

ADDRESSING GLOBAL HEALTH ISSUES: THE NEED FOR INSTITUTIONAL INNOVATION, WITH SPECIAL EMPHASIS ON THE ROLE OF FOREIGN AFFAIRS MINISTRIES

A Note by Inge Kaul*

Overview

We are meeting here in Geneva, at the *Forum on Foreign Policy and Health*, because we realize that a growing number of health concerns have changed. Health concerns have assumed global proportions, with benefits and/or costs often being of world-wide reach; and as border-transgressing activities are increasing in volume, the globalness of these issues contributes to deepening policy interdependence among countries.

Like in other global-issue areas, the domestic/foreign policy divide has, in the health domain, become blurred. Global challenges ignore human-drawn borders. They generate consumption interdependence, confronting many, if not all countries and people with the same or similar challenges; and they entail policy or provision interdependence, meaning, that addressing global challenges requires international cooperation.

This fact—that global challenges, including many global health issues require international cooperation—is sometimes interpreted to mean that foreign affairs ministries and diplomats should now also deal with health concerns. This is correct. But the question remains: how might this work, and what role could ministries and diplomats play in dealing with global health concerns?.

The present paper seeks to clarify this question by exploring the institutional challenges that global policy concerns, including global health issues present. The focus of the analysis is on the national-level policymaking, notably on how national governments could manage the national/international policy as well as the intervention linkages many global issues require.

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The analysis suggests that foreign affairs ministries could potentially play a critical role. They could act as brokers between the international and national policy domain—across all global issue areas, including health. More concretely, they could foster coherence between their home country’s interventions abroad; act in a quasi reversed role, as advocates and diplomats of global concerns towards national constituencies and actors, including concerned national ministries; and promote an appropriate balance between centralization and decentralization, guided by the principle and theory of subsidiarity.

This role of foreign affairs ministries would be desirable, considering that many global issues, including many health concerns possess strong characteristics of a public good, a global public good, and if left to the sector/technical ministries alone might face problems of collective-action and underprovision. Thus, foreign affairs ministries could potentially become an important force of sustainability and human security.

However, for foreign affairs ministries to perform such a role well, they would need to undergo reform and acquire new competencies. Their function would expand, including besides foreign (external) affairs in future also global, and perhaps even, more and more regional affairs. Hence, it might be desirable to adjust their name—from foreign affairs to international affairs, or better, foreign, regional and global affairs (FRGA).

Moreover, while the suggested shift from “foreign” affairs to FRGA ministries could be initiated more or less immediately (and is, in fact, already beginning to emerge in a number of countries), its success would in large measure depend on a broader institutional reform process. Current patterns of government, which are primarily organized according to spatial criteria (e.g. community, town, province, state, national territory) and sector criteria (e.g. agriculture, health, trade, etc.) would need to be implemented by a stronger issue-focused organization of policymaking, including matrix management between all actors and stakeholders.

To elaborate these points, the paper will discuss the growing importance of global health challenges, focusing especially on global-public-good attributes and provision paths (section 1); examine the institutional challenges of GPGs, notably global health issues (section 2); and highlight the potential role of foreign affairs ministries and the reform options they might consider (section 3). The conclusion summarizes the main findings and policy recommendations.

1 Global health challenges: importance and key properties

Policymaking conditions changed fundamentally in recent years. The major shifts have been greater *openness* of national borders—as is evident from the reduction of many border controls; and the *greater porosity of the dividing lines between markets and states*—which has given rise to many new and expanded forms of public-private

partnering. *Annex figure 1* illustrates this new policy context. This greater openness has given rise to a growing volume of transborder economic activities, including among others, international trade, investment, travel, and migration.

When the pace of economic activity was more moderate, it was usually feasible for policymakers to institute at-the-border controls like quarantine facilities, when they saw a risk of attack—from viruses, bacteria or other harmful elements. In today’s world, however, “on-time delivery” and “split-second” decision-making quarantine measures no longer fit and are also more and more difficult to implement. Just think of the many passengers flying across borders—and the many “invisible passengers” they may unknowingly be bringing along. Diseases now tend to travel faster and wider than before; and national public health concerns are more global than ever.

