

Why Do Global Public Goods Matter Today?

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Globalization is often associated with increased privateness—with economic liberalization, placing a growing number of goods and services into markets, fostering international market integration, and encouraging private cross-border economic activity such as trade, investment, transport, travel, migration and communication. No doubt, these are accompaniments of globalization.

However, globalization is also, even perhaps quintessentially so, about increased publicness—about people’s lives becoming more interdependent. Events in one place of the globe are often unleashing worldwide repercussions. And a growing volume of international policy principles, treaties, norms, laws, and standards is defining common rules for an ever-wider range of activities. Just consider the elaborate rules governing “free trade”. Clearly, international markets are far from being unfettered. Or, think of the many international agreements pertaining to global concerns such as peace and security, controlling terrorism and drug trafficking, averting the risk of global climate change, combating the spread of communicable diseases, or creating global communication and transportation networks. All concern in one way or another the provision of public goods whose benefits—or, in the case of “bads”, costs—cut across borders. They prove that many national public goods have gone global. Globalization and global public goods are inextricably linked. In fact, whether—and how—global public goods are provided is what turns globalization either into an oppor-

tunity or a threat. Not surprisingly, such provision issues are what multilateral negotiations as well as civil-society protests typically are about.

Managing globalization requires understanding and shaping the provision of global public goods to the benefit of all parts of the global public—a daunting challenge, considering the world’s diversity and complexity. Yet it is an inescapable challenge. The world at present seems to be caught in an ever-denser web of global turmoil and crises. To break out of this precarious spiral, a clear, decisive approach to providing global public goods is imperative. Openness of borders and a free flow of private economic activity is one side of globalization. Concerted cross-border public-policy action, however, must be the other side if globalization is not to create havoc but instead serve as a means of improving people’s lives.

But how precisely are globalization and global public goods linked?

GLOBAL PUBLIC GOODS: A KEY INGREDIENT OF GLOBALIZATION

Public goods are best understood by contrasting them with private goods.¹ Private goods can be made excludable and exclusive in consumption. They are associated with clear property rights. And it is up to their owners to determine how to use them—to consume, lease, or trade them. Public goods, by contrast, are goods in the public domain: available for all to consume and so potentially affecting all people. Global public goods are public goods with benefits—or costs, in the case of such “bads” as crime and violence—that extend across countries and regions, across rich and poor population groups, and even across generations.

In part, global public goods—and bads—are the result of globalization. As financial markets become integrated, for example, what would once have been only a national financial crisis can become an international one,

¹In the volume (*Providing Global Public Goods: Managing Globalization*) and in this executive summary, *good* is often used to denote both goods and services. The term refers to a product, thing, or condition. It usually does not entail a judgment on whether the good has benefits (positive utility) or costs (negative utility). But where there is global consensus on the economic or social undesirability of a certain public good, the term *bad* is sometimes used. Yet the valuation of a good is a matter for individual actors—a person, community, nation, or any other group—to decide based on preferences and priorities. From here on, while the text may refer to the benefits of public goods, in all cases the objective is to derive positive net benefits from their consumption.

if not carefully managed from the start. Witness Mexico's "tequila" crisis in 1994–95, East Asia's financial crisis in 1997–98, the Russian Federation's debt default in 1998, and more recently, the Argentine financial crisis. But global public goods are also important drivers of globalization. Consider the international civil aviation system. Airplanes could not travel around the globe as swiftly and safely as they do without carefully harmonized national civil administration services and infrastructure. Managing globalization depends largely on providing global public goods.

While the link between globalization and public goods has rarely been explored,² globalization is being contested precisely where people feel overwhelmed and even attacked by goods—or, more often, bads—in the public domain, including contagious diseases, financial meltdowns, ecological calamities, and computer hacking. These bads tend to affect people indiscriminately. As Held and McGrew (in the volume, p. 186) argue, "contemporary globalization has several distinctive features. It is creating a world where the extensive reach of cross-country relations and networks is matched by their high intensity, velocity, and impact propensity across many facets of life. . . ." Under these conditions individual, including national, policy responses are often ineffective.

