

Devising a fitting approach to GPGs: Accounting for present realities

By Inge Kaul*

Introduction

In his report on *Our Common Agenda* (UN 2021),¹ the United Nations Secretary-General (UNSG) proposed to establish a High-Level Advisory Board (HLAB) on Global Public Goods (GPGs) tasked with identifying needed governance improvements and proposing options for how these improvements could be realized.

The HLAB will soon start its deliberations. Thus, now is the time to reflect on to-date experience with addressing challenges of a GPG-type and to extract lessons about how to do better in the future. At present, we are confronted by a lengthening list of underprovided GPGs and, as a result, a rising number of serious global risks and crises of potentially irreversible catastrophic consequences.

The aim of this note is to highlight some of the lessons I have learned during my 20+ years of discussing GPG-related issues with various high-level and down-to-earth, public and private interlocutors in many parts of the world. Section I presents select lessons learned, focusing on conceptual and language issues, as well as necessary institutional innovations in the system of universal multilateral governance and, first and foremost, the UN system. Section II identifies possible next steps that the UNSG could take and for which he may consider seeking UN member states' support.

Based on my experience, I will argue that the most essential because foundational reform is to foster and realize, at the conceptual, normative, institutional, and practical-political level mutual compatibility between, on one side, the principle of national sovereignty and, on the other side, international

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¹ See, <https://www.un.org/en/content/common-agenda-report/>.

cooperation, notably universal multilateralism required to achieve adequate GPG provision and, ultimately, global sustainable growth and development for all.

This may sound like a Herculean task. However, the following discussion shows that the required reforms are do-able, not only technically but increasingly also politically. Global tectonic shifts are happening; and the awareness that change is overdue and we have no more time to lose is growing. The HLAB thus meets at critical moment in world history. Its work can make a difference by helping us to see ways to do better in terms of GPG provision, including climate change mitigation, promoting global health, re-building “global peace”, and amending the GPG par excellence, the present world-order, to make it fit for the 21st century – by making it work for all, all countries, all people, and the planet as a whole.

I Lessons learned

There are many ways in which one could promote enhanced provision of a particular GPG. No doubt, many of these strategies have been pursued in the past. However, despite a myriad of individual and collective efforts undertaken by state and non-state actors worldwide, many GPGs, including long-existing and newer GPGs, are underprovided, even increasingly so. I would argue that the reason for this underprovision is that GPGs today suffer from path dependency: dated theoretical thinking and policy practices. The world has moved on; therefore, how we look at, talk about, and deal with GPGs must also evolve, across all GPG-related policy fields (with issue-specific adjustments, where needed, of course).

In my assessment, the most basic and urgently needed innovations are: (1) agreeing on a definition of GPGs that is value-neutral and realistic; (2) building global consensus on a new global principle of mutual compatibility between international cooperation and national (or also regional) sovereignty; and (3) indicating how to operationalize this principle.

In more detail, the rationale for these innovations follows.

