

When are Governments Likely to Contribute to RPGs and How Can External Agents Promote this?

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Content Overview

- ▣ Regional public goods versus other public goods
- ▣ National governments and RPGs
- ▣ When are national governments likely to contribute to RPGs
- ▣ The role of external agents
- ▣ Conclusion

RPGs versus other public goods

	National Public Good	Regional Public Good	Global Public Good
Parties	Citizens within a country	Countries of a region (& their citizens)	Countries across geographic regions (& their citizens)
Examples	Local forest	Transnational river	Ozone layer



What does this imply for international public goods?

- ▣ **Problem of valuation:** different countries and their citizens value benefits differently
- ▣ Intergovernmental negotiations are two-tier
- ▣ Beneficiary groups are large & diverse
- ▣ Collective action problems
- ▣ An **under provisioning** of RPGs & global public goods

However, RPGs have an advantage over global public goods [1]

- ▣ Fewer bargaining parties
- ▣ Reduced information problems because countries know each other
- ▣ More appropriate solutions

The RPG advantage over global public goods [2]

- ▣ Reduced **transaction costs**
- ▣ Costs and benefits among the parties have **lower variance**
- ▣ Greater **political will** among national governments
- ▣ This implies a higher likelihood of contribution towards a RPG

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The crucial role of national governments

- ▣ There is strong agreement that provision of RPGs has to start from the **national level**
- ▣ Most international agreements are nonbinding, and even binding ones have to be incorporated into national law first
- ▣ This makes **political will** of governments crucial

Question of Interest

“ *When are national governments likely to contribute to the provision of regional public goods?* ”

Likelihood of governmental contribution to a RPG: 'A matrix of provision'

	Transaction Cost (TC)	
Political Will	High	Low
High	<u>Intermediate*</u>	RPG contribution likely
Low	<u>Extremely unlikely</u>	<u>Unlikely</u>

*depends on issue salience in the national agenda & influence of country in the region

How to get there?

- ▣ **Political will** for provision of certain RPGs will be higher than for others
 1. Those that are **visible**
 2. Have immediate **relevance**
 3. Have **lower gestation periods**
 4. Have relatively **symmetric distribution** of benefits/ costs

- ▣ **Transaction costs** may be lowered through the action of **external agents**

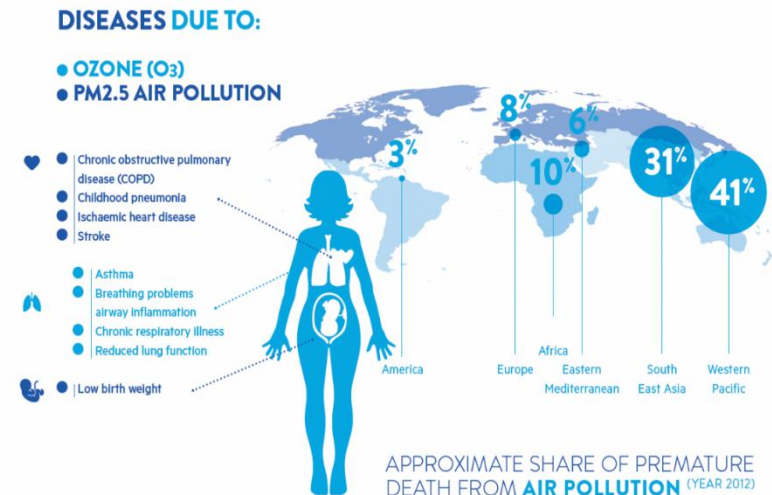
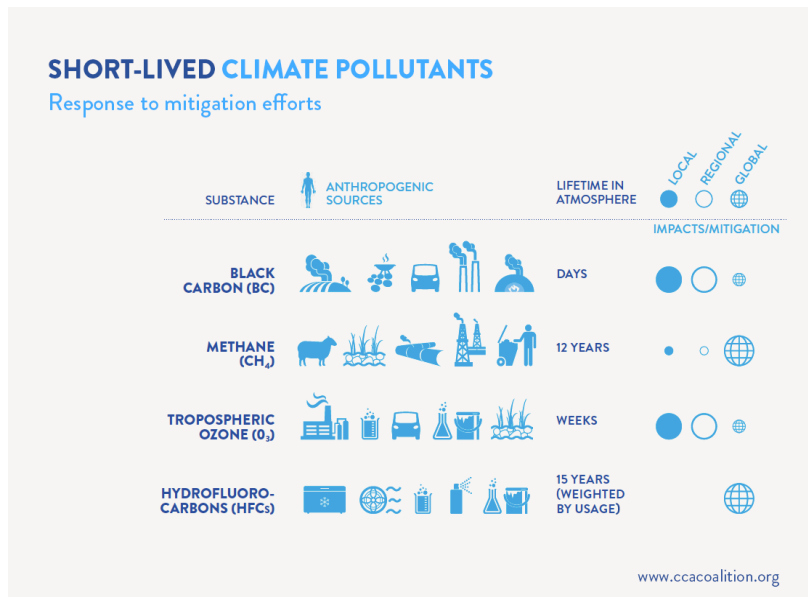
Example 1: A RPG for which political will of a government would be high