This globalization process has been further intensified by the fact that more and more non-health global issues like the multilateral trade regime or global warming are now impacting the national health conditions in many, if not all countries.¹

Even these few examples may suffice to demonstrate that global health concerns have characteristics of a public good: they are nonrival and/or nonexcludable in consumption.² Since the span of their effects is often worldwide, they constitute global public goods (GPGs). They imply consumption interdependence among nations.

Moreover, like in the case of many other global challenges, addressing health GPGs often requires action by many actors—national and international, public and private, with inputs often having to come from multiple sectors.

Annex figures 2 and 3 illustrate the provision paths of national public goods and GPGs respectively. There are two main lessons to take away from these figures in the present context:

- GPGs tend to emerge through a combination of national and international-level inputs as well as private and public contributions. To get to the good, *integrated multi-actor, multi-sector issue management is required, nationally and internationally.*
- For reasons of effectiveness, efficiency and global equity, *it is important to get the right balance between the various required interventions, including between national and international-level policy initiatives.* The challenge is to avoid over-centralization—not to do too much abroad (e.g. in the hope that this might reduce the need for national-level action); and not to do too much at the national level (e.g. in the hope that this might obviate the need for cooperation abroad).

¹ While some public goods, including GPGs belong to the category of “pure” public goods, i.e. are nonrival and nonexcludable in consumption, knowledge is an example of an “impure” public good. It is nonrival in consumption but can be made excludable through measures like intellectual property rights.

²

Thus, in addition to consumption interdependence, GPGs also generate policymaking interdependence among nations. In many instances, national-level and international-level actions have to complement each other. Unilateralism will not work.

Yet, public good theory tells us that public goods tend to be associated with free-riding and other types of collective action problems; international relations theory suggests that nations tend to act in respect to global issues like private actors in respect to public goods in the national domain. They, too, may attempt to free-ride. Fortunately, however, we live today in a multi-actor world. GPGs may thus suffer from two types of failure: market failure as well as nation-state failure. It is important to keep this risk in mind when exploring the institutional challenges of GPGs, notably those of global health challenges.

2 Meeting global health concerns: an exploration of the institutional challenges involved

There is growing recognition that the complexity of many policy concerns, whether they are national, regional or global in scope, now calls for public-private partnering. Important policy innovations have occurred to facilitate such partnering.

The importance of inter-ministerial/inter-sector coordination is also being realized, although, it seems, institutional and policy innovations for this purpose are not yet happening as vigorously as in the realm of public-private partnering.

Change has also been introduced in the field of foreign affairs. An example is the appointment of issue ambassadors for, say, trade, the environment, human rights, or health. Some countries have created global affairs units. These and other similar measures are aimed at bridging the domestic/foreign divide.

Existing governance structures are clearly being rethought and modified. Change appears to be moving in a direction that could, indeed, help policymakers better deal with border-transgressing issues. But further reform is still desirable.

Judging from some of the institutional innovations already underway in some countries, possible reform options to explore might include the following.

Matrix management

Considering that the largest stock of health-related knowledge exists within the medical and core-health professions, *health ministries* could create (or strengthen) global health divisions to act as lead agencies for matrix management, i.e. consultation, coordination and cooperation with all other concerned ministries—provided the primary focus is to improve public health conditions, and ultimately, people's health.

If the focus were on other issues expected to impact national health, like trade, environment, human rights, foreign aid, financial crises and their management, or peace

and security, the lead agency could be one of the other relevant ministries, with the health ministry playing a supportive, advisory role.

Annex figure 4 illustrates this approach of matrix management to complex policy issues.

A dual-track approach to operational cooperation abroad

The operational arm of international cooperation abroad is today often perceived as foreign aid—helping poor countries, notably their poor people. But GPGs, including health concerns also require international cooperation of an operational type. Examples are fighting the outbreak of communicable disease where they occur; assisting countries in preserving biodiversity for the benefit of the world as a whole; or supporting the better functioning of global health-related surveillance and reporting systems.

Humankind as a whole stands to benefit from such endeavors. They go beyond foreign aid. Countries that help finance GPGs would do so also, perhaps even mainly, in their enlightened self-interest.