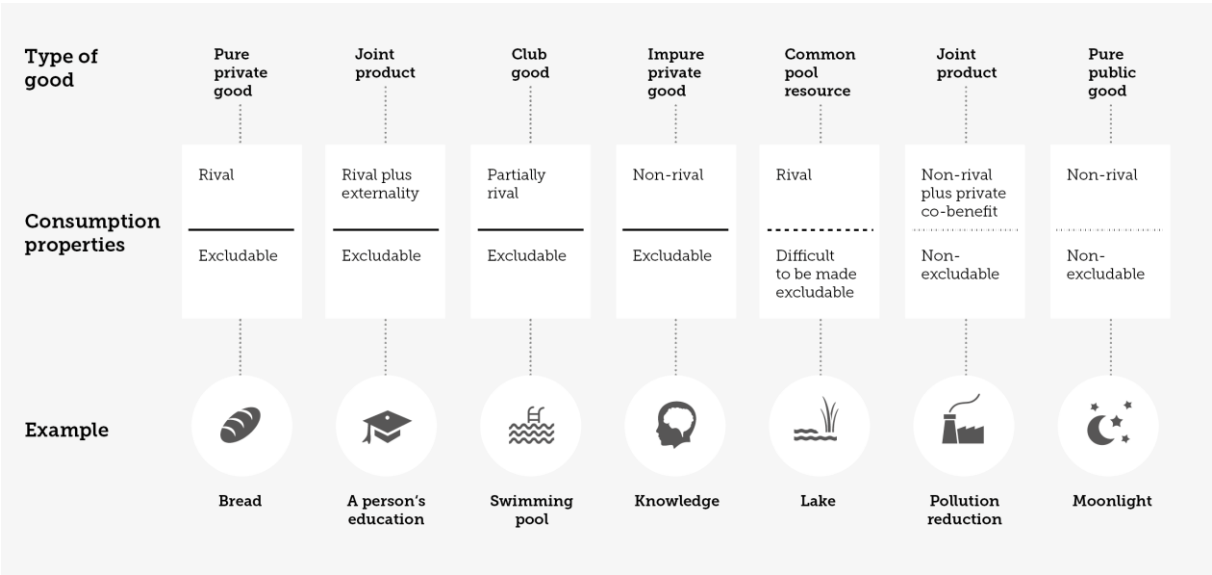
1 – Agreeing on a value-neutral and realistic definition of GPGs

The defining property of public goods, including GPGs, is that they are public in consumption. However, we are living in a world of wide differences, disparities, and inequalities. Considering these facts, the conventional and still frequently

used generic definition of public goods as goods that *benefit all* is inappropriate. We know that preferences and priorities for GPGs often vary widely, across countries, populations, actor groups, and, sometimes, also generations. To avoid the impression of pushing a particular agenda, e.g., one’s own agenda, it is important to both signal awareness and acceptance to all the concerned parties, of the varied preferences and priorities and combine that signal with willingness to achieve an agreement that all consider fair and worthwhile.

Also, there is often nothing innate about a good’s publicness or privateness. Rather, these properties may reflect someone’s, e.g., some powerful nations’ prior policy choice. The property of “non-excludability”, especially, can be manipulated, as shown in Annex Figure 1. Therefore, it is important to ask why certain excludable things, such as greenhouse gases, are in the global public domain and why goods that have the potential to be public (because they are non-rivalrous in consumption) are not there. An example that has frequently been mentioned during the COVID-19 pandemic is pharmaceutical knowledge. Much of it is patented and, thus, removed from the public domain.

Figure 1 The public-private continuum



Source: Kaul et al. (2016)

Moreover, GPGs tend to ignore human-made and natural dividing lines, such as national borders, governance levels, sector divisions, or actor groups. Their effects often sweep across the world and penetrate countries, whether welcome or not.

Finally, considering that, today, we are living in a multi-actor world, in which states are no longer the sole or primary provider of public goods, a fitting definition of GPGs should reflect that GPGs not only affect us all but, frequently, also require all of us to contribute to them. GPGs entail both consumption and policymaking interdependence, a condition that calls for international cooperation and often even universal multilateralism.

Hence, it is advisable to employ a definition of GPGs that is (1) value-neutral, and (2) objective and realistic by not hiding: (a) the potentially controversial nature of GPGs and (b) the consumption and policy interdependence that they may entail. Box 1 presents a definition that seeks to meet these conditions.

Box 1 A contemporary definition of GPGs

GPGs are goods (tangible and intangible things or conditions) that may affect many of us or, even, all of us, present and future generations, for better or worse, irrespective of where we live and who we are, rich or poor. In other words, GPGs entail consumption interdependence.

Many GPGs also need many or all of us to contribute to their provision. They call for international cooperation, often universal multilateralism. Thus, policymaking interdependence is added to consumption interdependence.

Importantly, several GPGs have specific adequate-provision requirements that must be met for the GPG to generate the effects that are expected of it.

Source: Author, based on Kaul (2022) and Kaul et al. (2016).

