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Shepard Forman, Center on International Cooperation  
New York University

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**I.** Defining the International Public Sector

Multilateral cooperation has been a hallmark of the 20th Century, an historic reckoning of the nation state with a growing number of transnational economic, social and security issues and

organizations that are household names, such as the UN and the World Bank, to small, somewhat obscure regional organizations consisting of just a few member countries, such as the West African Health Community. Together with a rapidly growing number of non-governmental and private sector organizations, they provide the fra

that qualify for the label <sup>6</sup> --or on asses

globalization and ever-increasing transnational phenomena create greater interdependence among states, none of which are able to take full advantage of new opportunities or address new problems on their own. It also takes on greater significance in relation to shifting ideas about the nature of sovereignty and citizenship over which intergovernmental bodies – often prompted by

increasingly emerge in among developed and developing states.

These shifting interest alignments notwithstanding, a rather generalized dissatisfaction with the decision-making arrangements of global multilateral organizations has set in among developed and developing countries alike, resulting in weakened political and financial support for them, as well as in a growing interest in devolving responsibility to regional and sub-regional organizations. For developed countries, this dissatisfaction is most evident in the well-publicized U.S. pattern of late payments and arrears, but is manifest overall in the tight operating budgets under which most international organizations are forced to work and in the use of bilateral assistance and special trust funds to advance particular states' objectives..

At the same time, the failure of global multilateral organizations to meet the demands made on them by many of their member states -- coupled with the desire of weaker states to control the international agenda in smaller, more proximal institutions -- has led to the establishment of a large number of regional and sub-regional organizations. Most of these organizations were founded largely with economic integration objectives but are increasingly asserting their authority over activities that affect their member states, especially in social and political areas such as peacekeeping and humanitarian assistance.<sup>12</sup> While regional organizations and the principle of subsidiarity -- attending to problems closer to their source -- are envisioned in the UN Charter, the effective relationship between these layers of organizations needs still to be worked out. Moreover, the number and effectiveness of these organizations varies considerably across regions and by sector.<sup>13</sup>

Elsewhere, I have argued that the world may be heading toward an interregnum in the trend toward globalism, a period in which regionalism and sub-regionalism will be the organizing principle for multilateral action.<sup>14</sup> Across the board, in areas as diverse as economic development humanitarian assistance, peacekeeping and even the management of financial crises, a discussion is proceeding rather quickly -- and without sufficient consideration of its ramifications -- about shifting responsibility from global to regional and sub-regional organizations. This shift is being driven in large part by cost-containment and burden-sharing imperatives and has serious implications for issues of governance, participation, standards and equity.

In order to ensure that decentralization does not result in simple burden-shifting, major donors and better-endowed countries in each region need to ensure that regional and sub-regional organizations have the resources they need to meet adequately the responsibilities they are increasingly being asked (or in some cases desire) to assume. Otherwise, divergences and inequities are likely to increase in the provision of international public goods and services between rich regions and poor ones, with potentially calamitous social and political consequences.

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<sup>12</sup> The Center is undertaking a broad-based policy research effort on the roles of regional and sub-regional organizations as public goods providers. See Graybow, Iacopetta and O'Brien, "A Geographically Based Introduction to Regional Intergovernmental Organizations," and Graybow and O'Brien, "Review of Research: Regional Organizations and their Roles in Peace and Security, Humanitarian Assistance, Human Rights and Democracy Promotion, Center on International Cooperation working papers available at [www.cic.nyu.edu/publications](http://www.cic.nyu.edu/publications)

<sup>13</sup> Regional organizations are most developed in Europe. They have proliferated in Africa, and are present in significant numbers in Latin American and the Caribbean. Their absence is most notable in Asia.

<sup>14</sup> "An Interregnum for Globalism," a talk given at a colloquium on Managing Global Issues, Carnegie Endowment for International Peace, 2000. Available on the Center on International Cooperation website at <http://www.cic.nyu.edu>

To avoid these regional inequities, the OECD countries need to formulate a new approach to development assistance that goes beyond current bilateral modalities to include far greater coordination between and among national aid agencies, the various UN development and humanitarian assistance agencies, the international financial institutions, including the regional development banks, and non-state actors, both commercial and voluntary.<sup>15</sup> Most importantly, the subsidiarity principle needs to be applied in a way that truly vests responsibility and accountability in those regional and sub-regional actors (including the recipients themselves) actor

accommodated by those state-based organizations anytime soon, other, more collaborative channels will have to be developed. The NGO forums that ran parallel to the UN conferences during the 1990s represent one such modality, al

responsibility as well as issues of possible special access and accountability, in this case for three corporate barons who all happen to be citizens of one country. Moreover, their extraordinary generosity notwithstanding, it would take two thousand Ted Turner's each year to meet the \$200 billion



As suggested earlier, annual international public sector expenditures, which we estimate at some \$200 billion, including loans and credits, are not great in absolute or relative terms,

taxes or user fees on international commercial activities, including trade and foreign exchange transactions; through charges for use or despoliation of the global commons; or through increased liquidity supplied by the International Monetary

notes,

For all its overwhelming power, the United States cannot by itself stem the proliferation of weapons of mass destruction, preserve regional stability, enforce international law and human rights standards, maintain an open and nondiscriminatory trading system, ensure the stability and liquidity of global financial markets, protect the “global commons,” stop global warming, stem transnational trafficking in narcotics, thwart

pursuit of international goals and international problem solving, and the United States as a particularly powerful nation, has the luxury of employing it selectively. It can choose among global and regional alternatives and between formal and informal m

peace and security functions are exercised through an enlarged Security Council, acting in close consultation with regional organizations. Decisions regarding deployment are effectively taken by regional and sub-regio