It would be important to convey this fact to the general public, the tax payers, lest they see foreign aid as an endlessly expanding process, absorbing more and more resources. At present, about one third of foreign aid is already flowing to GPG concerns. This fact may also seriously jeopardize the attainment of the Millennium Development Goals (MDGs).

In addition, without a clear distinction between foreign aid and GPG provision, interventions may be launched in countries that are not the best contributors to a GPG. This risk arises, because donor countries are increasingly concentrating their aid on fewer and fewer poor countries. (*See also annex table 1.*)

Dual-track national budgeting

As a corollary of the foregoing institutional reform, one could also envision that in the future all ministries (and other government entities) dealing with global challenges indicate in their budget requests, which expenditures are to be effected domestically and which ones abroad. Today, in many countries budgetary rules permit only some governmental entities, notably foreign affairs ministries (notably for their diplomatic services and select other purposes) to spend money abroad. Where aid agencies do not belong to the foreign affairs ministry, they, too, have such an authority; many defense ministries also have this authority.

Yet by now, most ministries/sectors have been drawn into globalization processes and may be operationally engaged abroad. Thus, it would be timely to review the terms of reference of government entities and household/budget rules so as to bring budgeting, spending and accounting rules and procedures more in line with current realities.

For example, the Netherlands has taken an interesting step towards dual-track budgeting. It has developed an integrated budget for all expenditures to be effected outside of the country.

A notion of international cooperation within national borders (often also referred to as cross-border policy harmonization)

Annex figures 3 indicates that international cooperation in support of GPGs may be required abroad, at the international level, *and* at home, within the domestic realm. Many governments prefer to achieve as much alignment as possible through national-level policy harmonization, e.g. legal vaccination requirements that could help control a communicable disease. Only if necessary or desirable for efficiency reasons would they move to the international level to seek the cooperation of others.

Although within-country international cooperation is becoming more and more widespread, the notion of international cooperation is still often interpreted as a “foreign affairs” matter—something that happens abroad. Yet for institutional (re-)design to be efficient and effective, it would be important for the notion of international cooperation to be broadened—i.e. to cover international cooperation at home. In each case, this would facilitate remembering to raise the question of what would be better—to cooperate at home or abroad.

Moving from exclusive to responsive policymaking sovereignty

The extent to which some of the aforementioned institutional reforms receive political backing will in large measure depend on a new acknowledgement and acceptance of the role of the state and government. In fact, that role has already changed. Evidence is mounting that, as *annex figure 5 shows*, national public policy is echoing global concerns, opportunities and constraints. Increasingly, states do take the outside world into account when formulating national policy.

Rather than insisting on exclusive policymaking sovereignty, states and governments now seem to seek to broker between domestic and external policy expectations—exercising responsive sovereignty.

This fact places the spotlight on foreign affairs ministries and the question of how they assist governments in their role as intermediaries between external and domestic affairs. If performed effectively, this role could greatly contribute to an enhanced provision of GPGs, including the fight against many global diseases that today burden the world.

3 *The potential role of today’s foreign affairs ministries*

Foreign affairs has conventionally been the arm of governments designed to help promote national interests abroad—interests often defined only with the home country’s concerns

in mind. Diplomats have acted as representatives of their country, but also as gatekeepers of inward and outward information flows and other political activities.

Globalization has significantly changed these functions, but, most importantly in the present context, it has also generated demand for new, added functions which could perhaps best be discharged by foreign affairs ministries—if adequately reformed.

Among the new, GPG-related functions that some government entity would need to perform today are the following:

- *Fostering policy coherence*—As more and more government entities will have to support and engage in policy initiatives at the international level, it would be important for a governmental body to be formed or strengthened that has the mandate of promoting coherence between various international-level initiatives of a government, and perhaps, also be familiar with various international initiatives of nonstate actors.
- *Monitoring follow-up to international agreements*—By carrying out this function foreign affairs ministries could help concerned sector/technical ministries like the health ministry to mobilize national support for the country's international commitments, notably support among legislators and with the finance authorities. The last task would be facilitated if, as suggested earlier, the country would also move towards dual-track budgeting.
- *Discouraging free/easy-riding on GPG provision*—Much has been written about the re-election concerns of politicians; and it is often this concern that tempts policymakers into spending money in “their” constituency rather than where it could be used more efficiently, e.g. in international cooperation initiatives abroad.

