

Rearranging deckchairs or changing course? The World Bank and global public goods¹

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Abstract

The World Bank's 75th Anniversary naturally prompts questions regarding its relevance and the demand for its services. After all, the world has changed tremendously since the institution was first established in 1944, and a great many of the problems the Bank's members are facing these days go beyond their national borders. Resolving them requires collective actions and decisions that cannot be left to markets or individual countries, as they have suboptimal incentives to act. This is where the concept of global public goods (GPGs) comes into play. These are global incarnations of public goods that can be collectively consumed by most, and ideally all, countries, and once the good has been produced, all countries are free to consume it without restriction. The World Bank, which proudly calls itself (and justly so) a truly global institution, has been relentlessly pushed by some to move on and shift more strategically towards GPGs and beyond business as usual. This article looks at the World Bank precisely through this lens. By combining the existing literature on GPGs with interviews conducted with the Bank's senior staff and the Washington DC think-tank community, it discusses structural constraints, political economy arguments and theoretical challenges that the GPGs provision entails. It argues that there are as many reasons why the Bank should engage more systematically in producing GPGs, as reasons why this borders on political fiction.

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Introduction

Throughout its history World Bank has been criticized – sometimes fairly, sometimes less so - from all possible angles and positions, ranging from the notorious conditionality (Collier 1997; Wood and Lockwood 1999; Easterly 2001), ideological doctrinarism, to political monopolizing by the most powerful member states, particularly the United States (Wade 2002; Stiglitz 2004; Woods). There has been a growing disenchantment with the World Bank's policies, the climax of which occurred just before the appointment of the institution's current president. Many critics, such as Jeffrey Sachs, argued that the World Bank was lacking “a clear direction,” “has cut a lot of ribbons on development projects, but has solved far too few global problems,” and “has not been strategic or agile enough to be an effective agent of change.” (Sachs 2012). This, combined with a number of other issues, has cast doubt on the relevance of the institution and has led some to advocate for a dramatic change in the way the World Bank does its business.

Among a plethora of ideas, influential experts grouped around the Center for Global Development have long been calling for the World Bank to cease being a lender to member countries and start engaging more in collective actions and addressing global challenges (e.g. Birdsall and Subramanian 2007; Birdsall and Leo 2011; Birdsall and Diofasi 2015, Birdsall and Morris 2016). Otherwise, the Bank risks “becoming simply another aid agency managed by the rich countries to provide assistance to the poorest countries” (Birdsall and Subramanian 2007, 4). The ongoing discussion about the relevance of the institution in the contemporary world and about “why it is needed and why it still disappoints” (Ravallion 2016), have naturally gravitated towards a bigger question - whether a shift away from its core mandate is thinkable and if so, what it would entail.

On a rhetorical level, the idea of providing global public goods (GPGs) has struck a chord inside and outside of the Bank. Drawing on the Samuelsonian theory of public goods, GPGs will be structurally undersupplied if decisions about their production are left to markets or individual countries that have suboptimal incentives to spend. That said, the institution coordinating the global effort, such as the World Bank, might enjoy substantial gains (Clemens and Kremer 2016). The Bank has subscribed to this idea and GPGs have become an immanent part of the Bank's language and official communication. Yet in day-to-day operations, it has been internalized only marginally. The institution is still “largely concerned with problems

member countries are facing on a national level, not explicitly global issues”². This is, among other things, confirmed by the agenda at the last annual meeting which was dominated by questions of human capital and technology. Also, in the recently announced strategy “Forward Look – A Vision for the World Bank Group in 2030 - Implementation Update”, the outcome of the 2018 World Bank and International Monetary Fund Spring Meetings, prepared by the Bank’s Development Committee, the Bank declares that it will “lead on the global public goods agenda” but the term appears only five times in the document’s 22 pages. Having said that, it has been noted that if a discussion about GPGs does occur within the Bank it is “only at the mental level”³.

The views of scholars who have closely followed the institution’s efforts to embark on the idea of GPGs (or the lack of thereof) vary from cautious views that “it is far from clear that it is currently well equipped for such tasks” (Ravallion 2016, 90) to quite harsh statements that the Bank’s efforts with regards to global public goods have been “pathetic”⁴. This paper seeks to contribute to the discussion about the global public goods agenda in the World Bank and reflect on why it may be difficult to turn the institution into a genuine GPG provider. The arguments presented here span from theoretical considerations to political economy dilemmas. This will include the Bank’s core mandate and its constraints, the division of labor guided by the subsidiarity principle, the ongoing crisis of multilateralism, bureaucratic obstacles, the problem of aggregating preferences and aggregation technology.

The paper is structured as follows. First, it reviews the concept of global public goods. Second, it looks at the World Bank record in providing services and products that at least conceptually fall into a category of global public goods. Third, it discusses practical dilemmas that cripple the Bank’s potential role as a GPGs producer. Fourth, it looks at theoretical difficulties that may further undermine the effectiveness of GPGs provision by the World Bank. The above issues have been selected based on the semi-structured interviews conducted in Washington DC in September 2018 with senior World Bank officials, think tank experts and academics. The last section concludes.

