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Governing global health: is Europe ready?

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Introduction

This paper proposes how Europe could explore how and where to strengthen its role in meeting health-related global challenges, that is, challenges whose benefits and costs spread worldwide, potentially affecting several – perhaps even all – generations.

Challenges of this type are occurring with increasing frequency and in a widening range of policy areas, including health. They bring to mind a concept that is well established in economics but that has so far primarily been applied to national phenomena, namely the concept of public goods.¹ A key characteristic of these goods is that they are non-excludable, meaning that they impact the welfare and well-being of many, for better or for worse, whether the affected (countries or individual actors) like it or not. So, do today's global challenges, including the health-related ones, have the properties of a public good? Do they constitute global public goods (GPGs)? This is the first question to be examined in this paper.

The answer to this question will be “yes”: we are confronting GPG-type challenges. This type of policy issue has certainly always existed. Some GPGs have always been around, for example, the sun, the moon and communicable diseases that spread around the world. But what is new and different today is that their importance has significantly increased, and that we are living in an open world; nowadays, when a global problem arises, we can no longer re-erect national borders, at least not for too long, lest the world economy be seriously impacted.

We now need to recognize GPG provision as a special branch of public policy-making. Therefore, the second question to be explored is, what implications for governance result from this finding? Do global, GPG-type policy issues pose new governance challenges? Again, the answer is “yes”: policy reforms are required.

¹ It is important to bear in mind that ‘good’ or ‘goods’, in this sense of the word, refers to a commodity, thing, state or circumstance produced through action (or inaction). It contains no connotation of judgement, as in the sense of ‘good’ or ‘bad’; hence, an infectious disease can be conceptualized as a good within the public – or global – domain.

Against this background, the third question to be raised is, to what extent has Europe already responded to the new governance challenges? A brief look at some recent EU policy papers and statements on global health suggests that the new policy requirements have been recognized but that the translation of this recognition into institutional innovation and reform is still at an incipient stage.

So, the perhaps rather provocative conclusion, which is meant to be constructive and helpful, is that further reform steps appear to be desirable and important if Europe is to play a more effective role in global health, in its enlightened self-interest as well as in the global interest.

I. Getting to know global public goods

For the purposes of this paper it may suffice to highlight the following eight aspects in order to introduce the GPG concept and gain an understanding of the particular governance challenges that GPG-type policy issues pose.²

1. The defining properties of public goods

Economists distinguish between two main categories of goods: private goods and public goods. The former are goods that can be made excludable, for example, land that can be fenced in, a house that can be locked, or a loaf of bread that the person who bought it could claim as his or hers. Many private goods are also ‘rival’ in consumption, meaning that one person’s consumption reduces and – perhaps even – depletes their availability and, therefore, their utility to others; for example, once I have eaten my loaf of bread others cannot.

By contrast, the main characteristics of public goods are non-excludability and non-rivalry in consumption. Goods with both these properties are pure public goods. Examples are the sun, conditions like peace and security, law and order and – should it ever happen – the eradication of polio. Goods possessing just one of these properties are impure public goods. Knowledge is ‘non-rival’ but it can be made excludable – treated as a secret or temporarily taken out of the public domain through the protection of intellectual property rights. On the other hand, the atmosphere is rival (too much pollution changes its composition and leads to global warming) but difficult to make excludable.

² For literature presenting a more detailed discussion on public goods and GPGs, see the ‘Further reading’ section at the end of this paper.

2. What makes public goods global?

As long as national borders remained relatively closed, most public goods were of a national – including local – type. They reflected national policy priorities, were the product of national policy action and were usually provided in a more country-specific way.

As national borders became more porous and cross-border activity increased, however, national policy domains became interlocked. Now, the availability of public goods often depends on ‘spill-ins’ from abroad – for example, the effects of financial contagion (as witnessed in 2008 when the ongoing financial crisis spread around the world) or the effects of health contagion (as in the H1N1 influenza virus pandemic) – or on deliberate moves towards greater policy harmonization and standardization internationally.

