navigate relations between larger states (Goh 2007; Paul 2019), and the conditions under which small states can protect their interests and influence larger states (Baldacchino 2009; Long 2022). There is much less attention on how small states' alliances with larger states impact their citizens' welfare.

This memo is a first step into a lengthy exploration of the developmental consequences of small states' alliances with larger states, also called hegemons. It asks: Is hegemonic support a bane or curse for small states' socio-economic development? On the one hand, hegemonic support could alleviate a smaller state's security concerns, freeing resources to make long-term investments in human capital. At the same time, a larger state's security support could untether a small state's rulers from the pressures to serve their citizens. As rising powers reshape the Global Order from a unipolar to a multipolar one, understanding how small states' hegemonic alliances influence their people's welfare is increasingly vital.

This memo investigates the conditions under which small states can prosper from hegemonic alliances. It begins by defining concepts. The following section surveys the existing literature on hegemonic support and development, presenting the domestic and international

conditions that could allow small states to prosper from hegemonic support. The last section proposes examining the *timing* of hegemonic support, specifically in the early years of a small state's independence, as a determinant of long-term development.

Concepts

Hegemonic support is military backing from a superordinate state. At one extreme, the superordinate state may sit at the top of the world's political hierarchy (i.e a global hegemon). More proximately, the superordinate state may simply have greater security and economic resources than the subordinate state. In either case the recipient state receives military support from a more powerful state. This military support could come in the form of military assistance - bases, funding, training and logistical support (Boutton 2021, p.508). But it also manifests itself in military policy - alliances, security guarantees and information sharing. Hegemonic support is not necessarily exclusive. A recipient state could benefit from multiple hegemonic benefactors, including rivals.

Small states are the subordinate state in this analysis. There is no universal definition of "small" state. Some scholars use material markers of size (population, territory) (Khalid and Monroe 2025). Others prefer a relational determinant of size (Long 2022). This analysis privileges a material measure. This is because the security challenges - and thus the appeal of hegemonic support - are much greater for states with low populations and limited territory. Note, however, that because an asymmetrical power relationship is core to hegemonic support, *every* case of hegemonic support involves a small state according to a relational measure of state size.

Socio-economic development is the outcome of interest. It spans a range of indicators, from life expectancy and infant mortality, to literacy rates and GDP per capita. Crucially, all of these indicators strive to measure a state's *collective* material well-being.

Hegemonic Support: A Blessing or Curse?

There are two opposing expectations on the impact of hegemonic support for small states' prosperity. The first is that hegemonic support bolsters small states' socio-economic development. It does so through two channels. First, hegemonic support alleviates small states' security threats. Invasion has been the primary cause of small state death for most of history (Maass 2014). A hegemonic security alliance dissuades larger neighbors from invading a small states - especially if the small state has vast and coveted resources, as in the Gulf (Walt 2012).

Second, hegemonic support helps offsets the costs of military spending. Military spending, and public sector spending in general, is relatively more expensive in small states because they do not benefit from economies of scale (Randma-Liiv 2002). Hegemonic security support could help lower these costs, diverting a small state's attention and resources to matters of human development. Indeed, scholars find that small states spend relatively less on a per capita basis on the military because of their alliances (Read 2020). Furthermore, if hegemonic support invites greater economic integration between the small state and the hegemon, this could help small state exporters and consumers enjoy the cost savings of economies of scale through their access to the hegemon's larger market (Alesina and Spolaore 2005).

The second expectation of the consequences of hegemonic support for small states' development is more pessimistic. This pessimism centers on the moral hazards hegemonic support may inflict on small state rulers. Small state rulers may feel less pressure to share power or deliver public services when they are propped by a hegemon. Paradoxically, greater US military support can increase anti-regime violence because recipient regimes marginalize rivals (Boutton 2021). Hegemonic support could also relieve small state rulers from making painful but in the long-term vital economic and political reforms (Easterly 2003). This is because small state rulers expect hegemonic support to keep them in power regardless of their state's economic or political outcomes - to the detriment of their citizens' welfare.

A second source of pessimism stresses the importance of external threats and military formation for states' nation-building. Fears of foreign invasion push states - small and otherwise - to make compromises and collectively organize. This drives policymakers to reconcile competing interests through welfare provision (Katzenstein 1985) and by forging strong bureaucracies (Doner, Ritchie, and Slater 2005). Military service can also catalyze nation-building by marshaling citizens of different religious, linguistic and ethnic groups into a common goal of protecting the nation (Weber 1976). By blunting the threat of foreign invasion, hegemonic support might deprive small states of this vital nation-building mechanism. Worse, if a hegemon withdraws its support, a small state is left even more vulnerable to foreign invasion.