² Interview with Katarzyna Zajdel, Alternate Executive Director at the World Bank Group, 14 September 2018, Washington DC.

³ Interview with Aaditya Mattoo, Research Manager, Trade and International Integration, Development Research Group, World Bank, 12 September 2018, Washington DC.

⁴ Interview with Nancy Birdsall, President Emeritus and a Senior Fellow at the Center for Global Development, 20 September 2018, Washington DC.

The concept of global public goods

The concept of global public goods (GPG) is widely employed in the domain of global public policy, yet its theoretical foundations are very much rooted in the microeconomic theory of national public goods. The theory was pioneered by Paul Samuelson (Samuelson 1954; Samuelson 1955), who has been widely hailed as a godfather of the concept, and Richard Musgrave (Musgrave 1959), whose contribution to the field has been somewhat obscured by Samuelson's fame, but in fact is sometimes seen as even more influential (Desmarais-Tremblay 2014; Pickhardt 2006). Because of these microeconomic origins, it is useful to discuss national public goods first, before turning to GPGs.

Public goods can be best defined based on what they are not. Firstly, they are not rivalrous; that is to say that consumption of a public good by one person does not diminish nor hinder the full consumption of that good by another person. Secondly, they are not excludable, meaning once the good has been provided it is impossible (or impractical, e.g. too expensive) to exclude other people from consuming it, which leads to a problem of free-riding (see below). Pure public goods are extremely rare in real life – they are rather considered as being unicorns or “mythical beasts” to quote Cornes and Sandler (Cornes and Sandler 1994). Classic examples of such goods include a lighthouse, clean air, an unpatented knowledge or a road sign. Most public goods are in fact impure public goods, i.e. goods that possess one of two characteristics (non-rivalry or non-excludability). Importantly, public goods have been around for a long time before Paul Samuelson. Both David Hume and Adam Smith had alluded to their existence (Cornes and Sandler 1986, 3; Musgrave and Musgrave 2003). Various public goods were in use in medieval times (Desai 2003). In fact, the “publicness” of goods often predated their “privateness”.

Although the theory of public goods outlined by Samuelson is somewhat technical and subject to mathematical rigor, for which Samuelson had been criticized (Enke 1955), scholars have long argued that their characteristics are not carved in stone. Most famously, James Buchanan has advocated for an alternative view of public goods, arguing that they are merely “goods demanded and supplied through political institutions” (Buchanan 1968, 5). Having said that, whether a good is public or not is subject to collective demand, the political process and negotiations within the society. Furthermore many goods “become” public instead of just “being” public, which makes them somewhat of a social construct and hinged on an institutional context (Cowen 1985). For this and other reasons, a division between private and public goods

is often considered “a false dichotomy” (Grayson 2001, 235) – a remark which is also of a fundamental importance for global public goods.

Global public goods, from a theoretical standpoint, are sometimes regarded as an extension of national public goods (Cornes and Sandler 1996; Kaul, Grunberg, Stern 1999; Sandler 1997). They are therefore also non-rivalrous and non-excludable in a sense that they can be collectively consumed by most and ideally all countries, and once the good has been produced, all countries are free to consume it without restrictions because it is prohibitively expensive or totally impossible for producers to exclude them. In fact, it may be irrational to exclude them, since all the costs have already been incurred anyway so marginally speaking it costs nothing (Smith 2003, 9). Similarly to national public goods, GPGs are plagued by a free-riding problem implying that they will be structurally under-supplied and under-funded. The example of GPGs includes climate stability, knowledge, global health, preserving biodiversity or multilateral trade rules.

According to one proposition, GPGs can be seen as a specific type of national public goods that have “gone global” as a result of globalization or national public goods with a component of international cooperation (Kaul et al. 2003, 80). That is why the discussion about global public goods should be anchored in the theory of national public goods. The opposite is also true, particularly nowadays - national public goods cannot be really decoupled from the international setting. For example, global financial stability can be considered a sum of efforts of individual countries, yet, those efforts are guided by a number of cross-country, top-down, international arrangements (e.g. the Basel regulations). Beside those “national going global” public goods, Kaul et al. have considered two other types of GDGs (Kaul et al. 2003, 100): natural global commons (e.g. the ozone layer, solar energy or orbital space), which are global by nature, and have existed without human interference (importantly, the production of those public goods is done through protecting them) and what they call “conditions and policy outcomes” (e.g. world peace or global health). The latter are the most abstract, but also require actions on a national level to produce them (Kaul calls it “internalizing externalities”). In fact, most global challenges today have characteristics of global public goods (or rather global public bads). Sandler also observes that most GPGs are intergenerational (they affect future generations), which further complicates the process of their production and the collective action it requires (Sandler 1997). Some global public goods entails continuous attention from the wider international community (climate change) and are provided in an incremental fashion, other are discrete and require a sufficiently lumpy supply to effectively deliver them (such as the

discovery of a vaccine), others can be framed as “binary” – they are simply either provided or not (say, eradication of a disease) (Barrett 2006, 9).