For more a more detailed discussion on the history and evolution of the GPG concept, see, for example, Kaul, Blondin, and Nahtigal (2016).

2 – Building consensus on a new principle of mutual compatibility between international cooperation and national policymaking sovereignty

The multilateral governance requirements that many GPGs entail currently meet with strong headwinds. The reasons for resistance are, among others: voices from the Global South that call for a more effective say and strengthened agency in matters that concern them, including global policy matters have multiplied and begun to blunt the instrument of top-down power politics; global warming and technological advances driving major economic and social transformations;

and increasing rivalry and competition among the major global powers. As a consequence of these and other forces of change, international cooperation today is often rather shallow. Developed and developing countries are concerned about “securing” their policymaking sovereignty.

At the same time, however, many states, perhaps even a clear majority, continue go along with the present system of multilateral governance. This may be because they value the recognition as a sovereign state that UN membership affords them and because they do not see a persuasive alternative to the present system. In addition, there now seem to be more “mixed-motive” actors, people who not only have their own interests in mind but also consider those of other people and the planet as a whole. The “Fridays for Future” movement is just one example. Civil society, business, and the general public at large increasingly expect states to cooperate effectively.

Therefore, now could be the right moment to initiate the most important because foundational institutional reform and foster consensus on a new global principle: the “dual compatibility” principle defined and discussed in Box 2.

The aim would be to replace, at least in select issue areas, power politics as the main operating principle of multilateral cooperation. However, to meet with global support and agreement, extensive global consultations on the desirability and do-ability of this principle should be undertaken.

Box 2 The dual-compatibility principle

Experience shows that, especially in policy fields marked by deep policy interdependence among states, conventional power politics, of a forceful or a softer nudging type, are losing their effectiveness. The demand for multilateral cooperation and its functioning as a partnership of equals is growing.

Therefore, it is time to consider the adoption of a new operating principle of multilateral cooperation designed to offer reassurance to states, their various constituencies, and allies. The reassurance would be that all of the concerned parties engaged in a particular negotiating or cooperative operational effort are committed to making multilateralism sovereignty-compatible and the exercise of sovereignty compatible with multilateral cooperation, not only in a diffuse way but also in concrete ways.

In other words, it is time to reach agreement on a new operating principle of multilateral cooperation, which could be termed the “dual compatibility principle”.

The principle’s two sides would be states’ commitment to:

One— Constructing international cooperation agreements that all of the concerned parties view as sovereignty-compatible, that is, as being the relatively best available way to meet their national interests; and

Two—Making every effort possible to exercise national policymaking sovereignty in a way that respects the interests of other states and agreed global goals, including the adequate-provision requirements of regional and global public goods.

To facilitate the operationalization of this principle, complementary institutional arrangements should be put in place that are aimed at enhancing the transparency of international cooperation through periodic monitoring and evaluation of progress towards agreed targets and objects.

Source: Author, based on Kaul (2022, 2020.b)

For Side One of the dual-compatibility principle, global consultations on the criteria, which international cooperation ought to meet to warrant the label ‘sovereignty compatible’, would be necessary to build consensus on the proposed principle. For example, Kaul (2022: 198) suggests to discuss points such as whether qualifying multilateral cooperation should “be expected to meet the following criteria:

- states’ engagement is self-determined;
- cooperation is based on the principle of the sovereign equality of the interacting parties and other established principles, such as that of states’ common but differentiated responsibilities and respective capacities, as well as respect and tolerance for diversity;
- all parties have access to all official information concerning the substance and process of their negotiations;
- all parties enter the negotiations and decision-making processes (at both the policy-setting stage and the implementation stage) with willingness to find common ground on which to cooperate and achieve an outcome considered by all concerned as fair, generating across

issue areas and over-time clear and significant net benefits and, thereby, the proof that, indeed, cooperation “pays” in financial and nonfinancial terms, especially in policy fields marked by interdependence among states.”

