

# International system needs private sector methods

The United Nations system could recruit more entrepreneurial CEOs, adopt more market-based management, and develop more partnerships with the private sector, according to the analyses in *Providing Global Public Goods: Managing Globalization*\*.

The book argues that globalization requires a new way of looking at such issues as international air traffic control, peace and security, global health, financial stability, fair trade, clean water and biodiversity. All these are “global public goods”. Conversely, air crashes, war, terrorism, communicable disease, financial meltdowns, protectionist trade barriers, pollution and extinction of wildlife are “global public bads”.

Although everyone benefits from global public goods, many of these goods are at present poorly or unevenly provided. Global public goods are rarely seen as goods or services that need to be produced and marketed. Forgetting to attach the tail rudder to a plane would probably lead to the manufacturer’s bankruptcy. But what happens when an international agency forgets something equally crucial? The answer is, not much. There is no notion of a production path for global public goods.

Governments put immense effort into negotiating multilateral agreements on global public goods, but far less into delivering the goods and services that these agreements create or regulate. The book indicates that there is no concept of forgotten or missing components, or of incomplete and poorly provided goods. This can have consequences as costly and as catastrophic as those of trying to fly a poorly constructed airplane.

The general public sometimes feels that globalization is creating a ‘runaway world’. But it is usually negotiators and international agencies, not globalization, who are running away.

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\**Providing Global Public Goods: Managing Globalization*, edited by Inge Kaul, Pedro Conceição, Katell Le Goulven and Ronald U. Mendoza, Oxford University Press, New York, 2003. The issues covered by this briefing note are dealt with in the chapter titled “Institutional Options for Producing Global Public Goods”, by Inge Kaul and Katell Le Goulven.

There is an obvious match between the provision of global public goods and the horizontally-organized, networked structure of the modern private sector corporation. The processes and tools to deal with international challenges are still largely what they were a few decades ago. The book suggests we should be using more policy entrepreneurship, innovation, flexibility and risk-taking.

Charging that international management can be highly fractured and compartmentalized, the book proposes a series of mechanisms borrowed from the private sector to ensure that global public goods are more effectively and more equitably delivered. These include:

- **The recruitment of high-level policy entrepreneurs, perhaps from the business community, to act as issue-focused CEOs**, and to provide leadership, orchestration of the many actors involved, flair, a clear vision of the final product, and strategic, results-oriented management for global public goods.
- **Transparent and highly-participatory councils**, on the model of the Global Environment Facility, sometimes with a limited lifespan, to oversee major multilateral agreements;
- **More global public partnerships**, involving governments, the private sector and civil society, similar to the International AIDS Vaccine Initiative;
- **More “trust funds” to finance global public goods**, to attract private sector and foundation as well as government money;

How likely are such reforms? Over the past two decades, many national public management institutions have undergone rapid and fundamental change, in a major rebalancing between markets and states. Internationally, swift public management reform is possible when governments receive the right signals from their constituencies.