As a result many people around the world feel a pervasive uncertainty and sometimes even a loss of personal security. Looking at industrial countries, analysts see a "fearful North" (Bhagwati 1997), "timid prosperity" (Taylor-Gooby 2000), and the paradox of even the most powerful countries being unable to "go it alone" (Nye 2002). In developing countries globalization is said to generate an ever-growing feeling of "loss of autonomy" (Mahbubani 2001). And for people everywhere, globalization increasingly means a "runaway world" (Giddens 2000).

Some analysts wonder whether globalization has gone too far (Khor 2000; Rodrik 1997, 2001). They urge revisiting global public goods, such as the multilateral trade regime, to assess what has been lost (in national policy sovereignty) and what has been gained (in increased income and wealth). But others think globalization has not gone far enough. This group includes theorists such as Ohmae (1995), who foresee the end of nation-states and a trend toward region-states. It also includes civil society

²Notable exceptions include Ferroni and Mody (2002); Sandler (1997, 1998); and Sweden, Ministry for Foreign Affairs (2001).

advocates. As Sen (1999) notes, the concerns of civil society often transcend affiliations of nationality, citizenship, and income group. Some feminists may want enhanced human rights worldwide to promote equity as a global norm, available for all to enjoy. Environmentalists may favor stricter international regimes to contain carbon dioxide emissions and avert global climate change. Perceptions of globalization vary across population groups—but they also vary by global public good.

Thus it is possible to pin down more precisely the reasons for discontent about globalization. Discontent often arises from the ways that global public goods are—or are not—provided.

The provision of public goods, including global public goods, can suffer from many problems. Sometimes a good may be lacking. Instead of peace, conflict and war may prevail, ravaging people's lives. And sometimes a good may exist but be shaped in such a way that it entails costs for some people or countries while benefiting others. For example, procedures for managing international financial crises have at times placed a heavier burden on borrowers than on lenders. So it is not only the *level* at which goods are provided that may affect people's lives; the *way* in which they are provided matters too.

There are growing expectations among countries and the general public that public goods—because they affect all—should be provided in a participatory and fair manner. Indeed, the clamor against globalization could be interpreted as a call for better provision of global public goods. The protests can be seen as the general public voicing its demand for a more effective say in global public matters—so that globalization can one day deliver on its promise as an opportunity for enriching the lives of all people.

Thus the “how to” of managing globalization is moving more and more to the political center stage. In fact, it is becoming a hotly debated issue. While some parties favor a “go it alone” approach, others call for deeper cross-border cooperation. Finding practical answers to the “how to” of managing globalization is an urgent challenge, because lack of consensus on process issues often holds back policy consensus and action. As a result global crises are proliferating, and the world is becoming entangled in an ever-denser net of political turmoil and disaster.

Inaction has a high price. Even for a small group of global public goods, the costs of underprovision amount to billions of dollars a year (see Conceição in the volume). Moreover, the costs of inaction—of failing to

address problems of underprovision—dwarf those of corrective actions. More important, the costs of corrective actions would be incurred only until problems are solved, while the costs of inaction are continuous—and mounting.

WHAT THE BOOK IS ABOUT

Given the critical link between globalization and global public goods, the volume presents a series of analyses aimed at contributing to a fuller understanding of the provision of global public goods. The analyses reveal that the provision of global public goods occurs largely without the benefit of relevant, up-to-date theory. Public goods theory often lags behind the rapidly evolving political and economic realities—marked by a state-centric and national focus and, consequently, providing poor support for advice on the provision of global public goods in today’s multiactor world. Moreover, political decisionmaking is often poorly suited to the wide range of spillovers for many global public goods, with few sometimes deciding the fate of many. In addition, financing for global public goods is often perceived as aid—distorting the value of the goods, sending misleading policy signals, and confusing investment decisions. And in many cases the production of global public goods is impeded or defeated by organizational divides between economic sectors, between “domestic” and “foreign,” and even between markets and states.

The result is a serious mismatch between the inclusive, multifaceted nature of many global challenges and the exclusive, fractured way in which public policy is often made. Despite an ever-growing volume of international conferencing and decisionmaking, global public bads linger on and cross-border spillovers continue.