The globalization of public goods has sometimes occurred unintentionally – through inadvertent spill-ins, such as diseases arriving with imported goods or through international tourism. At other times, it has happened intentionally, because openness requires a cross-border harmonization of policy norms and standards, infrastructure and institutions – in other words, interoperability and connectivity. But the effect of both these trends was the same: more and more human-generated GPGs joined natural GPGs like the sun, the moon and the high seas.

GPGs are therefore considered public goods, the effects of which – costs and benefits – are transnational, transregional and sometimes even transgenerational.³

3. Consumption and provision interdependence

Consumption interdependence – people worldwide, sometimes all of us, being affected by a good – is one corollary of the growing importance of GPGs. Another is provision interdependence: if country X wishes to enhance the availability of GPG A, it often cannot realize this goal unilaterally through national policy action alone. Most GPGs require international cooperation – corresponding, complementary action by other countries (e.g., health or disease monitoring by all), and/or collective action with other countries (e.g., with WHO as a common venue for negotiations and international operational follow-up for joint decisions).

³ The loss of biodiversity, for example, could affect several generations, both current and future. However, biodiversity as such is not a GPG, it is a national or private good. But since loss of biodiversity has significant spill-over effects or externalities, it would be desirable for the international community to create and maintain GPGs like global gene banks.

4. Complex, issue-specific provision and often country-based paths

Considering further the growing role of private business and civil society since the 1980s, which has resulted in the state having a less direct role in the economy, it follows that GPG provision is, in most cases, a highly complex process – multi-actor, multi-level, and also multi-sector. (See also Figure 1 and Figure 2 in the annex.)

Take, for example, the case of the influenza virus H1N1; many states had to act and many agencies in each country had to get involved. Many parts of WHO played an important role. The pharmaceutical industry had to initiate vaccine production. And last but not least, many individuals around the world were encouraged to – and indeed did – take precautionary measures or get themselves treated, among other things, because the media and other actors (e.g., schools and employers) took part in information campaigns.

The production or ‘provision path’ of a GPG often stretches way beyond the health sector. This is also evident from the debates and concerns about the health impact of poverty, climate change, trade-related intellectual property agreements (TRIPS), commodity price volatility and the spread of lifestyles and lifestyle symbols like cigarette smoking. In addition, each provision path may be different, involving different actors with different incentive patterns.

However, GPG provision also exhibits many commonalities across issues. Many GPGs follow a summation process in that they are provided through the accumulation of many individual actions. This requires many countries to take national-level corrective action in a harmonized, coordinated manner. In fact, in most cases the bulk of GPG provision has to happen nationally. International-level action is often only complementary.

5. Preferences for GPGs vary

Just as our preferences for private goods vary, so do our preferences for public goods, depending on factors such as where we live (e.g., in the tropics or in moderate climate zones), our level of income and development, our sociocultural and political traditions, and our current circumstances.

6. Publicness and privateness are often not a given attribute but a choice

We may not only have varying preferences for a particular public good, we may also differ in our views on which goods should be public, in the public domain, and which ones private, left to the market to provide and for us to buy and consume or otherwise. We are, therefore, not obliged to aim at polio eradication, but the fact that we do reflects a policy choice that we made.

The growing importance of GPGs also reflects a policy choice, in other words, ultimately the choice by governments to abolish at-the-border barriers. Globalness is a special dimension of publicness (and by implication, nationalness, or the repartition of the world into individual nation states, a special dimension of privateness). This conceptualization helps elucidate the potential incentives and motivations behind the behaviour of different types of actor on the global stage.

7. Public goods, including GPGs, tempt actors into free-riding

This temptation is quite understandable – although frequently not really in one’s own longer-term self-interest – because if I want to have a GPG like flu control or food safety, it would, in the short term, seem quite tempting not to reveal my preference for the good, lest someone ask me to help pay for it. Indeed, the attractive option is to let others step forward and provide it. Since public goods are in the public domain and non-excludable, the good, once provided, would also be there for me, and I could benefit from it too – free of charge.

However, if everybody thought like this, then the good would be underprovided. And indeed, many public goods, notably GPGs, are, in fact, underprovided. These days, it often appears as if the world is caught in an ever-denser web of global crises.