▣ Health systems around **infectious diseases**



Example 2: A RPG for which governmental political will would be high

- Climate change action for **short lived pollutants** that are mostly **local and regional** and have co-benefits such as improvement in **air quality, health** and ecosystems



Example 3: A RPG for which governmental political will would be high

- ▣ Knowledge exchange on issues related to **regional security**



Thus RPG provision =
f (RPG, National Govts,.....)

- ▣ Governments tend to behave as **self-interested actors**
- ▣ RPG provision is a **two-tier** process
- ▣ Garnering support at the domestic level becomes contingent on **nature of the RPG** and **political economy** considerations

Question of Interest

“ *What then can external agents do to promote provision of RPGs by national governments?* ”

The role of external agents in promoting RPG provision

- External agents – actors other than national governments, such as
 - Private players
 - Multilateral development banks
 - International organisations

- Can promote RPG provision by
 1. Lowering transaction costs
 2. Altering the information environment
 3. Affecting national agenda setting

External agents can lower transaction costs

- ▣ Resolve coordination problems through **constructed focal points**
- ▣ Provide high visibility and authority
- ▣ Help monitor compliance
- ▣ Enable a channel for communication
- ▣ Via financing

External agents can alter the information environment

- ▣ Allow strategies of reciprocity to operate efficiently, through
 - ▣ Information (provision & filtering)
 - ▣ Causal knowledge
 - ▣ Establishing 'national externality profiles'

- ▣ Changes in the **information environment change national strategies** such that self-interested governments find it easier to contribute to RPGs

External agents can affect agenda setting

- ▣ Focussing events: *key events that cause members of the public as well as elite decision makers to become aware of a potential policy failure.*
- ▣ External agents can leverage on relevant focussing events
 - ▣ to generate **political will directly** among policy makers
 - ▣ via the **indirect route** of national **public pressure**

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Conclusion [1]

- ▣ **Political will** of governments is crucial for RPG provision due to
 - ▣ Operational considerations that imply RPGs provision begins at the national level
 - ▣ Governments behaving as self-interested actors
- ▣ RPG provision is likely when
High political will + Low transaction costs
- ▣ The nature of RPG affects political will, via factors such as:
 - ▣ Issue salience
 - ▣ Relative distribution of costs (benefits)

Conclusion [2]

- ▣ External agents, defined as non-governmental entities (*private players, international organisations, MDBs*) can enable RPG provision by governments through:
 - ▣ Lowering transaction costs
 - ▣ Altering the information environment
 - ▣ Affecting agenda setting
- ▣ Limitations
 - ▣ Political will of national governments is a **necessary but not sufficient condition** for successful RPG provision
 - ▣ Designing appropriate mechanisms for RPG provision is a substantive challenge

Thank you for your attention!