The provision of public goods today—nationally and internationally—resembles the provision of public goods in the Middle Ages. It involves multiple authorities and actors of varying power at different jurisdictional levels, reacting to crises in ways that are moved more by “political compulsion than concern for all” (Keane 2001, p. 4).

Although the analyses in the volume point to many weaknesses, they also provide encouraging and constructive policy messages. They suggest that it is desirable and feasible to correct many current problems. In

particular, they propose four main ways of improving the provision of global public goods and making globalization more manageable:

- *Refurbishing the analytical toolkit*—to better reflect current realities in public goods provision.
- *Matching circles of stakeholders and decisionmakers*—to create opportunities for all to have a say about global public goods that affect their lives.
- *Systematizing the financing of global public goods*—to get incentives right and secure adequate private and public resources for these goods.
- *Spanning borders, sectors, and groups of actors*—to foster institutional interaction and create space for policy entrepreneurship and strategic issue management.

The analyses confirm that reforming the *process* of public policymaking is key to managing globalization better. As the contributions to the volume demonstrate, in many global issue areas countries from the most advanced to the least developed increasingly find cooperation necessary to achieve national goals. Indeed, the fate of many nations has become increasingly intertwined, transforming what were once national policy issues into regional issues—and regional issues into global ones. Thus as issues such as HIV/AIDS, financial stability, and peace and security bring nations into a shared fate, so too should they bring them together as partners in appropriately reformed public policymaking. What the volume proposes is that examining today's major policy challenges through *the lens of global public goods* is key in guiding the reform of public policymaking.

The authors of the volume recognize, of course, the basic differences in interests that mark globalization and international cooperation today. These differences are difficult to resolve, and care must be taken not to complicate them further. But the analyses here show that many such differences occur for conceptual and technical reasons, not political ones. Therefore, it is important to focus on understanding the nature of global public goods and explaining precisely how their provision works—and could work better. Managing globalization requires vision as well as attention to detail.

CHARTING THE WAY: WHAT THE BOOK IS BASED ON

The book is a sequel to *Global Public Goods: International Cooperation in the 21st Century* (Kaul, Grunberg, and Stern 1999). That volume examined a

series of global issues through the analytical lens of global public goods. It was an attempt to explain to a wider audience the concept of public goods and to make it a more common instrument of policy analysis and policymaking, particularly for global public goods. Indeed, many readers found the concept to be a powerful tool for understanding global challenges. Follow-up discussions were dominated by three questions involving the meaning of the three words that make up the term *global public good*.

- The most frequent question was, Who decides whether to make a good public or private? As the literature on public goods points out, publicness and privateness often are not innate properties. Goods can be—and in the course of history repeatedly have been—shifted from one side of the public-private continuum to the other.
- Many penetrating questions were asked about the globalness of goods, which, as will be seen, can be understood as a dimension of publicness. Readers pointed out that many global public goods are familiar to people worldwide as local and national public goods. Take intellectual property rights regimes, which not long ago were firmly in the realm of sovereign national policymaking. Some local communities even had institutions for keeping critical knowledge (about the medicinal effects of plants, for example) in the public domain and enabling all to benefit from collective wisdom and experience. As intellectual property rights regimes go global, national policy choices are narrowing. The question thus is, Who decides what to make global?
- For the word *good* (or service), commentators noted that the challenges to which the notion of global public goods applies have long been on national and international policy agendas. To date they have been called “global challenges” or “global concerns.” What is the added advantage of looking at them through the lens of global public goods?

In preparing the volume, these three key words—*public*, *global*, and *good*³—were reexamined to help shape the analyses and recommendations in the various chapters. To situate readers and help explain the volume’s perspective, it is important to describe at the outset how the notions of public, global, and good are now viewed.

³The discussion on “public” precedes the discussion on “global” because, as noted, publicness includes globalness as a special dimension. Therefore, it is important to address the issue of publicness first.