The concept of global public goods had its heyday in the 1990s which witnessed unprecedented changes in the global economy – growing global interdependence, the crisis of the nation-state and the “compression” of time and space that occurred thanks to the rapid technological progress. Globalization, with all its benign effects, gave rise to a number of critical cross-border challenges. With this in mind, while addressing international cooperation in 1999, Kofi Annan famously called global public goods “a missing variable in the equation”. The discourse about global public goods is usually credited to the United Nations Development Fund, which was behind the canonical book edited by Inge Kaul, Isabelle Grunberg and Marc A. Stern. Nevertheless, scholars had recognized and studied GPGs before. For instance, Charles Kindleberger discussed dilemmas regarding provision of transnational public goods in the world order from a perspective of realists and institutionalists (Kindleberger 1986). Joseph Stiglitz had described the phenomenon of the international public goods (Stiglitz 1995) naming five examples of such goods – international economic stability, international security, global environment, international humanitarian assistance and knowledge. The field has been also heavily influenced by the work of Todd Sandler (Sandler 1997; Sandler 1998) who most notably introduced the ground-breaking concept of aggregation technologies in producing GPGs. The imperative of collective action on a global scale has been stressed by Garrett Hardin in his seminal article “The Tragedy of the Commons” (Hardin 1968, 1245), while Bruce Russett and John Sullivan have discussed collective goods in the context of international organizations (Russett and Sullivan 1971). Also, within the World Bank, international public goods have been studied for some time, mostly in the context of foreign aid (Ferroni 2000; Ferroni and Mody 2002). What all this work meant for the concept of public goods is that it drifted away from microeconomics and has been successfully transplanted in the realm of international relations (Carbone 2007).

Although the concept of global public goods may seem intuitive and intellectually compelling, its theoretical and conceptual foundations have been subject to severe criticism. Scholars have long argued that GPGs belong more to a political manifesto than to the scientific realm (Long and Woolley 2009). Arguably, their microeconomic, Samuelsonian roots have been used only to legitimize what is often a set of loosely related ideas. Public goods themselves have been derived from the neoclassical economics (which, among other things, assumes that individuals act rationally and are driven by the maximalization of utility); yet many scholars studying GPGs relax these assumptions and look for inspiration in sociology, political science

or even philosophy. The literature lacks consistency as to what global public goods really are and some definitions remain so wide and diluted that they might stand for almost every kind of cross-border challenge (see the definition of the (World Bank 2007). Long and Wooley lament that the discussion is lacking an analytical rigor and GPGs are nothing more than a “rhetorical device” and “catch-all” phrase. They also claim that GPGs are attractive precisely because they are abstract, and the debate about GPGs seeks to persuade rather than explain (Long and Woolley 2009, 117). To quote Carbone, “The urgency to demonstrate the importance of GPGs, confirmed by the fact that presentation and papers are often structured to persuade, has transformed a rigorous and restrictive concept into a slogan, a mixture of pure economic rationality and wishful thinking” (Carbone 2007, 185). What is particularly important for this study is that the popularity of GPGs may be in sync with attempts by some to legitimize (or reinforce) the mandates of international organizations such as the World Bank, in times when multilateralism is facing extreme levels of strain. GPGs may be seen as an escape route from a legitimacy trap and as a justification of their *raison d’etre*.

The authors of this article are aware of shortcomings and inconsistencies of the concept of global public goods, but, nevertheless, use it anyway for the sake of academic discussion, but also hoping that it can yield some practical recommendations. The reason is twofold. Firstly, there has been a long-running discussion outside of the World Bank about its current and future role in GPGs provision. Secondly, the interviews conducted for this study indicate that the concept is not alien among the Bank’s staff and has been internalized by the institution, even though the level of operationalization is still embryonic.

Setting the stage: World Bank and GPGs

The concept of GPGs is surely not alien to the World Bank. Some scholars venture to argue that the institution itself may be considered as being a global public good, particularly its soft-loan window, the International Development Agency (Kanbur 2002, 24). Admittedly, the idea of GPGs since it had been floated has resonated with the Board and has been quite prolifically used in official communication. Yet there has been little effort to go deeper in a conceptual sense, and more importantly – in an operational one. In fact, the latter effort can be best characterized as “rearranging the deck chairs on the Titanic”⁵. A common standard guiding the exact definition still remains to be set, which is hardly surprising given that academics

⁵ Interview with Aaditya Mattoo, Research Manager, Trade and International Integration, Development Research Group, World Bank, 12 September 2018, Washington DC.

themselves struggle to agree on what GPGs actually are and how to render this elusive academic term useful in addressing the real world problems (Morrissey, Willem te Velde and Hewitt 2002). It is even less surprising that the World Bank does not report on GPGs nor try to quantify its spending on GPGs on a systematic basis. In one of the official documents (World Bank 2007), the institution does put a number on what it terms “GPGs” (1.25 billion USD), but the methodology behind this statistical exercise is a big unknown. To the authors’ knowledge, there has been only one attempt to estimate the size of the GPGs provided by the family of multilateral institutions. The study of Center for Global Development (Birdsall and Leo 2011; Birdsall and Diofasi 2015) does not provide an institutional breakdown, yet it is still very instructive. In their case, two general categories of spending may be associated with the production of GPGs: (1) spending on research and data collection and (2) spending on other activities of a GPGs nature.