For Side Two, respectful exercise of national policymaking sovereignty, it would be important to explore whether this commitment would, among other things, oblige “states [to] abide by the following:

- to consider the “regional” and “global” when making national policy choices, including the sovereignty of other states, notably their freedom to be free from external interference, including potentially harmful but avoidable cross-border spillover effects;
- to make necessary arrangements to contribute their fair share of financial and nonfinancial resources to agreed-upon collective endeavors, which are to be undertaken collectively at the international level as complements of the domestic corrective measures that states volunteer to implement and, to this end, to support full-cost budgeting of GPG-related projects; and
- to comply with international monitoring, evaluation and reporting requirements in the interest of global transparency, mutual accountability and trust-building among all state and nonstate cooperation partners and stakeholders.” (Ibid: 198-199)

Discussing and agreeing on the dual-compatibility principle could yield the positive side-effect of changing the current, still widespread, language and perception of international cooperation means “giving up” or “losing” national policymaking sovereignty. There is ample empirical evidence that, where fairness prevails, the opposite is the case.

However, applying the new operating principle and enabling all of the concerned parties to judge for themselves whether a particular multilateral initiative warrants the “dual-compatibility” label, critically depends on states’ concurrent agreement to the reforms discussed next.

3 – Initiating institutional reforms to facilitate the operationalization of the “dual-compatibility” principle

The reforms to be considered in this context include, among others, the following:

3.1 – Introducing global-issue or GPG management into the present governance systems as a new organizational criterion

GPGs tend to be complex; many are multi-level/ sector/actor phenomena that may also have numerous interlinkages with other GPGs. Today's governance systems are ill-equipped to handle the complexity of GPGs. Therefore, it would be of highest importance and urgency to introduce a new, additional organizational criterion to these systems: global-issue management.

More concretely, specific GPG-related platforms could be established, at all relevant governance levels. These platforms would form a network of all concerned state and nonstate actors mandated to facilitate the coming-together of the myriad of public and private inputs to the GPG they are to help produce. These networked platforms could be structured and function like the mission projects outlined by Mariana Mazzucato in her writings on this topic.

In this context, one could, for example, also look at the present "system" of the multilateral development banks (MDBs), especially from the viewpoint of how they could best complement each other in financing GPGs.

3.2 Preparing issue-specific GPG provision path analyses

To facilitate effective and efficient GPG provision, it would be necessary to devise provision path maps or landscapes to identify, among other things:

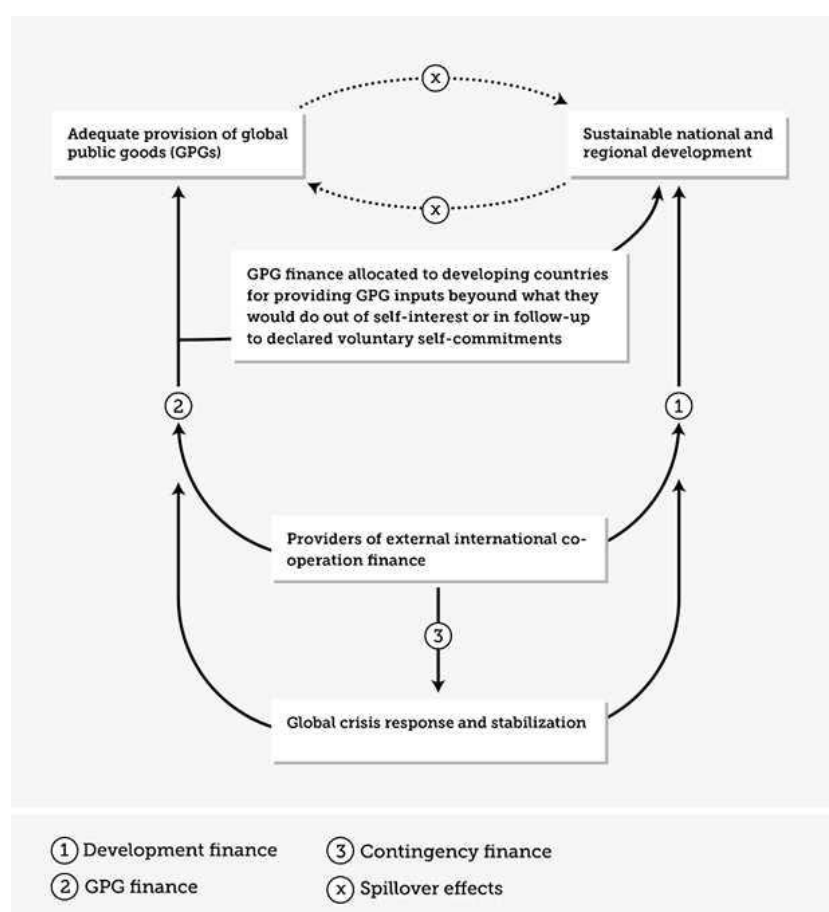
- who might be the potential best providers of required inputs;
- who may need what type of incentives to be willing to fully and constructively cooperate and view cooperation as fair and worthwhile;
- how to price critical inputs such as certified CO₂ reductions;
- when to apply Trade-Related Aspects of Intellectual Property Rights (TRIPS) flexibility;
- how to apply the principle of common but differentiated responsibilities and respective capacities and respective capabilities (CBDR-RC)
- how to determine required compensation for loss and damage suffered by certain countries or other types of communities;
- spillover effects from countries or other GPGs that affect the GPG to be provided; and
- according to which criteria states could decide when it is best for them to cooperate and when to engage in competition.

