

Briefing Note #4

International cooperation *behind* national borders

NOT A CONTRADICTION IN TERMS BUT A NEW POLICY CHALLENGE TO FOSTER GLOBALIZATION LESS PRONE TO CRISIS.

International cooperation is often equated with “foreign affairs” and “diplomacy”—with efforts primarily by states abroad, beyond their national borders. Those efforts concern issues between states (international peace) or at the border (trade tariffs or capital controls).

Now, thanks to the greater openness of borders, the line between what is “external” and “domestic” has blurred, the public policy domains of states interlocked.

Many of the public policy goals that national and local constituencies aspire to can no longer be attained through national policy actions alone. Good national policy remains important. But in more and more instances, policy is pursued in concert with other nations—and as markets expand and integrate, in concert with business, and as civil society actors become more mobile and networked across borders, in concert with these people, too.

Put differently, international cooperation now has to happen nationally, behind rather than beyond national borders. Good public health, for example, can be enjoyed by all only if all contribute to adequate control of communicable diseases, only if all are committed to reducing greenhouse gas emissions.

Facing the same, common challenges does not necessarily imply the same responsibility for corrective action for all

While it is true that often all have to act in order to achieve a particular policy outcome that all or only some may want, like global climate stability, not all bear the same responsibility to contribute. For example, countries that have historically contributed less to the pollution of the atmosphere may now also have to curb their emissions so that global targets can be reached. And in fact, they may be more efficient providers of greenhouse-gas emission reductions than countries that have historically been the main polluters, and even today, maintain high levels of pollution.

* *The New Public Finance: Responding to Global Challenges* (edited by Inge Kaul and Pedro Conceição; New York: Oxford University Press, 2006).

The latter countries (those with the higher pollution levels) may enter into a trading agreement with the other nations—offering them compensatory payments—a price, should those countries offer to take on a reduction effort beyond and above what they would have to do where they to take into account only national reduction commitments.

The Global Environment Facility (GEF) is an intergovernmental mechanisms created to explore and facilitate trading in such new products as “emission certificates”. In a way, it is a prototype carbon market that is now increasingly being replaced by “real” markets, such as the Chicago Climate Exchange or the European Union Emissions Trading Scheme (EU ETS).

International cooperation behind national borders is often the main policy input, with international cooperation beyond borders the complement

Achieving public policy results today is a highly complex, multiactor, multilevel process. It consists of international cooperation behind and beyond borders. And because the two parts of the cooperation effort have to enter the production process for the same policy outcome, they need to be closely aligned.

But international cooperation behind national borders is often complex and politically controversial. It seems that governments prefer to cooperate, wherever possible, behind national borders rather than beyond national borders. As the figure shows, international cooperation behind national borders constitutes the bulk of cross-border collective action.

Where a step to the international level is required, preference goes first to international-level regulation, then to assigning issues to markets, then to providing incentives and encouraging public-private partnerships with limited, time-bound efforts aimed at achieving defined results, and last to more open-ended interventions financed from public revenue alone.

About the book

The New Public Finance: Responding to Global Challenges is published by Oxford University Press for the United Nations Development Programme (UNDP).

For more background information visit: www.thenewpublicfinance.org

The Overview of the book is available in Arabic, Chinese, English, French, German, Portuguese, Russian, and Spanish on the website above or, for hard copies, from:

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