Our interviews conducted in the Washington DC development circles, including senior World Bank staff, indicate that GPGs is not an alien term, but is used rather liberally if not arbitrarily to capture a large variety of different operations, activities, programs and initiatives in the Bank’s portfolio. As aptly put by Ravi Kanbur “given the “aura” that the term seems to have developed, there is clearly an incentive to justify any activity by any agency as an international public good” (Kanbur 2002, 2). This view is shared by Kapur who laments that “in seeking to reinvent the Bank’s public image, its management and staff may tend to label all kinds of activities or “networks” as GPGs, meriting involvement on the basis of the moral claims that public goods invoke, and their ready slogan-appeal for Northern taxpayers” (Kapur 2002). Most importantly, upon closer examination, many of the Bank’s products and services that potentially fall into the category of global public goods should be rather seen as post-factum GPGs. These are products or activities to which the GPGs label has been attached at a later stage. Put differently, they had not been genuinely intended as GPGs but it just so happens that they now conceptually fit. Others are what Kapur calls Potemkin-like GPGs (Kapur 2002, 349). Like in the late 19th century Potemkin village it is more about the facade than organically embracing the concept of the GPGs by the Bank. Having said that, GPGs have been at best “additional” or “peripheral” in the World Bank’s work. According to Shanta Devarajan, it is safe to approximate that if one looks at the Bank’s focus today “global public goods are 5 percent and national public goods are 95 percent”⁶.

A greater push towards global public goods is sometimes rationalized as a way to prevent setbacks in areas where Bank has achieved some considerable successes. In fact, it may

⁶ Interview with Shanta Devarajan, Senior Director for Development Economics (DEC) and Acting Chief Economist for the World Bank Group, 11 September 2018, Washington DC.

be argued that the World Bank has embraced the idea of GPGs precisely because it does not want to see the reversal of national development and poverty indicators in its member countries, not because it feels inclined to address wider, cross-border problems. This very mindset transpires from the statement of the Bank's Director for Climate Change, John Roome, who while justifying more funding to fight climate change warns that if emissions are not reduced "we'll have 100 million more people living in poverty by 2030" and "133 million climate migrants" (Agence France-Presse 2018). That said, the Bank is primarily concerned with private goods or preventing private bads (poverty of individuals or becoming a migrant), rather than a global threat of climate change.

The exercise of separating the wheat from the chaff within the Bank is inherently difficult if not impossible given the underpinning theoretical assumption of GPGs (Kaul 1999) positing that in order to be effective, production of GPGs should occur at national, regional and global levels. This opens up a vast number of channels through which the Bank can claim to contribute to the provision of GPGs. Having said that, it is commonly argued that certain country-specific programs or projects should be seen as production of GPGs, especially those that have a regional (international) spillover component. It was this thinking that shaped the 2007 World Bank staff report (World Bank 2007) and remains very much alive today. This view was shared by many of our interviewees. For example, it is hard to refute the argument that when the World Bank co-finances a clean technology power plant in Poland it contributes to climate stability, which happens to be a global public good. On the same note, the World Bank's sister institution, the IMF, claims that its financial assistance to fragile countries in Africa and elsewhere is exactly the type of country-level support that has regional spillover benefits, being effectively international public goods⁷. According to one definition, such activities might be called "complementary" activities, and their role is to create valuable national public goods and prepare countries to consume international public goods (World Bank 2001, 133). It is important not to underplay national-level actions or at least efforts to incorporate global actions into countries' development strategies. Isolating GPG from these might prove to be a daunting task.

Other types of GPGs provided by the World Bank are what was elsewhere called "core" activities (World Bank 2001, 133). Their aim is to produce international public goods and they are undertaken with a transnational or multi-country interest in mind. Having said that, they are less controversial from the conceptual standpoint, yet can be questioned as effectively owned

⁷ Interview with Charles Collins, Director of the Independent Evaluation Office of the IMF, 10 September 2018, Washington DC.

and driven by the institution. The trust funds managed by the World Bank are here a case in point. The World Bank manages and coordinates (by providing fiduciary support, balance sheet support, legal, accounting, systems, reporting functions) around 3,000 trust funds. A relatively small proportion of them, approximately 10 percent⁸, are devoted to addressing global challenges, even if loosely defined, or fall into the category of GPGs. The most well-known are the Global Environmental Facility (GEF, est. 1992), the Climate Investment Fund (CIF, est. 2008), the International Finance Facility for Immunisations (IFFIm, est. 2006) and the Extractive Industries Transparency Initiative (EITI, est. 2004). Importantly, budget-wise, trust funds are marginal relative to the core lending activity of the World Bank. The CDG estimated that trust funds amount to roughly less than \$400 million a year (CDR 2016). The other problem with trust funds is that they are mostly ad-hoc - “begging bowl” types of modalities, as aptly described by Nancy Birdsall (Birdsall 2018). They are at the mercy of rich donors, and thus can be hardly considered to be a part of a long-term, sustainable solution. Trust funds are merely housed in the World Bank and the institution’s contribution to shaping priorities and guidelines are minimal to non-existent. For example, the Clean Technology Trust Fund was initiated by the British with support from the Bush Administration Treasury (Birdsall 2012). Consequently, seeing trust funds as World Bank-led GPGs is a big stretch and even if some are indeed GPGs vehicles it is an unsustainable one. In addition, GPGs related trust funds involve pooling money for a collective good, but implementation still happens mostly through “bread and butter” country operations.