3.3 – Creating a new architecture of international cooperation finance

Today, all the main strands of operational international cooperation – development assistance, GPG provision, and crisis response and stabilization -- tend to be underfinanced. The reason is that official development assistance (ODA) money is often used to meet some of the public-finance needs of the other two operational strands. Much has been written about this confounding of purposes that is not only responsible for underfinancing but also involves inadequate financing instruments and resources being used. The result is global inefficiency, ineffectiveness, lack of fairness, and, importantly, the challenges remain unresolved.

A way forward would be to create a new tripod-shaped architecture of international cooperation finance, as shown in Figure 2.

Figure 2 Model of a tripod-shaped architecture of international cooperation finance



Source: Kaul (2020.c)

The aim of establishing such an architecture would be for policymakers to decide upfront what is their main reason for engaging in a cooperative effort: enhanced

GPG provision? Aid? Or tackling a particular crisis (wherever it exists)? If it is GPG provision, the focal point for dealing with the issue at stake could be the ministry, department or platform concerned; if it is aid, it would, in a “donor” country, perhaps be the respective aid agency and, in a “recipient” country perhaps the ministry of finance or planning; and, if the purpose is to respond to a crisis that erupted abroad, it could be the ministry of foreign, regional or global affairs. Each of these focal points would be responsible for obtaining the necessary budgetary resources – rather than just tapping ODA funds.

See, among others, Kaul (2020.c) for more details about how to differentiate between the three strands, foster mutually reinforcing linkages among them, and decide on the type of money and tools that might be best for each type of input. Examination of the recent extensive literature on international cooperation financing more generally, and development assistance, GPG finance and emergency finance more specifically, as well as the huge volumes of issue-specific finance studies is also useful.

The message that emerges from the literature is that more investment and new instruments are needed. This subject deserves several studies focused on the core themes of getting international cooperation finance ‘right’.