Bringing the Public Back In: Remembering and Reenvisioning Publicness

Public and *private* are used in many different, often puzzling ways. For example, is a firm part of the private or the public sphere? When a private company enters the stock market, it is said to be going public, rather than being privately held by a few people or owned by the state. Yet the market is also where bargains are struck for private, self-interested gains. The caring, loving relations in a family or household are also called private—yet laws exist to protect the rights of children in keeping with the public interest. Often, the state is labeled as the public sector. But there is also the general public—people at large—who mostly find mention when public opinion polls are discussed.

To clarify the meanings of public and private, it may be best to consider how these terms have evolved. This analysis reveals that publicness and privateness are in most cases social—human-made—constructs. It also shows that public goods are most appropriately described as goods in the public domain—not as state-provided goods—and that state agencies and markets can be viewed as public goods.

Publicness is in many ways a natural state of affairs. In the early days of humankind there were no property rights. Privateness—taking matters out of the public domain—is a human invention and institution. Certainly, many animal species also display territorial behavior, so privateness also has natural roots. But as Miller and Hashmi (2001, p. 3) emphasize, “humans are also rational and reflective creatures, and as such, we must ask ethical questions about what justifies the boundaries we have drawn between us.”

If not for ethical reasons, the same questions can be asked for reasons of economic efficiency: does making certain goods private and others public help or hinder the achievement of desired ends, such as higher income or improved well-being? As Polanyi’s (1957 [1944]) analysis of the recurrent oscillation between *laissez-faire* and state intervention, and Hirschman’s (2002 [1982]) notion of “shifting involvements between private interest and public action,” indicate, societies have repeatedly raised, reexamined, and reanswered these questions. Publicness and privateness are highly variable and malleable social norms. The public character of some goods tends to be persistent. For example, it would be extremely difficult—if not

impossible—to prevent someone from enjoying sunlight. But privateness is intrinsically different because it is a human creation, a social institution.

The public domain is the collection of things available for all people to access and consume freely—including natural commons such as the high seas and the geostationary orbit. Over time natural commons (which exist regardless of human activity) have been supplemented by human-made public goods such as roads, irrigation systems, and armies—as well as public bads like air pollution and financial contagion. In addition, human-made public conditions have been created. Examples include social cohesion and its opposite, conflict and war.

During the Roman Empire all these elements were referred to as *res publica*, or public things.⁴ For Julius Caesar the public domain was the realm of things that concerned and affected everyone, including the agencies that the public authorized to perform certain public tasks (Geuss 2000). These public agencies, or magistrates as they were called, received their authority and mandates from the public, constituting its “visible hand”—in contrast to Adam Smith’s later notion of the market’s invisible hand. The public, “however imperfectly, symbolized and represented the sovereignty of the Roman people” (Millar 2002, p. 142).

The relationship between the public and its visible hand, the state, was often perceived as being close and mutually supportive (Swanson 1992; Mehta and Thakkar 1980). Some cultures still see the relationship between the public and the state in this way (Miller and Hashmi 2001; Rosenblum and Post 2002). As Elias (2001) notes, the ancient Greek word for *individuals* is *idiotes*, which means people who do not take part in public affairs—indicating how closely connected private and public destinies were understood to be. Similarly, Arendt (1998 [1958], p. 158) defines private as “a privation of relations with others.” But as John Stuart Mill (1991, pp. 127–28) pointed out in his 1859 essay *On Liberty*:

Mischief begins when, instead of calling forth the activity and powers of individuals and bodies, [the government] substitutes its own activity for

⁴Public goods are not the only elements in the public domain. Among other things, relations among people and between groups of people also determine the character of the public sphere. But the volume’s focus is public goods, including material products (such as roads and judicial systems), nonmaterial products (such as knowledge), and policy outcomes or conditions (such as environmental sustainability and peace). For a more detailed discussion on notions of the public domain, see Drache (2001). For a discussion on the classification of public goods, see Kaul and Mendoza (in the volume).

theirs; when, instead of informing, advising, and, upon occasion, denouncing, it makes them work in fetters, or bids them stand aside and does their work instead of them.

For much of human history governments controlled rather than served the public. Or they engaged in ventures that, even if well intentioned, failed miserably (Scott 1998). Some peoples and societies have fresh memories of such conditions, with the term *public* conjuring up images of human rights violations and stifled private initiative. Yet in many parts of the world layer after layer of oppression has been shaken off. Especially fast strides toward political freedom have been made in recent years, notably since the end of the cold war.