Similarly, difficult policy measures like banning certain substances or reducing pollution are often shifted abroad, to other countries, with the recommendation that they ought to act—with some little aid from others. This would diffuse externalities—from which all could benefit.

Foreign affairs ministries could contribute to the emerging new situation, if governments act as intermediaries between external and domestic policy demands, and were to review sector plans for international cooperation. Such a function would perhaps be best undertaken jointly with finance ministries.

But what would be the foreign affairs ministries' incentive to undertake such assessments? Their incentives would be the same as those of the state, the prime minister or president—to advance national interests, which under conditions of globalization, are often best promoted through effective international cooperation.

- *Acting as the national focal point for human security*—The security of people today depends increasingly on more than the security of national borders. The concept of human security seeks to capture this fact. It refers to security in terms of health, the environment, economic growth and financial stability, and hence, jobs and income.

Globalization is accompanied by greater risks of volatility and crises. Some are due to greater international competition. But others result from lacking or bogged-down international cooperation—i.e. from the underprovision of GPGs. While it would be desirable for sector or technical ministries, including the defense ministry, to have their own, issue-specific risk monitoring and assessment capacities, foreign affairs ministries could perform a complementary role. They could act as the country's focal point for human security—taking a comprehensive, cross-sector view on external human security threats facing the country.

Adding these functions to the conventional tasks of foreign affairs ministries would considerably broaden their mandate and responsibilities. Foreign affairs would remain a part of their remit, but only as one part. A more appropriate label for “foreign” affairs ministries of the future might be ministry of international affairs (IA) or ministry of global, regional and foreign affairs (GRFA). An initial and enabling reform step would thus be to establish new or strengthened global affairs divisions within the future IA or GRFA ministries.

Conclusion

The present paper has explored the nature of today's global policy issues, with special reference to global health concerns. It has examined the institutional challenges that these issues pose, focusing especially on institutional reform at the national, governmental level.

The discussion has shown that the institutional set-up of most ministries will have to be rethought. While this may sound daunting, the time for change seems to be ripe. Albeit often as isolated measures, relevant reform efforts are emerging and are being implemented. Further reform measures are still needed. The paper has submitted concrete policy options that could be considered in this context. It has looked at all concerned ministries and highlighted especially the importance of inter-ministerial matrix management as well as a clearer distinction between foreign aid and GPG provision (lest the former risks being drowned out by the latter). Changes in the role of the state and corresponding changes in the notion of sovereignty—from exclusive to responsive sovereignty—have also been discussed.

Against this background the paper then examined the potential role of foreign affairs ministries to address arising global issues, notably global health concerns. The analysis suggests that foreign affairs ministries could be critical in supporting governments in playing their emerging new role as intermediaries between external and domestic policy demands, constraints and opportunities. This could also imply acting as the country's focal entity for human security.

Yet to perform these new functions effectively and efficiently foreign affairs ministries, too, would need to undergo reform. First and foremost, they would need to be

the advocate and representative of the new rationale of international cooperation that globalization has brought about—the fact that national interests today are often best served through successful international cooperation, cooperation that is based on win-win strategies, foster ownership among all concerned parties, and delivers results—so that global problems do not roam the global public domain, potentially harming all but get resolved as promptly as possible.

References

The present paper draws on the following publications, which the interested reader may want to consult for a more detailed discussion on the points discussed above:

Inge Kaul et al. eds. 2003. *Providing Global Public Goods; Managing Globalization*. New York: oxford University Press.