Conceptually, the most clear-cut GPGs asset of the World Bank seems to be production of state-of-the-art research and provision of various types of publications and data intended for public consumption. The World Bank invests about one-quarter of its budget for country services in knowledge products (Doemeland and Trevino 2011). Producing Business Reports, World Development Reports, World Development Indicators are just three examples of how the Bank, operating as “one-stop shop for development data” (Ravallion 2016, 84) supplies development-related knowledge through open access that can be largely consumed in a non-rivalrous and non-excludable fashion, even if the quality of this data may be questionable (Jerven 2013) and the real demand for Bank’s produced knowledge shockingly scant (Doemeland and Trevino 2011). Others include maintaining internet websites and its rich online content. The funds for these activities, which come from the administrative budget of the Bank and do not generate income, can be legitimately labeled as financing GPGs. In the same

⁸ Interview with Nancy Birdsall, President Emeritus and a Senior Fellow at the Center for Global Development, 20 September 2018, Washington DC.

category the World Bank has funded, co-funded or managed on behalf of donors a number of other research initiatives with global reach. CGIAR (the Consultative Group on International Agricultural Research) created in the 1970s to conduct cutting edge agriculture research is a case in point, even if funding for this has been flat at a meager \$50 million a year.

Finance-wise, the relatively small budget for GPGs is consistent with the theoretical literature which suggests that, due to the free-riding problem, GPGs are doomed to be undersupplied. The dominant members may feel that more financing for GPGs, which then can be universally consumed, gives them not enough bang for a buck, whereas developing countries will free-ride on them, i.e. will consume goods without paying (or with inadequate payments).

The good example of the “rhetoric versus reality” is climate change which has been embraced quite vigorously by the Bank in recent years. For example, it has now unveiled \$200 billion in climate action investment for 2021-25. In the current governance structure, tackling climate change is, however, very difficult. The position of the Director for Climate Change is a good case in point. He is on the same level as 65 country directors, which means that “he has to spend all of its time lobbying the country directors, but they mostly say no, I am not interested, this is not my priority”⁹. As long as the structure of the Bank is organized around country directors representing member countries and held accountable by member countries, it will be very difficult to mainstream GPGs in the Bank’s work. This leads us to the mandate of the World Bank.

The mandate of the World Bank

The website of the World Bank does not leave any doubt that it wants to be seen as a truly global institution (“a unique global partnership”), with near universal membership (“189 member countries, staff from more than 170 countries, and offices in over 130 locations”) and a global mission (“reducing the share of the global population that lives in extreme poverty to 3 percent by 2030”). To argue, however, that this is the Bank’s DNA is far-fetched, even though it is possibly the most global institution on the planet. The mandate of the World Bank says nothing explicit about GPGs and its day-to-day routine is organized around country-specific operations¹⁰.

⁹ Interview with Shanta Devarajan, Senior Director for Development Economics (DEC) and Acting Chief Economist for the World Bank Group, 11 September 2018, Washington DC.

¹⁰ Interview with Katarzyna Zajdel, Alternate Executive Director at the World Bank Group, 14 September 2018, Washington DC.

The World Bank was originally set up to deliver both public and private goods (lifting a person from poverty is, after all, a private good) on a national level, rather than addressing cross-border issues, let alone handling global public policy. Furthermore, throughout the Bank's history, obtaining membership has been motivated by deriving individual benefits rather than providing collective goods. That said, the common mindset among members is that "the Bank is there for their benefit, not the benefit of the global community"¹¹ and capturing full benefits from Bank's programs and projects is the name of the game. Therefore, in the current institutional architecture, for the World Bank to contribute to delivering on the global public goods agenda, it would require borrowing countries to sacrifice their own development. This may explain why there is so much resistance inside the Bank, from its shareholders and board members, to the idea of GPGs, unless their provision is financed from additional funds.