In addition, much progress has been achieved in human development, even in countries where political freedom and economic growth and development have sometimes been out of step (UNDP, various years). Wide disparities remain. But on average, people enjoy greater political, economic, and social freedoms today than ever before, as well as enhanced capabilities to function and to play an active role in matters that affect their lives (Dasgupta 1992 [1989]; Sen 1987). As Eigen and Eigen-Zucchi (in the volume) show, the fight against corruption is also making headway, gradually but persistently, through combined national and international efforts to remove “the unblushing confusion of the business of government with the promotion of private fortune” (Jenks 1963 [1927], quoted in Hirschman 2002 [1982], p. 124).

But what is the public? Civil society is an important part of it. Many studies have analyzed the growth and strength of civil society at the national, transnational, and international levels.⁵ Civil society is sometimes defined as the sphere through which people, individually or collectively, in groups or partnerships, influence, pressure, and resist the state and, increasingly, corporations (Anheier, Glasius, and Kaldor 2001). But definitions vary. The public is wider than civil society organizations, the non-profit, nonstate actors that tend to take center stage in these discussions.

⁵There is a vast and proliferating literature on the history and current status of civil society. For overviews of this topic, see Anheier, Glasius, and Kaldor (2001); Keck and Sikkink (1998); Scholte and Schnabel (2001); and Rosenblum and Post (2002). Anheier (2001) is also of particular interest because it presents a first effort at quantifying the strength of civil society.

It also includes individuals, households, and families when they act in public on matters of shared concern.

Moreover, the public, as perceived here, includes business. Although firms mostly act as market participants, they sometimes assume public roles when acting as corporate citizens. (And when listed on stock exchanges, they are often owned by the public.) Corporations, like households and civil society organizations, might find it in their interest to discuss issues related to public goods. They may share preferences for public goods—say, maintaining a healthy labor force or an independent judiciary—with other parts of the public (Hopkins 1999).

So, a number of diverse actors define the public and contribute to the provision of public goods. These goods are public not only in their consumption but also in their production, and they are no longer what they are often depicted as being in theory—state-provided goods. The state continues to hold the main coercive and legislative powers. And through its regulatory, fiscal, and other functions, it complements and encourages private activities. Thus the state still plays a crucial role in the provision of public goods, especially pure public goods. But the state is also expected to be what it was in ancient times: the public's visible hand. The state is a public good, as are markets. Markets can also be seen as public institutions. In fact, markets have always been open institutions and events. Tremendous efforts have been made through various interventions of the visible hand to promote their openness and competitiveness in the interests of all (Lindblom 2001).

Because the volume focuses on global public goods, it is important to define the *global public*. The global public includes national populations and transnational nonstate, nonprofit actors. But just as important, it also includes states. The inclusion of states seems justified because, as international relations theory points out, states are another set of actors at the international level (Keohane 1984; Krasner 1983; Martin 1999). They come together in international arenas to influence markets, civil society, or one another—and to be informed or pressured by nonstate actors.

Reenvisioning the term *public* in this way—remembering *the public*, viewing the state as the public's hand, and seeing the provision of public goods as a multiactor process—opens the door to more clearly recognizing public goods as such. Public goods become more visible, as does the

public domain, which includes the natural commons and the human-made environment that all people live in and encounter outside their private spheres.

Bringing the Local and National Back In: Tracing Globalness

Like publicness, globalness is sometimes a natural, persistent property and sometimes a social construct. Indeed, globalness can be seen as a dimension of publicness. It transcends national borders. Thus global public goods are public in two ways: public rather than private, and public rather than national.