8. States also free-ride

The proneness of today's world to crisis is due, in large measure, to the fact that when appearing internationally, states are quasi-private actors. They mainly pursue their own national – and therefore – particularistic interests. Moreover, the institution of the state has no full equivalent at international level. International organizations with coercive powers are more the exception than the rule.

This has serious implications. Since many goods need all or at least many countries to act, individually and collectively, many international resolutions are liable to suffer – and indeed do suffer – from a lack of compliance and effective follow-up. In the case of GPGs for which effectiveness requires a certain threshold of provision through a summation process, such as in the case of regional or global networks for disease surveillance, a weakest link scenario can arise. In this situation, the good is only as strong as its weakest link, meaning that it is the smallest contribution to the provision of the GPG that will determine the overall level of provision. In this scenario, not only is a GPG likely to be underprovided and ineffective, but it may also deteriorate as those actors providing it will have economic incentives not to contribute any more than the actor providing the smallest contribution.

Just as national and local authorities may choose to provide certain goods publicly due to the high incidence of market failures (free-riding, undersupply etc.) associated with these goods and the net benefit that would come to society if the goods were adequately provided, GPGs are also vulnerable to the same types of failure. In this instance, however, the failure occurs in the vacuum of authority at global level rather than in the marketplace within nations. The absence of a strong coordinator or steward of public goods at global level presents serious challenges in ensuring the adequate level of collective action for GPGs is reached and maintained. Intergovernmental bodies therefore have a different – and much weaker – role in correcting the underprovision of GPGs than state governments have within the national context.

So, what would need to change in the current patterns of governance in order for us, the world, to disentangle ourselves from the current web of global crises, including the various global health threats that we face?

II. Enhancing the governance of GPGs: possible policy reform steps

Even a brief comparison between what we now know about GPGs and the conventional patterns of national- and international-level governance suggests that GPG provision does not fit easily into the existing institutional framework. Institutional innovation and reform is required if countries, individually and collectively, are to be better prepared, firstly, for meeting transnational, global health challenges and, secondly, doing so effectively and efficiently by realistically assessing existing policy constraints and accessing existing global opportunities.

Most important and fundamental to initiating institutional reform would be to recognize that GPG provision constitutes a new policy field that, in important respects, differs from foreign affairs, foreign aid and national public policy.

Foreign affairs strategies are often guided by pure national interest, even competitive interests like strengthening the power position of one's own country or securing market share abroad for one's company.

Foreign aid – if one is to believe official declarations – is motivated by moral and equity concerns about the plight of poor and less fortunate nations and people.

Yet, international cooperation in support of GPG provision would be driven by enlightened self-interest. Countries would engage in international cooperation because they would like to enjoy a certain GPG. But they would do so whilst recognizing that they need the cooperation of others; and that it needs to be mutually beneficial if this cooperation is to succeed, lest there exist a high risk of renegeing on international agreements and of non-compliance, resulting in the failure of the good to emerge.

As the institution of the state has no full equivalent internationally, international cooperation has to happen voluntarily; and as past experience has shown, voluntary cooperation is more likely to happen when it makes sense for all, that is, if it is based on a clear and fair win-win agreement.

National cost/benefit analyses therefore have to take this fact into account. In the case of GPGs, enlightened and mutually advantageous international cooperation has to be pursued – not pure power politics, nor bullying nor arm-twisting. It is no accident that, nowadays, even US politicians and diplomats frequently stress soft-power approaches. They realize that if international cooperation fails, the GPG will not emerge, resulting in everybody being worse off. Furthermore, and contrary to the view of many domestic policy-makers, cooperating globally does not mean losing sovereignty. States must realize that their inability to provide key public goods nationally means that their sovereignty has already been weakened and can only be regained by acting together with other states.

GPGs require more economic theory in international cooperation. They require more result-orientation in order to get to the good. They call for more issue-specificity to work out the economic and technical details and, therefore, more issue-specific delivery mechanisms to manage vertical and horizontal linkages. In other words, they require not only ethics (the will to do good at home and abroad) and power politics (to act shrewdly and seek one's own advantage), they also require strengthened policy entrepreneurship – macroeconomics and investment thinking, as well as efficient production management, partnering, the striking of fair bargains and trading relationships, and client-orientation.