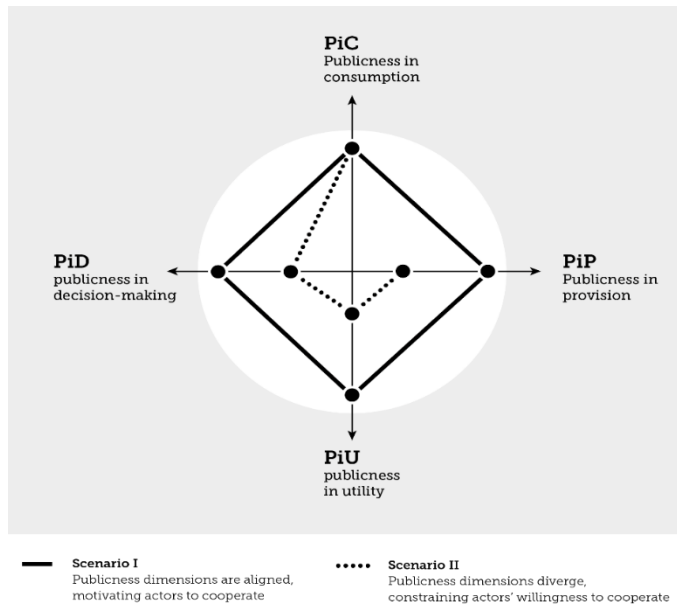
3.4 Devising governance processes designed to facilitate matching of the ‘4Ps’—global publicness of consumption, cooperation, decision-making, and utility

If it is to be based on policy-ownership and commitment that translates into action, international cooperation in support of GPGs must be a participatory process and marked by genuine partnership of equality. To this end, the process must be designed so that the good’s publicness in consumption and its publicness in provision are matched by the publicness of the decision-making process (i.e., proper consultation of all concerned actor and stakeholder groups) so that the result will be publicness in utility, that is, a fair distribution of costs and benefits.

Publicness in decision-making requires that all the concerned parties /actors and stakeholders enter the negotiation and cooperation processes willing to listen and respect each other. An important part of demonstrating respect is abstaining from telling others what is “good for them” or, even, to place “carrots” or “sticks” on the table. “Nudging” should also be avoided. It is bad enough to see how private businesses sometimes tend to nudge people into consuming unhealthy food, or wanting to possess their own private car rather than using public

transport. Adequate GPG provision depends on voluntary commitments and contributions and, therefore, also on joint decision-making based on mutual respect, tolerance, fairness and justice. The following figure illustrates this condition.

Figure 2 The ‘4Ps model’ of decision-making on GPGs.



Source: Kaul et al. (2016)

See, on this point also Kaul (2021, 2020.a, 2020.d, 2019).

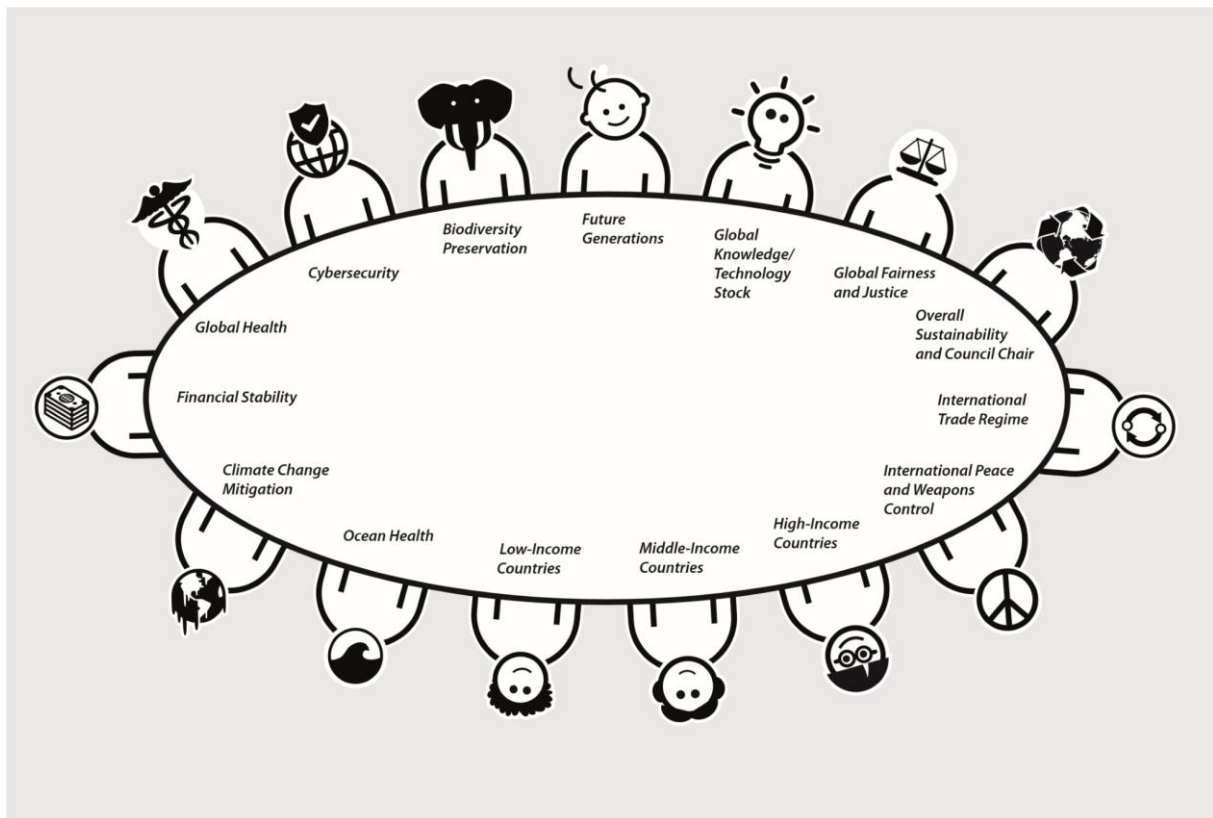
3.5 Considering the creation of a global stewardship council