But which shareholders, in particular, are the biggest source of resistance? The theoretical musing would suggest that the least interested in the provision of GPGs would be rich countries, as this would place the financial burden disproportionately on their shoulders and let poorer members free ride on the system. This assertion is, however, not really supported by the Bank's inner dynamics. In a private conversation, the former Bank's president, Robert Zoellick, reportedly asserted that the biggest opponents of a shift towards GPGs inside the Bank are the poorest countries who "see it as taking away some fixed amount of money that would go to them"¹². But other members are not GPGs enthusiasts either, albeit for different reasons. Middle-income countries do not like the idea of expanding the GPGs agenda as this could raise their interest costs (if extra funds come from the IBRD income) and the rich members do not really need it¹³, as they may single-handedly spearhead their global agenda through trust funds which are administered by the Bank (see above). In that sense, however, the Bank's involvement in providing global public goods could be hard to justify¹⁴. Given the good record of handling money by the World Bank, trust funds may be a handy instrument when it comes to a selected group of countries or individual member states willing to put money into them, but they might get infinitely more complicated if one tries to turn them into a multilateral vehicle. The problem is compounded by the intergenerational nature of many GPGs, which

¹¹ Interview with Alan Gelb, Senior Fellow, Centre for Global Development, 19 September 2018, Washington DC.

¹² Interview with Nancy Birdsall, President Emeritus and a Senior Fellow at the Center for Global Development, 20 September 2018, Washington DC.

¹³ Interview with Nancy Birdsall, President Emeritus and a Senior Fellow at the Center for Global Development, 20 September 2018, Washington DC.

¹⁴ Interview with Alan Gelb, Senior Fellow, Centre for Global Development, 19 September 2018, Washington DC.

arguably does two things (Sandler 2009). It negatively affects provision and efficiency when current generations strategize with respect to future generations but also places the financing burden on the shoulders of the rich countries (due to income and altruism differences).

In the strictly financial sense the Bank DNA's has been that of a financial intermediary or a "reluctant lender" as termed by Birdsall and Subramanian (2007). It has played this role by borrowing money on the financial markets and lending it to member countries. Therefore, loans have been at the very core of the Bank's model since the early days. However, this standard instrument currently used by the World Bank either in a form of Project Financing (IPF) or Development Policy Financing (DPF), is ill-suited to providing global public goods as "it is difficult for the World Bank to ask a country to repay any substantial part of a loan if the benefits are primarily for other countries" (Kremer 2005). Whereas individual country loans which are relatively straightforward, regional loans, let alone financial arrangements comprising a larger number of countries, are problematic to structure, operate, and guarantee. Furthermore, they have huge transaction costs and are very difficult to negotiate, synchronize project phases etc. For these reasons they are rarely practiced, even though the World Bank has experimented with regional loans in the past¹⁵, most famously for the Indus River Project. Most loans classified as "multi-country loans" are in fact multi-country loans by name only as these are either loans to multinational entities such as regional banks or individually coordinated loans to participating sovereign borrowers (Ferroni 2001, 20). That said, one solution that has been proposed in the GPGs debate is to shift from loans to grants in order to avoid implications of a sovereign debt framework. This, of course, comes with a host of other implications, from operational to financial ones, that might effectively stifle the effort.

How has the World Bank been expected to increase its involvement in global public goods? There are several possible scenarios. Given the pretty rigid mandate, many people have been arguing for a major overhaul of the organization as the only feasible strategy to involve the Bank in the production of GPGs. Larry Summer, for instance, observed that the World Bank "reforms have been largely directed at internal structure for effectiveness, not at redefinition of mission, and our focus is on redefinition of mission" (Igoe 2016). This radical scenario might be either unrealistic in the short to medium term, or as other postulate, not really necessary. Instead the current arrangements of having trust funds "could be strengthened and streamlined, by having an equivalent of another IDA with another board that would be a global public goods

¹⁵ Interview with Shanta Devarajan, Senior Director for Development Economics (DEC) and Acting Chief Economist for the World Bank Group, 11 September 2018, Washington DC.

facility”¹⁶. Actually, this scenario has arguably started to materialize recently, albeit marginally, when along with the announced increase in its paid-in capital by 13 billion USD, the Bank also declared the allocation of up to 100 million USD to the collective or common good at the global level¹⁷, which some experts called a real breakthrough that potentially “opens the door to continued and increasing annual transfers for a set of GPGs critical to the development” (Birdsall 2018). A different scenario would involve a brand new GPG provider separate from the World Bank. But this would be naturally outside of the Bank’s remit and more importantly such an institution would not be able to escape similar problems of trust and legitimacy, which are essential in collective action at the global level. Whatever the scenario, it would require a major breakthrough in the leadership and/or two or more powerful members championing the change. The bottom line is that, whatever path the Bank pursues, it needs to have a clear mandate, not one which is stretched and covers GPGs as an extension to its core mandate.

Either way, for the World Bank to be more active in the production of GPGs, it needs to be seen as a legitimate actor that is genuinely aiming to achieve global benefits and not as the instrument of a handful of powerful members. As long as the World Bank is perceived as subordinated to the West and dedicated to its interests, its ability to project itself as taking decisions in the global interest will be compromised. An ongoing quota reform is intended to change this perception, but there is still a long way to go. It is also possible, that once the perception changes, it will be too late for the Bank to be still leading the discourse on the GPGs, as other countries, particularly China, are busy promoting other multilateral institutions (see The Asian Infrastructure Investment Bank, AIIB). The proliferation of other multilateral institutions is an indication of how China and other emerging economies are increasingly annoyed and frustrated by the World Bank and its governance structure. It is legitimate to argue that if the emerging powers’ positions inside the Bank were stronger; their incentive to float alternative multilateral projects would be weaker.