Translating this basic insight into a new, GPG-conducive policy practice would, among other things, involve finding answers to the following questions:

- 1 Who, at national level, is currently in charge of GPG provision – of integrated issue management? Has a new body emerged? Does a new body need to be created? Would major GPGs require their own national (regional) anchor institution? In the field of global health, would one GPG manager do? Or would one need to think of several entities designed to manage GPG production?
In brief: how to foster issue-specific global health management at national level.*
- 2 Are national cost/benefit analyses being prepared to establish priority GPGs? Are these analyses based on provision path analyses, taking subsidiarity principles, the comparative advantage of different actor groups, and importantly, the economics of interdependence – win-win oriented international cooperation – into account?*
- 3 Have new soft-power international negotiating strategies been formulated? Has a new diplomacy emerged?*
- 4 What division of responsibility between governance levels exists and should exist? What division of responsibility is there between the national and the regional levels? What added value would the regional level bring to the provision of particular GPGs? Which division of labour should be struck between regional multilateral agencies and multilateral*

teral entities with a worldwide mandate like WHO? How are required vertical (multi-level) linkages being promoted and realized? Through monitoring and reporting? What are the incentives for compliance and disincentives for non-compliance? How could they be strengthened?

5 How are horizontal linkages being fostered at international level, for example, links between climate change and health? Do international venues for cross-issue bargaining exist? What role does the G-20 play in this respect? What is the role of regional and worldwide bodies in public-private partnering? How do international bodies complement national incentive policies?

6 In order for GPG provision to work and for related reform measures to find support, would we need a reconceptualization of sovereignty – a concept of responsible sovereignty? And as a corollary, a redefinition of the role of the state? Would states need to act as intermediary states, taking the outside world into account when formulating national policy? Would states be expected to be more active in spill-in/spill-over (or externality) management? Are trends along these lines discernible?

7 Given that GPGs suffer from market failure as well as state failure, who corrects state failure at the regional and worldwide levels – tames states to tame markets? Non-state actors? The increasingly dense international normative framework? The next crisis? Peer pressure among states? Could more participatory international decision-making help create such peer pressure? Again, does or could the G-20 play a role in this respect?

What ‘taming role’ could an association like the European Union (EU) perform towards its member states? For example, could the EU advise on possible efficiency and welfare gains in areas like TRIPS, the design of a more predictable international migration regime in order to facilitate enhanced access by Europe’s ageing population to health services provided by countries such as India and the Philippines?

Have criteria and theories been formulated to identify areas where states are likely to enter into competition rather than international, regional and worldwide collective action, coordination, or cooperation – even though, in the long run, this may be to the detriment of all? And what can be done to curb such nation state or private actor temptations?

8 Have the differences and synergy between foreign aid and GPG provision been translated into new institutional arrangements, including financing? Who pays for international cooperation in support of GPGs, particularly when this cooperation is strongly motivated by national/regional (e.g., EU) self-interest? Which national and regional entities and budget lines are being tapped? Are new and innovative financing sources being explored? (See also Table 1 in the annex.)

Responding effectively and efficiently to today's genuinely global challenges would, evidently, require a comprehensive review – and perhaps also reform – of existing governance processes at all levels.

Experience has shown that under pressure from changed realities, notably pressure generated by crises, adjustment happens.

As governance evolves in the European region there should be an exploration of the extent to which the EU has adjusted to today's new challenges in the field of global health.

III. Europe's governance readiness in global health

Judging, in particular, from a review of a few recent policy papers on the EU's role in global health⁴ it appears that the importance of GPG-type health challenges is being realized. It would now be desirable to carry this realization forward and undertake more systematic studies of the current state of institutional adjustment at the national and regional levels, resulting in an identification of other potential policy reform initiatives.