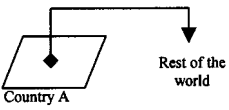
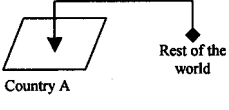
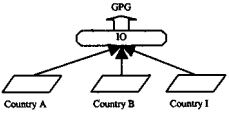
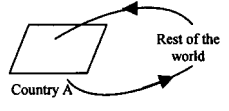
Some goods, such as the atmosphere or the ozone shield, are naturally global. But many other goods have undergone, or are undergoing, a process of globalization. Such globalization can occur spontaneously, with all countries following national strategies but moving in a similar direction. For example, countries may prefer rule-based interactions and so end up with similar systems of property rights. But in many cases the globalization of public goods is intentional. When looked at from the production side, global public goods can be seen as globalized national public goods or as the sum of national public goods plus international cooperation.⁶

Some of the main forms of international cooperation are shown in table 1. For example, all countries and most communities have health care services and seek to improve public health conditions—efforts that are in their interests. Yet to prevent the spread of disease and enjoy the good of disease control, they often must cooperate with other countries. So cooperation on health, especially to control communicable disease, is an example of outward-oriented cooperation.

Outward-oriented cooperation by some countries is experienced by others as a demand for national policy change—and thus as inward-oriented cooperation and perhaps as top-down globalization. International financial codes and standards are an example. Although formulated by a limited number of countries, they are expected to be applied in countries that did not participate in defining them. (For more detail on this point, see Griffith-Jones in the volume.)

⁶When looked at from the consumption side, global public goods can be understood as goods with benefits that cut across people, regions, and countries.

Table 1. Forms of International Cooperation—Seen From the National Level

<i>Type of cooperation</i>	<i>Motivation</i>	<i>Illustration</i>	<i>Examples</i>
Outward-oriented cooperation	Cooperation with others perceived as necessary to enjoying a good domestically		Improving codes and standards in financial markets to enhance financial stability
Inward-oriented cooperation	Global exigencies or regimes requiring national policy adjustments		Sustainable management of natural commons
Joint intergovernmental production	Production of a good assigned to an international organization		Harmonization and publication of standardized statistics
Networked cooperation	National policy adjustments to meet the access requirements of joining a network, to capture its benefits		International system of civil aviation International trade regime

Source: Based on Kaul and Le Goulven (chapter on financing in the volume, table 1).

Joint intergovernmental production is a form of international cooperation that occurs when international organizations such as the United Nations, International Monetary Fund, or World Bank are assigned to produce services that their member countries value. International organizations are often given such responsibilities to exploit economies of scale or scope. For example, all countries are better off when sharing the costs of a single institution like the United Nations.

Finally, countries sometimes support international agreements because they want others to internalize cross-border spillovers such as air pollution.

But sooner or later they too are expected to comply with these agreements. Thus inward- and outward-oriented cooperation can become intertwined, generating a “boomerang effect.” Such mutually binding agreements may be similar to the networked cooperation depicted in table 1. Global communication and transportation systems, for example, follow this horizontal, chain-building approach to globalization.

Differentiating the various forms of cooperation—and thus the various styles of globalization—is politically important and analytically useful. Doing so makes it possible to identify the (net) initiators and (net) recipients of international cooperation efforts. In follow-up discussions on the 1999 volume, this issue led to a frequently posed question: Why and how does globalization of public goods occur? Globalization is often perceived as the world thrusting itself on communities and countries—the result of uncontrolled spillovers or international decisionmaking by a few with impact on all. The terms used to describe this situation are telling—bioinvasion, financial contagion, and trade wars, to name a few. They reveal a sense of being under siege and attack. And they reveal a sense of not being heard, not counting, and being marginalized (De Rivero 2001).

There is growing concern about the direction of globalization. Calls are being made for a new concept of responsible sovereignty, suggesting that policy sovereignty should include countries’ duty to act responsibly toward their citizens (to the inside) and toward the international community (to the outside; see Deng and others 1996 and ICISS 2001). But the concept also implies that countries must be empowered to act in this way—and if they face constraints, that the international community is obligated to extend support to avert human tragedy and, if all fails, to intervene. Responsible national development is the starting point and cornerstone of sustainable globalness. International cooperation starts at home, internalizing cross-border spillovers as much as desirable and feasible.⁷

The corollary of the responsible sovereignty concept is to promote globalization with domestic autonomy (Rodrik 1997), or globalness managed to mutual advantage. What might this entail in practical terms? It could mean viewing global public goods, wherever possible, as national public goods that cannot be provided adequately through domestic policy