Of course, the impact of hegemonic support on small states' prosperity need not be binary. Domestic and international conditions likely determine when the developmental benefits of hegemonic support outweigh its costs. Domestically, rule of law and elections could keep small state rulers accountable amid greater hegemonic support. Market openness and economic diversification might also reduce citizens and rulers' economic dependence on a protective hegemon. Given that smaller states are more likely to be democratic (Diamond, Tsalik, et al. 1999) and have open markets (Alesina et al. 2005), small states could be more likely to prosper from hegemonic support than larger ones.

Internationally, the hegemon's strategic interests might determine the developmental consequences of hegemonic support. The extent a hegemon *needs* a small state's cooperation for its security interests impedes the hegemon's ability to sanction a small state's rulers from falling prey to moral hazards and misgovernance (Bearce and Tirone 2010; Dunning 2004; Monroe 2025). Accordingly, smaller states with deep strategic interests to hegemons - like Djibouti and Jordan - may be less likely to convert hegemonic support into shared prosperity.

Competition *between* hegemons might also matter. Evidence from South Asia (Paul 2019) and Southeast Asia (Goh 2007) demonstrates that small states can be quite adept at extracting benefits from multiple hegemons in different issue areas. This evidence, however, dates from a time of greater cooperation between regional and global hegemons. It is unclear whether a strategy of accepting hegemonic support from all can endure intensifying hegemonic competition.

Timing Matters: Hegemonic Support, Early Independence and Long-Term Development

There is surprisingly little research on the socio-economic consequences of hegemonic support, and military aid more narrowly, for recipient states (Boutton 2021, p.525). Most work focuses on the security implications of military aid (Bapat 2011; Biddle, Macdonald, and Baker 2018). Boutton (2021) finds that US military assistance can in fact provoke anti-regime violence in recipient states when those states are ruled by new regimes and personalist ones. He argues that military assistance abets vulnerable regimes to cull rivals and consolidate power, provoking violent blow back from regime dissidents.

Boutton (2021)'s insight that newer regimes are more susceptible to the destabilizing effects of military assistance suggests that the *timing* of hegemonic support matters for smaller states' development. A state's early independence era is a critical moment when institutions are drawn and norms formed, with possible long-term consequences (García-Ponce and Wantchekon 2024). Among states that obtained independence shortly after World War II, states with smaller populations at independence were more likely to have more open trade policies and larger public sectors - policies that endured into the post-Cold War era (Khalid et al. 2025). Hegemonic support in the early years of a state's independence could institutionalize patterns of regime consolidation that persist over time.

In my new book project, *The Blessings of Scarcity: Size and Prosperity in the Modern Middle East*, I will investigate whether the *timing* of hegemonic support matters for small (and large) states' long-term development. I will do so by comparing the early independence

policies of Middle Eastern states that became independent before versus after the United Kingdom (UK)’s 1968 “East of the Suez” withdrawal.

The UK’s military withdrawal was an unexpected weakening of British support for its remaining colonies. It also expedited those colonies’ date for independence. Crucially, leaders of these post-1968 newly independent states confronted a future where they were unsure of the UK’s future support. This uncertainty in hegemonic support may have prompted power- and resource-sharing arrangements that hardened regime stability over time. As a result, when these regimes gained the United States (US)’s hegemonic support in the 1990s and 2000s, they had the political mechanisms in place to convert this support into greater prosperity.

By contrast, rulers of regimes that became independent earlier under the UK’s mandate system still expected UK support in their early years of governance. These expectations may have impeded the consolidation of power-sharing arrangements that would help these regimes stay in power against anti-regime rivals, and if they remained in power, leverage hegemonic support for developmental purposes.

Table 1: Case Selection: Arab States’ Independence from the UK Pre- vs. Post-Suez Withdrawal

Pre-Suez (Pre-1968)	Post-Suez (Post-1968)
Iraq (1932)	UAE (1971)
Jordan (1946)	Oman (1971)
Kuwait (1961)	Bahrain (1971)
South Yemen (1967)	Qatar (1971)

These expectations are preliminary, and will evolve when research begins. I look forward to your feedback!