There are two strong arguments in favor of the status quo: (1) more GPG provision would require extra capital, and this is hard to sell to member countries, (2) more GPG provision without extra capital would imply cutting available budgets for developing countries, which again would not be politically feasible. Anyhow, any serious discussion about GPG risks “sending the shareholders to their entrenched battle lines” (Morris and Gleave 2015, 27).

¹⁶ Interview with Alan Gelb, Senior Fellow, Centre for Global Development, 19 September 2018, Washington DC.

¹⁷ Reportedly, this “new money” coming from IBRD income would be used to subsidize loans to middle income countries that serve a common good, which technically still makes them individual country loans not some GPGs fund.

Bureaucracy and the culture of disbursement

Bureaucracy is, next to the interests of the most powerful members and “economic ideas, fashions, and orthodoxies”, the most critical force shaping the Bretton Woods institutions and determining their development (Woods 2006, 180). Naturally, it is also critical in understanding why transition towards becoming a GPGs provider is even more problematic. The level of bureaucracy in the World Bank is legendary and is reflected in the massive size of its staff (over 10 000 employees) relative to loans disbursed, and also its high administrative costs, which nonetheless pale in comparison to the UN agencies who reportedly spend more on administrative costs than aid disbursements (Easterly and Williamson 2011). Commenting on the oversized staff, Kapur observes that the European Investment Bank (EIB), in 2015, gave twice as many loans as the Bank, with employment six times smaller (Kapur 2015). Over the years, the World Bank has undergone multiple organizational reshuffles, often times initiated in an ad hoc fashion, in response to the concrete demands of particular members and vested interests inside and outside of the Bank, but usually driven by net creditors. These led to an ever more complex structure and more areas and sectors to cover which repeatedly brought accusations of mission creep. As a result, the World Bank has evolved into an institution with the ambition to please all possible stakeholders and to be “everything to everyone” (Birdsall and Subramanian 2008, 2). Bureaucratic inflation gave birth to entities such as an Office of Internal Audit, an Independent Evaluation Office, an Inspection Panel, a Chief Ethics Officer, an Office of Mediation, Peer Review panels, and an Office of Institutional Integrity etc. – allegedly as a deflection strategy in response to pressure put on the Bank from the outside. Kapur poetically compares it to “an old ship” that over the course of seven decades accumulated “all kinds of barnacles – sticky budgetary accretions and transaction costs – on its hull, steadily impeding its speed and performance” (Kapur 2015). Part of this strategy is investing in public relations which consumes a similar budget as research in the Bank (Kapur 2002, 349). In the 2015 budget “External and Corporate Relations” spending category was 44 million USD and Executive Board 87 million USD (Kapur 2015). If one takes into account the low morale of the Bank’s staff (Kapur 2015) and risk-aversion deeply embedded in the institution’s DNA, it becomes clear why resistance to change is so fierce.

An unintended consequence of having organized the Bank’s model around disbursing funds to its member countries is the infamous “lending culture” (Easterly 2002; Ravallion 2016) or, put more harshly the “Bank’s management obsession with lending” (Berkman 2008). The problem was officially diagnosed as early as 1992 in the so-called Wapenhuis Report (World

Bank 1992). Despite some positive change, this “pushing loans” and “moving money” model continues to be a part the organizational culture. As a result, aid volumes are still more important than benefits to the end users of aid (Easterly 2002). Internal incentives of the Bank, such as attaching special importance to meeting quantitative lending targets or promotion to senior positions based on the amount of money disbursed, help this model thrive. Since, as it was claimed, individual country loans are here to stay and continue to be a part of the Bank’s core mandate, the lending culture may be seen as yet another issue that might potentially stifle the Bank’s efforts to move towards a different mandate.

The subsidiary principle and division of labor

One reason why some people encourage the World Bank to shift its focus to the provision of GPGs can be linked to the principle of subsidiarity. The idea of subsidiarity in multilateral development banking has been aired by a number of scholars, particularly Ravi Kanbur (Ravi Kanbur, Todd Sandler and Kevin Morrison 1999; Kanbur 2002; Kanbur 2004). In a nutshell, the subsidiarity principle implies that a cross-border problem should be handled by the institution which is closest to it in terms of the geographical and sectoral mandate. Put differently “a global public good would be allocated optimally by a global institution, while a regional public good would be better provided by regional institutions” (Kanbur 2004, 173).

There are surely arguments out there rendering the idea of subsidiarity intellectually enticing. But in the current multilateral setting, this is not practical. First of all, there is a question of expertise. Regional organizations often lack the know-how and expertise that the World Bank has been developing for over 75 years, working with all the countries in the world. They also lack the political clout needed to deliver on the regional projects. So if you compare the World Bank and the African Development Bank (AfDB), the “AfDB’s expertise is limited by the fact that this is AfDB”¹⁸. The second point pertains to the question of governance. Using the example of the AfDB, Birdsall notes that this regional institution is less competitive than the World Bank in raising new capital and contributions to finance its operations, therefore shareholders (being also shareholders of the World Bank) lack incentives to maximize its potential (Birdsall 2018).