To halt the current spiral of unmet global challenges, the basic issue of fostering a more mutually reinforcing balance between “global” and “national” must be considered. In fact, global concerns should be taken into account in national and regional policy-making; national and regional concerns should be considered in global policymaking. Such an integrated perspective requires many difficult balancing acts, including those required to be in compliance with the principle of ‘dual compatibility’.

If states and the general global public at large were to receive advice on this “balancing act” from a standing advisory body, a Global Stewardship Council (GSC), they might find that useful. Such a body would best be situated within the UN. Its members could be eminent personalities serving in their individual capacity. The special feature of the GSC would be that its members act as representatives, respectively, of select GPGs, of different groups of countries, and of the over-arching concern ‘global sustainability’. Figure 3 presents a visualization of a GSC.

In considering the GSC's membership composition it would be important also to bear in mind that different countries and different population groups face different existential insecurities and that manifold interlinkages exist between GPGs. Therefore, the GSC's membership should be such that it can address different the main insecurities from which different countries, population groups and GPGs, such as the high seas and the atmosphere, suffer.

Figure 3 Visualization of a global stewardship council



Source: Kaul (2019, 2018)

The Council could also assist concerned multilateral organizations and the broader world community in monitoring the state of GPG provision and the emergence of new and additional GPGs that might require the world's attention in the future.

II Possible next steps

The policy lessons and recommendations discussed in Section I are not altogether new, and some changes along these lines are already discernible.

However, the world appears to be caught in a trap: an absence of global change leadership due to an absence of a clear global change vision.

The HLAB could step in and include -- among its recommendations for doing better in the future, preferably, as soon as we can, the following initiatives:

1 *Re-building global consensus on world-order issues:* Some of the reforms suggested in this note go right to the core of today's world order by calling for a modernized interpretation of the notion of sovereignty and a new, revitalized multilateralism. The world order can be viewed as the GPG par excellence. Therefore, it would be important and fitting, if the UNSG would seek member states' agreement on initiating a fully participatory process of global consultations aimed at listening, sharing views, and, especially, developing a shared understanding about basic world-order issues, including:

- the global challenges that, despite all other differences require effective international cooperation because no country or group of countries can tackle them alone;
- the key operating principle of multilateral cooperation (such as the dual-compatibility principle discussed in Section I.2); and
- ways to improve and strengthen rules-based international cooperation.