⁷The notion that cooperation starts at home is a traditional one, familiar to many cultures. See Rosenblum and Post (2002).

action alone but require international cooperation to be available locally. This approach would keep global public goods rooted in people's lives, as inputs to the well-being of local communities. It would also remind policymakers to assess the desirability of international cooperation in terms of its local and national impact—and in line with the well-established subsidiarity principle, placing the onus of proof on those who propose globalizing. In this way the international cooperation component of global public goods would remain linked to the national public goods component—rather than the national public goods component disappearing from the concept and global public goods assuming an existence of their own and becoming an end rather than a means of people's well-being.

So globalness, like publicness, must be seen as largely a social—human-made—construct. If globalization is a strategy for enhancing the well-being of all people, public goods slated for globalization must be examined carefully from the viewpoint of “*quo vadis* globalization?” Consensus is needed on whether, in the long run, it would be better for all to have globalization proceed bottom up, top down, or horizontally. As discussed throughout the volume, answering this question may involve complex balancing acts between the interests of different countries and population groups, as well as between the long and short terms.

Bringing the Good Out: Translating Policy Concern Into Results

People's concerns can find individual or collective expression, and the expression of their concerns can help generate a political climate that facilitates action on certain issues. But concerns translate into change, into a new reality, only when action has led to the desired result—a concrete product or policy outcome.

In many cases cooperation on public goods entails only an agreement among parties expressing their common concern and stating their intention to move toward concerted action on a matter. International relations and regime theorists have given considerable thought to the challenge of making agreements more self-enforcing and fostering compliance (see Chayes and Chayes 1998 [1995] and Barrett in the volume). But between stated objectives and final outcomes lies a highly complex process—the production of global public goods. Probably because public goods are often seen

primarily as national in scope and as state-provided, their production is usually depicted only in its broad overall contours.

Hirshleifer's (1983) analysis of the social aggregation functions of public goods introduced three basic production technologies: summation, weakest link, and best shot. His article spawned a rich literature (see Sandler in the volume for a more detailed discussion). Many studies view public goods as being made up of unitary elements that various actors need to combine for the goods to emerge. Yet in real life the building blocks of global public goods are highly diverse. In addition to national building blocks, global public goods may require international inputs such as pooled research or common surveillance.

The chapters in part 3 and the case studies in part 4 of the volume show how complex the production path of a global public good can be.⁸ Griffith-Jones, for example, identifies missing elements needed for an efficient, effective international financial architecture. In recent years progress has been made in preventing and managing financial crises. But important measures are still lacking on financing for long-term economic growth and development. Griffith-Jones also shows that having a design for a good is only the beginning of the production process. Achieving a particular policy reform or outcome requires carefully considering the incentives and interests of different groups of actors.

Consider again the description of global public goods from the production side—as the sum of national public goods plus international cooperation—and it becomes clear that what is required is a multicountry, multi-level, and often multisector and multiactor process. It is not enough to be concerned about global climate change or a worsening HIV/AIDS pandemic. To achieve climate stability or control HIV/AIDS, a complex production process must be launched and completed.

In a world of open borders and extensive cross-border activity, the underprovision of public goods anywhere is felt around the world. As a result there is growing political resolve in the international community to move from merely expressing shared concern and relying on decentralized

⁸In this context readers might find it helpful to refer to the chapter on institutions by Kaul and Le Goulven (in the volume)—particularly figures 2 and 3, which show the building blocks and production paths of climate stability and food safety. The figures illustrate, among other things, the links that often exist between the national building blocks of global public goods and their international components.

follow-up by individual nation-states to making commitments more binding—specifying the results to be achieved and setting definite target dates. This resolve is nourished by the fact that the world is fast approaching many critical thresholds. Without question, the atmosphere is being overloaded with polluting gases. And mounting international crime and violence expose a dangerously frayed global social fabric.