It would be especially important to develop a clear definition of global health and, to this end, to forge a clear understanding of what global health includes. Building on the definition from Kickbusch and Lister (2006) stating that, "Global health refers to those factors that transcend national boundaries and governments to determine the health and human security of people across rich and poor countries, and of future generations," an understanding of global health that embodies a GPG approach could be expanded to incorporate sustainable development and intergenerational thinking.⁵ For example, global health could be seen as being composed of or addressing the following three elements:

1. *Health (disease) issues with GPG properties (like pandemic influenza or polio) that may spill into EU territory, affecting all or many member states*
2. *Spill-over effects from EU territory into the global public domain that may, positively or negatively, affect health GPGs and therefore the welfare and well-being of other nations (like policies to address health workforce migration or the marketing of unhealthy products and lifestyles)*

⁴ These papers are: 'Global health – responding to the challenges of globalisation', Commission Staff Working Document, SEC (2010) 380 Final, Brussels, 31 March 2010; EU Council Conclusions on 'The EU Role in Global Health', 3011th Foreign Affairs Council Meeting, 10 May 2010; and 'Together for Health: A Strategic Approach for the EU 2008–2013', EU White Paper, COM(2007) 630 Final, Brussels, 23 October 2007.

⁵ Kickbusch, Ilona and Lister, Graham. European Perspectives on Global Health: A Policy Glossary. Brussels: European Foundation Centre, 2006.

3. *Health-related GPGs that form important components or building blocks of the provision path of health GPGs (including, for example, international cooperation aimed at: reducing excessive commodity price fluctuations; facilitating a more flexible TRIPS application; mitigating and adapting to climate change; or designing a global governance architecture that would help improve global health, at home and abroad)*⁶

When considered in this way, global health could also be better distinguished from development assistance or foreign aid that seeks to address national health concerns in developing countries. Of course, as noted, foreign aid and development concerns are closely related to GPG concerns, but, in the interests of both, a distinction needs to be made between them in order for them to be brought back together, as and when this is warranted. For example, developing countries are often only marginally responsible for global CO₂ emissions, but they are among those most severely affected by global warming. Funds made available to help them adapt to climate change and avert related health risks should therefore be regarded as compensatory finance provided by the major emitting countries, rather than aid. Adaptation funding should be new and additional so as to avoid underfinancing its main goal: creating within developing countries a solid national foundation on which to build future development. Without such a development foundation, countries' future national-level contributions to the provision of GPGs may also suffer – for example, their contributions to the fight against international crime, or the control of global communicable diseases.

At present, the discussion on health and health-related issues that are genuinely global is usually scant in EU documents. The main topic discussed under the heading of global health is still foreign aid.

It should come as no surprise, therefore, that recent EU policy papers do not say much about most of the new policy challenges with which GPG-type issues confront policy-makers, including how global health (as defined in this paper) features in the new EU diplomatic service.

In light of this (no doubt) very limited review, it would therefore seem desirable to carry forward recent reviews and explore Europe's role in global health more fully, focusing on ways of aligning this role more closely with current realities and designing it as a complement to the global health initiatives undertaken by other actors, including by member

⁶ These feed-in GPGs are also referred to as intermediary GPGs. They may be intermediary GPGs from a health perspective, but they can also be final GPGs that are being produced as ends in themselves.

states, at the worldwide level (e.g., by WHO and other UN system organizations), and by non-state actors, including private business, non-profit organizations, foundations and civil society organizations, as well as all of us, the general global public. The list of policy implications presented in section II of this paper could serve as a checklist of questions that such a review could address.⁷

A review of Europe's role in global health would be timely. The global health field is not unique in having to undergo fundamental reform. Just consider what is currently happening in the area of the environment, notably climate change, and in international finance. In addition, a growing literature exists on issues of direct relevance to global health (a small, limited selection of which is listed in the 'Further reading' section of this paper).

It would be a sign of true and visionary policy leadership if Europe were to initiate action along these lines before the next pandemic and global health crisis threatens us.

⁷ Further studies along these lines could perhaps be seen as a response to the resolution on 'Health in foreign policy and development cooperation: public health is global health' adopted at the 60th session of the WHO Regional Committee for Europe in September 2010 (Ref: EUR/RC60/R6).