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

Annexes

Figure 1: The Changing Context of Policymaking

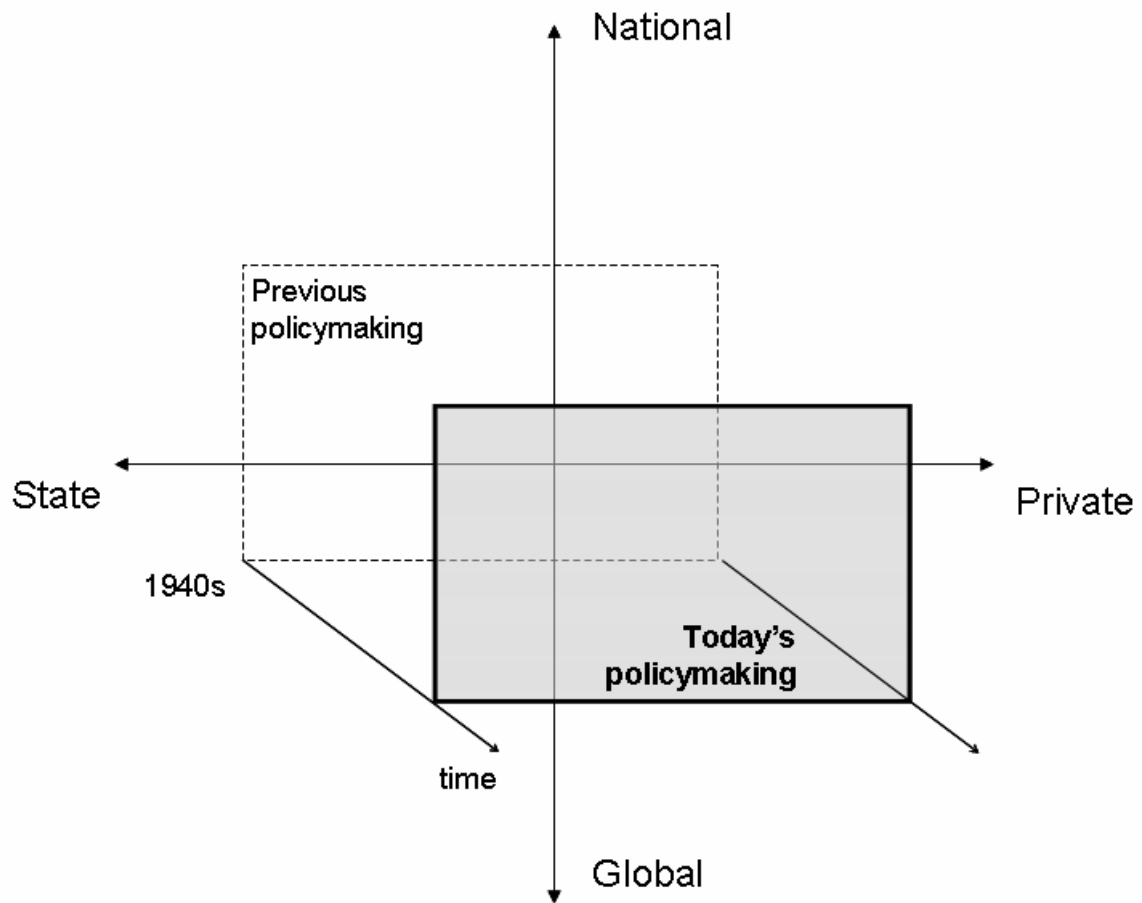
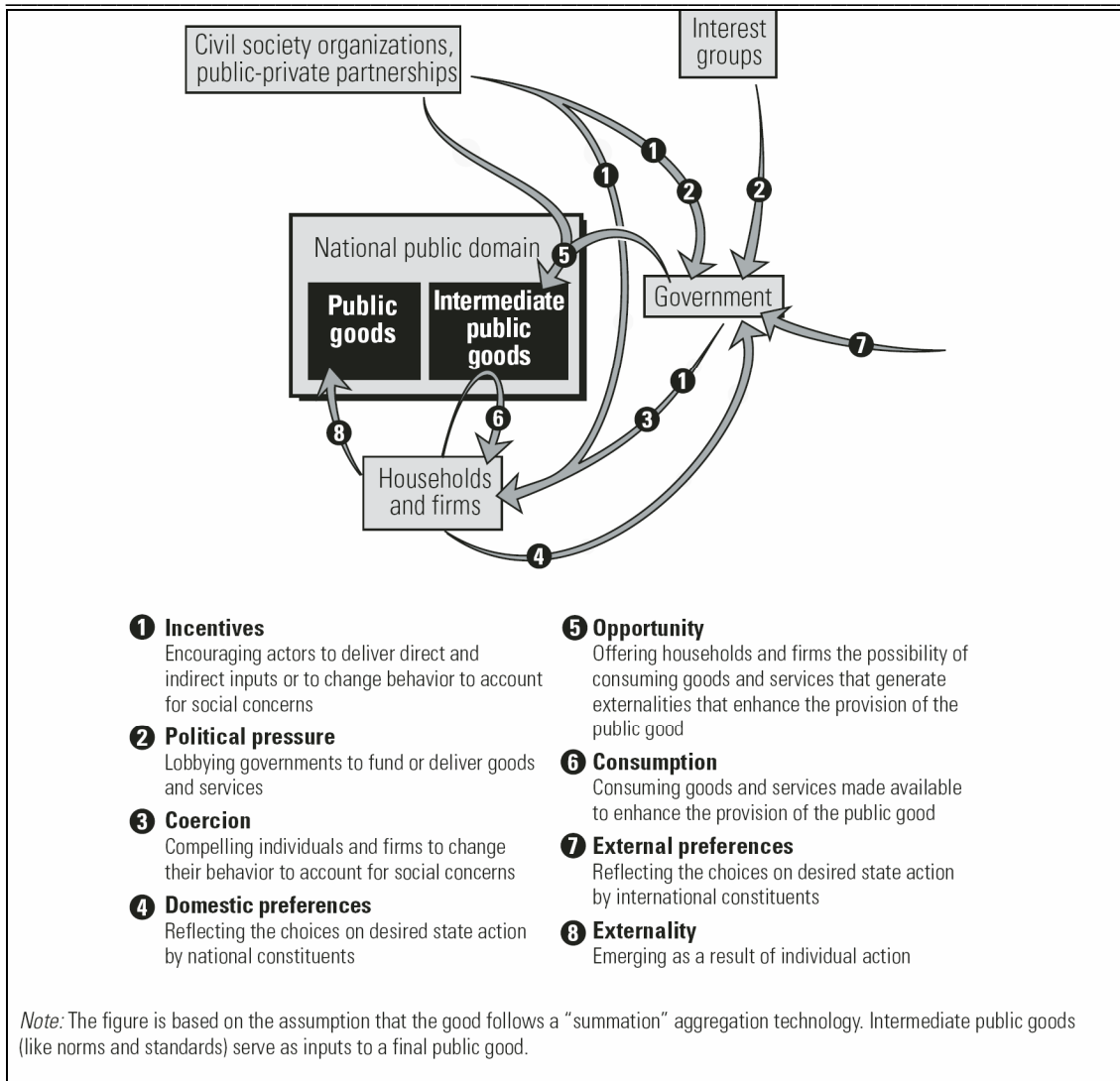
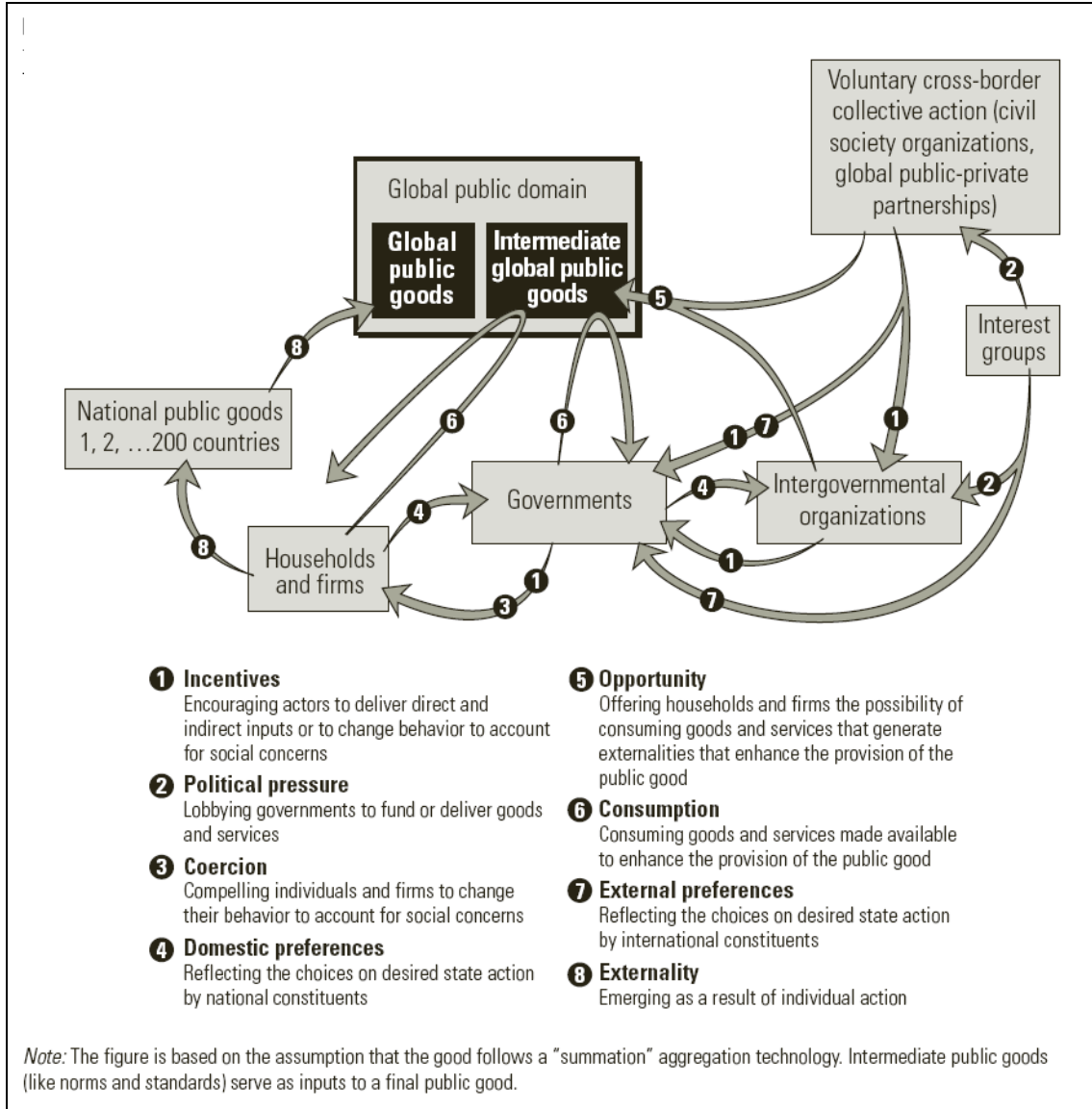