It is urgent to move from international debate to concerted action—to clearly define, set targets, and assign responsibilities for the goods to be produced. For that, effective implementation strategies are needed. Such strategies require understanding the nature and composition of the goods to be produced to ensure that action leads to desired results. Of course, designs for public policy action often differ from final outcomes. As Dixit (1996, p. xv) notes, “the political process should be viewed as indeed a *process*—taking place in real time, governed and constrained by history, and containing surprises for all parties.” Because the provision of global public goods is a highly political process, many surprises should be expected. This is all the more reason for strategic management—having in mind clear results, bringing all stakeholders on board, monitoring continuously, and adapting quickly to changed conditions.

Being mindful of the composite nature of public goods is especially important today because more of these goods are assuming less tangible forms. Conventional public goods such as roads and utilities are essentially private goods that for various reasons (natural monopolies, incomplete or lacking markets) the state sometimes chooses or is called on to provide. Many of these public goods have been privatized. A number of newer public goods, by contrast, are intangible. They concern matters such as environmental sustainability or food safety—more conditions than concrete things. Their provision is thus difficult to monitor and verify, and so especially prone to running off course.

To conclude this reenvisioning of the three terms that constitute *global public good*, table 2 summarizes each.

HOW THE BOOK IS STRUCTURED

Global public goods matter today because their adequate provision is crucial for better managing globalization. It is therefore important to get the provision of global public goods right and, ideally, for theory to help

Table 2. The Volume’s Notions of Public, Global, and Good

<i>Public</i>	<p>Refers to <i>the public</i> (general population, civil society organizations, corporate citizens), with <i>the global public</i> also including states.</p> <p>Accordingly, public goods are seen as the public’s goods—goods that are in the public domain and may concern all people. What is made public—and what private—is often a matter of choice; the character of a good can change over time. Public goods can be but need not be produced by the state.</p>
<i>Global</i>	<p>Means spanning all divides—whether borders, sectors, or groups of actors.</p> <p>Global thus includes the local, national, regional, and international levels. It does not necessarily imply centralization or top-down globalization.</p>
<i>Good</i>	<p>Means “thing” (such as a legal framework) or “condition” (such as environmental sustainability).</p> <p>Many goods are complex elements made up of multiple building blocks. Understanding their architecture and production path is critical to ensuring adequate provision.</p>

guide policy practice. So, an important starting point for better provision of global public goods is ensuring that the theory of public goods better reflects current realities and encompasses global public goods. Thus part 1 of the volume revisits some of the concepts and theories associated with public goods.

Providing global public goods involves two closely related processes—political decisionmaking and production (table 3). Part 2 addresses the political process; part 3 explores production, including financing issues. The emphasis is on understanding the overall institutional framework in which the provision of global public goods occurs.

Part 4 comprises case studies that examine provision issues for specific goods—such as international financial stability and market efficiency, the multilateral trade regime, communicable disease control and public health, climate stability, biodiversity conservation, access to water, and corruption-free government.

Table 3. The Process for Providing Global Public Goods

1. Political decisionmaking	Concerned stakeholders decide which goods to produce, how to shape them, how much of each to produce, and how to distribute their net benefits.
2. Production	Policy decisions on the production of goods are implemented. This process has two parts: financing and management.
• Financing	Efforts are made to foster an adequate allocation of resources—private and public—to global public goods.
• Management	Strategic management actions assemble goods so that they are delivered in a frictionless, efficient, effective manner.

Global public goods are multifaceted—and so require equally multifaceted analysis. The volume is multidisciplinary in terms of both its contributors and the literature consulted. In addition to the literature on economics, the authors draw on other social sciences, including anthropology, sociology, and political science; international relations theory; and public management theory. Furthermore, insights have been gleaned from studies in international law and development and from issue-specific disciplines, notably those related to the case studies in part 4. Adequate treatment of global public goods also requires drawing on literature pertaining to private goods and to markets, including issues of property rights and theories of the firm. This literature shows that governments are still essential in providing public goods, nationally and internationally. But private actors, whether for-profit (firms) or not-for-profit (foundations, civil society organizations, households, and individuals), also come into play.

The need for and possible confluence of these diverse strands of literature reflect a narrowing of the differences between various groups of actors and their growing involvement in both the public and the private sphere, the domestic and the international realm—a trend that will be a recurrent theme throughout the volume.

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