2 *Launching pilots of global mission-oriented projects:* Considering the urgency of several of the global challenges we confront, it would be important for the UNSG, in consultation with the heads of concerned UN system entities, to appeal to member states to support the creation of three to four global platform or mission-oriented pilot projects (the type discussed in Section I.3.1) for select high priority GPGs, such as: *climate change* mitigation and adaptation; *global health*, including the fight against COVID-19 and strengthening global preparedness for the next health threats likely to attack the world, such as microbial resistance; *global food security*; and *global water security*. The main mission of these pilots would be to achieve scaled up and accelerated progress in their respective policy field. They should be independent projects and encouraged to test new policy approaches, tools and financing arrangements, including, perhaps, some of the measures suggested in Section I.3.

3 *Addressing the “burning” GPG “global peace”:* The current war in the Ukraine is only the latest stark reminder that an urgent need exists to rethink the rapidly deteriorating GPG “peace”. For too long already we have watched conflict after conflict fail to find resolution, and violence that causes massive destruction and death – despite years and years of peace-

making/keeping/building and UN Security Council deliberations. Do we have a clear view of the provision path of the GPG 'global peace'? Why are insecurities multiplying? Which insecurities and conflicts, if any, can be resolved through military means? What would a comprehensive concept and strategy of global security look like? What would be its institutional and financing implications? Would it perhaps be useful to start the debate on rethinking global peace at a global conference on peace and security?

4 *Examining new and additional issues through the GPG lens:* For example, it could be useful to establish further HLABs to consider and offer advice on the feasibility and desirability of looking at the following issues through the GPG lens, specifically the global-commons lens: global supply chains and outer space. Both these goods are difficult to be made excludable but are, from a certain point on and under certain conditions, rivalrous in consumption. They are already sources of global tensions and conflict, and are in urgent need of attention, global norm setting and regulation.

5 *Encouraging research and development (R&D) in the field of multilateralism and global governance:* The further exploration of several of the issues raised in this note requires extensive theoretical and empirical research of a practical-political type. The aim should be to complement the voluminous studies on the scientific and technical aspects of GPGs with issue-specific and cross-cutting studies to support public policymaking on GPGs by different actors at and across different levels of governance. As a first step in this direction the UN system's research bodies could undertake a "scouting" initiative to find knowledge that currently exists in a highly dispersed manner in relevant professional journals. The outcome could be a toolbox for GPG governance on a cross-cutting basis and toolboxes for the provision of particular GPGs.

6 *Integrating the follow-up to the report on Our Common Agenda –* 'Linking' in order to foster synergies and avoid dis-synergies is a behavioral pattern that, if acquired and practiced, could make an important difference in dealing with the complexity of today's challenges, including those of GPG provision. Thus, it appears desirable for the different follow-up initiatives to the report on *Our Common Agenda* to inter-act with and reinforce one another – for a tripod-shaped dialogue architecture to support the here proposed tripod-shaped architecture of international cooperation finance.

Conclusion

The world is in crisis. Its previous central operating principle of international cooperation, top-down power politics controlled by a few major policy-setters, is losing its effectiveness in today's increasingly pluralistic world. To resolve the challenges we confront, we need revitalized multilateralism and contemporary approaches to enhanced GPG provision. This note offers a number of suggestions on how we could do better in the future on both counts. The main thrust of the suggested innovations and concrete next steps is to facilitate the building of global consensus on and compliance with a new operating principle of international cooperation. This new principle calls for mutual compatibility between, on one side, the principle of sovereignty and, on the other side, international cooperation, notably the universal multilateralism required to achieve adequate GPG provision.

Considering the present tensions within the international community, a persuasive case for international cooperation and enhanced GPG provision cannot be made without also giving thought to inter-state rivalry and competition – finding unity in diversity, practicing tolerance, and building trust by pursuing patient, small-step strategies toward the goal of global sustainable growth and development for all, as set forth in the 2030 Agenda.

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Further reading

For further reading on the issues discussed in this note, see: www.ingekaul.net/, "What's new" and "Publications".