Figure 2: The Production Path of National Public Goods



Source: Kaul and Conceição (2006, p.12 figure 3).

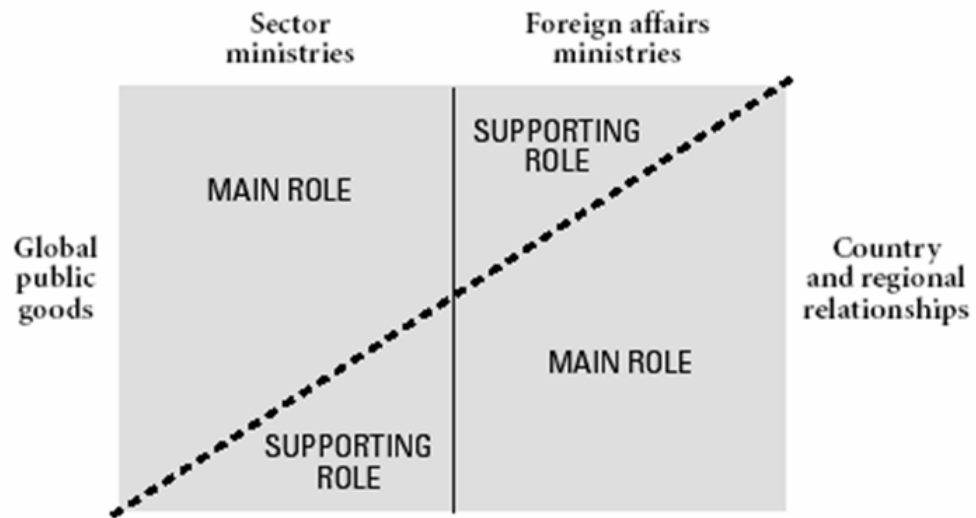
Figure 3: The Production Path of Global Public Goods



Source: Kaul and Conceição (2006, p.14 figure 4).