Further reading

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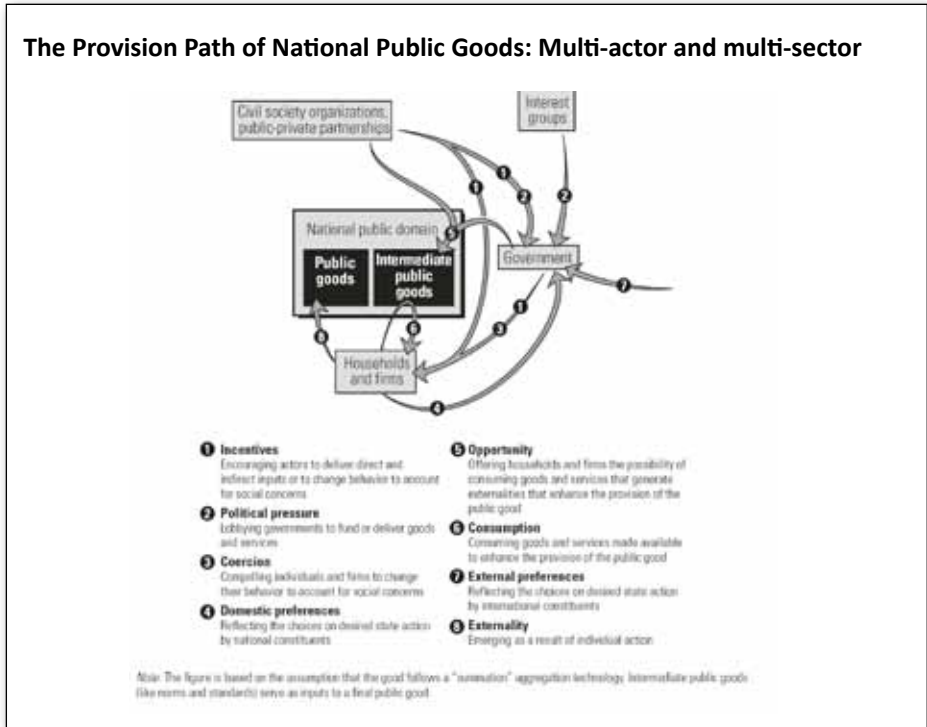
Kickbusch, Ilona. For numerous books and articles of direct relevance to the issues discussed in this paper, go on www.globalhealtheurope.org or www.ilonakickbusch.com.

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See also related journals, particularly the Spring 2010 edition (Volume III, Issue 2) of *Global Health Governance*.

Annex

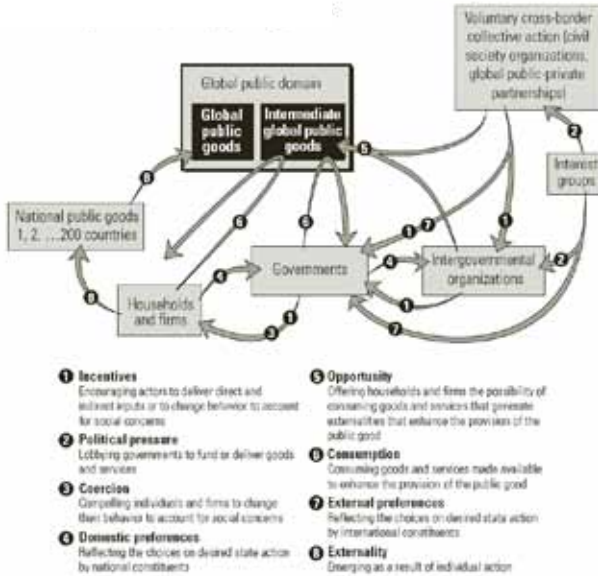
Figure 1
Provision path of national public goods



Source: Kaul and Conceição, 2006

Figure 2

The Provision Path of Global Public Goods: Multi-actor, Multi-sector, and Multi-level



Note: The figure is based on the assumption that the good follows a "summation" aggregation technology. Intermediate public goods (like norms and standards) serve as inputs to a final public good.

Source: Kaul and Conceição, 2006

Table 1
Differences between foreign aid and GPG provision

	Aid	Global public goods
Rationale	Equity	Efficiency
Branch of public finance	Distribution	Allocation
Policy tool	Transfer of resources	Panoply of instruments
Policy focus	Country	Issue (public good)
Main net beneficiary	Developing countries	Potentially all countries and all generations

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