References

- Alesina, Alberto, and Enrico Spolaore. 2005. *The size of nations*. Mit Press.
- Baldacchino, Godfrey. 2009. "Thucydides or Kissinger? A critical review of smaller state diplomacy." In *The Diplomacies of Small States: Between Vulnerability and Resilience*, edited by Andrew Cooper and Timothy M. Shaw, 21–40. London: Palgrave Macmillan.
- Bapat, Navin A. 2011. "Transnational terrorism, US military aid, and the incentive to misrepresent." *Journal of Peace Research* 48 (3): 303–318.
- Bearce, David H, and Daniel C Tirone. 2010. "Foreign aid effectiveness and the strategic goals of donor governments." *The Journal of Politics* 72 (3): 837–851.
- Biddle, Stephen, Julia Macdonald, and Ryan Baker. 2018. "Small footprint, small payoff: The military effectiveness of security force assistance." *Journal of Strategic Studies* 41 (1-2): 89–142.
- Boutton, Andrew. 2021. "Military Aid, Regime Vulnerability and the Escalation of Political Violence." *British Journal of Political Science* 51 (2): 507–525. <https://doi.org/10.1017/S000712341900022X>. <https://doi.org/10.1017/S000712341900022X>.
- Diamond, Larry, Svetlana Tsalik, et al. 1999. "Size and democracy: The case for decentralization." *Developing democracy: Toward consolidation* 16:362.
- Doner, Richard F, Bryan K Ritchie, and Dan Slater. 2005. "Systemic vulnerability and the origins of developmental states: Northeast and Southeast Asia in comparative perspective." *International organization* 59 (2): 327–361.
- Dunning, Thad. 2004. "Conditioning the effects of aid: Cold War politics, donor credibility, and democracy in Africa." *International organization* 58 (2): 409–423.
- Easterly, William. 2003. "Can foreign aid buy growth?" *Journal of economic Perspectives* 17 (3): 23–48.
- García-Ponce, Omar, and Leonard Wantchekon. 2024. "Critical Junctures: Independence Movements and Democracy in Africa." *American Journal of Political Science* 68 (4): 1001–1017. <https://doi.org/10.1111/ajps.12798>. <https://doi.org/10.1111/ajps.12798>.
- Goh, Evelyn. 2007. "Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies." *International Security* 32 (3): 113–157.

- Jesse, Neal G., and John R. Dreyer. 2016. *Small States in the International System: At Peace and at War*. Lanham, MD: Lexington Books.
- Katzenstein, Peter J. 1985. *Small States in World Markets: Industrial Policy in Europe*. Cornell University Press Cornell, NY.
- Khalid, Muhammad Bin, and Steve L Monroe. 2025. “The Blessings of Scarcity: The Cold War Origins of Smaller States’ Prosperity.” *Perspectives on Politics*, 1–20.
- Long, Tom. 2022. *A Small State’s Guide to Influence in World Politics*. Oxford: Oxford University Press. ISBN: 978-0-19-092621-2. <https://global.oup.com/academic/product/a-small-states-guide-to-influence-in-world-politics-9780190926212>.
- Maass, Matthias. 2014. “Small states: Survival and proliferation.” *International Politics* 51:709–728.
- Monroe, Steve L. 2025. *Mirages of Reform: The Politics of Elite Protectionism in the Arab World*. Ithaca, NY: Cornell University Press. ISBN: 9781501780608. <https://www.cornellpress.cornell.edu/book/9781501780608/mirages-of-reform/>.
- Paul, T. V. 2019. “When Balance of Power Meets Globalization: China, India and the Small States of South Asia.” *Politics* 39 (1): 50–63.
- Randma-Liiv, Tiina. 2002. “Small States and Bureaucracy: Challenges for Public Administration.” *Trames: Journal of the Humanities and Social Sciences* 6 (4): 374–389. <https://doi.org/10.3176/tr.2002.4.06>. <https://kirj.ee/wp-content/plugins/kirj/pub/Trames-4-2002-374-389.20221010143656.pdf>.
- Read, Robert. 2020. “Size, Governance and Expenditure on Defence and Education: Realpolitik and the Peace Dividend in Small Economies.” In *Handbook of Governance in Small States*, edited by Lino Briguglio, Jessica Byron, Stefano Moncada, and Wouter Veenendaal, 331–350. London: Routledge. ISBN: 9780367183998. <https://www.taylorfrancis.com/chapters/edit/10.4324/9780429061356-22/size-governance-expenditure-defence-education-robert-read>.
- Walt, Stephen M. 2012. “The Curious Case of Small Gulf States.” *Foreign Policy* (November). <https://foreignpolicy.com/2012/11/12/the-curious-case-of-small-gulf-states/>.
- Weber, Eugen. 1976. *Peasants into Frenchmen: the modernization of rural France, 1870-1914*. Stanford University Press.

Wong, Enoch. 2025. “Chinese upgrades to Cambodia’s Ream Naval Base ‘aimed at de-risking supply chains’.” *South China Morning Post* (April). <https://www.scmp.com/news/china/diplomacy/article/3305419/chinese-upgrades-cambodias-ream-naval-base-aimed-de-risking-supply-chains>.