Figure 4

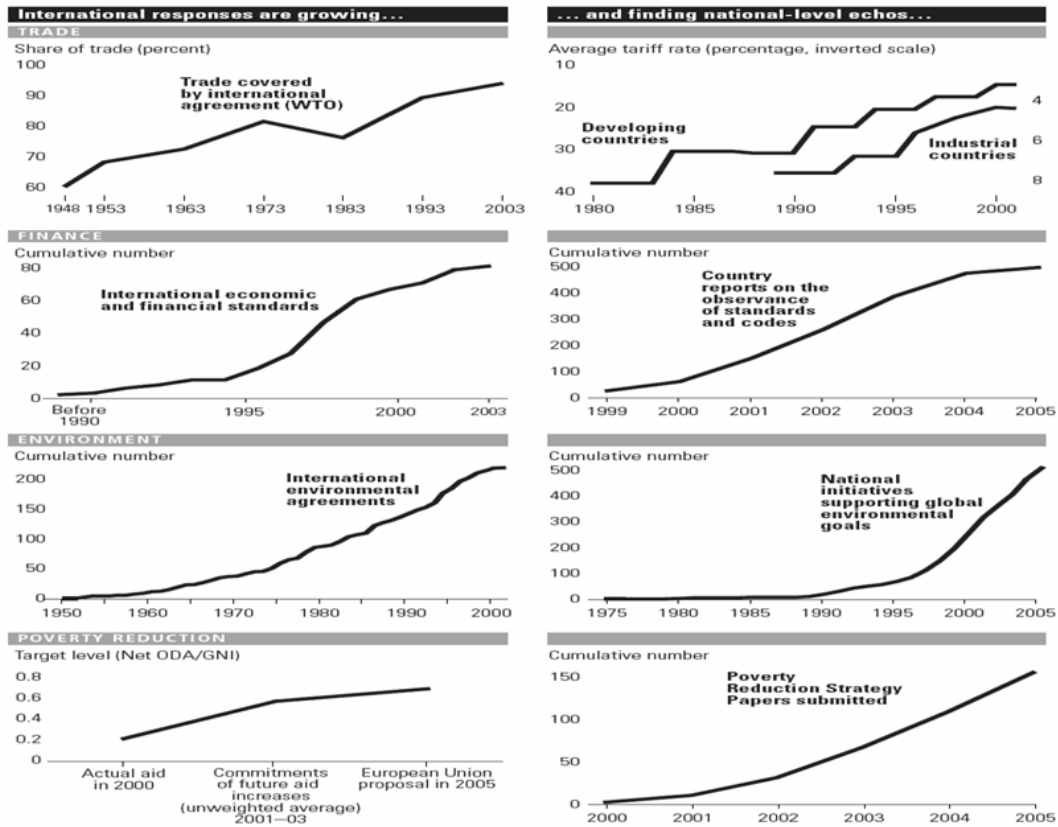
Redistributing Ministerial Responsibilities for Providing GPGs



Source: Kaul et. al. 2003, p. 381

Figure 5

International and national-level public policy moving in tandem on global issues



Excerpted from: Kaul and Conceição, op. cit., p. 48-49.

Table 1

Differences between aid and the provision of global public goods

Dimension	Aid	Providing global public goods
Rationale	Equity (poverty reduction)	Efficiency (global/national welfare enhancement)
Branch of public finance	Distribution	Allocation
Focus of policy intervention	Poor countries	Global public goods
Main net beneficiary	Poor countries	One self, and potentially, other countries, perhaps even all countries and all generations