On the other hand, whereas it is hard to beat the World Bank when it comes to knowledge and technical expertise, one of the competitive advantages of regional institutions

¹⁸ Interview with Shanta Devarajan, Senior Director for Development Economics (DEC) and Acting Chief Economist for the World Bank Group, 11 September 2018, Washington DC.

over the Bank is, supposedly, that “they know they clients better” but also that they better understand the regional context, political nuances and cultural features of the countries involved, which are often times critical to landing a deal¹⁹. According to this position, the Asian Development Bank (ADB) or the AfDB are, arguably, better suited to act as honest brokers in regional dealings than the World Bank, which may possess technical skills, but, lacks local legitimacy. The sense of ownership developing countries have in regional banks, vis-à-vis the global institutions such as the World Bank, should not be underestimated; especially that ownership is absolutely central to institutional reforms and politically difficult reforms²⁰. Also, by applying the subsidiarity principle, it is possible to “save transaction costs by limiting participants, drawing on shared culture, and fostering repeated interactions” and capitalize on “common values and benefits” (Kanbur 2004, 173).

The middle ground argument holds that subsidiarity, which is originally derived from the administrative lexis, should not be literally employed in the world of banking and development, for two reasons. One is that the regional and local development banks are simply not credible enough to be doing the World Bank’s work and, more importantly, applying subsidiarity to development banking actually misunderstands what development banks really do. The other is that a degree of competition among development banks, not in a sense of private market competition with a financial bottom line, but more in the form of a wider range of options for poor countries to pick from, is essentially healthy²¹ (Kopiński and Sun 2014). Therefore, subsidiarity should not be taken too far and the idea of the World Bank “doing anything but global public goods is absurd”²².

Multilateral crisis and the new kids on the block

There are potentially different implications of the current situation for the World Bank and its quest for more investment in GPGs. To begin with, the United States is now unlikely to advance the GPGs agenda and be vocal about the need to address global issues. One way to explain this is that the US has been experiencing a loss of confidence in the global economy as

¹⁹ Interview with Antoni Estevadeordal, Manager of the Integration and Trade Sector, Inter-American Development Bank, 12 September 2018, Washington DC.

²⁰ Interview with Nancy Birdsall, President Emeritus and a Senior Fellow at the Center for Global Development, 20 September 2018, Washington DC.

²¹ Interview with Alan Gelb, Senior Fellow, Centre for Global Development, 19 September 2018, Washington DC.

²² Interview with Nancy Birdsall, President Emeritus and a Senior Fellow at the Center for Global Development, 20 September 2018, Washington DC.

a result of its share in the global trade dwindling²³. Therefore the US will not be keen to overhaul the Bank's mandate or increase its contribution to producing more GPGs. According to Aaditya Mattoo, the hyperbole may be derived from the history of the rule-based trade regime and how it was dismantled and challenged by Great Britain which suffered a similar loss of confidence at the end of the 19th century²⁴. Other arguments are less gloomy and posit that in this increasing political vacuum and in the wake of rising nationalism in many parts of the world, the role of international organization in promoting multilateralism is in fact even greater and more desirable. The crisis of multilateralism may be actually an impulse to mobilize, to do more²⁵. Especially that contrary to the prevailing narrative and alarming headlines such as "John Bolton Wants to Shut Down the World Bank" (Morris 2018), the Trump administration and the Congress so far has not been disruptive, but reasonably supportive for change, albeit quietly²⁶.

With the US remaining its single largest shareholder (and most importantly a single veto power) the World Bank is not in position to make strong statements against the current domestic politics in the US and elsewhere. It has not really been vocal on any of the challenges posed by the US administration and Trump himself in the area of international trade. On the other hand, what is cast as a crisis of multilateralism does not extend to many areas that the IFIs are active in. It is, for instance, unlikely that things such as diseases surveillance or financial oversight will be negatively affected or funds earmarked for these scrapped²⁷.

The shift towards GPGs may be also considered as an exit strategy from a field which is increasingly crowded. The World Bank enjoyed a near-monopoly in two areas for the most part of the post-war period – finance and knowledge. The business of development finance has become a more competitive place thanks to a range of new institutions set up by emerging countries (Güven 2017a; Güven 2017b). These are either new multilateral banks such as BRICS New Development Bank countries and Asian Infrastructure Investment Bank (Wan 2016) or national, state-owned behemoths such as the China Development Bank and the China Exim Bank (Kopiński and Sun 2014), which have allegedly (at least in some years) provided more

²³ Interview with Aaditya Mattoo, Research Manager, Trade and International Integration, Development Research Group, World Bank, 12 September 2016, Washington DC.

²⁴ Interview with Aaditya Mattoo, Research Manager, Trade and International Integration, Development Research Group, World Bank, 12 September 2016, Washington DC.

²⁵ Interview with Shanta Devarajan, Senior Director for Development Economics (DEC) and Acting Chief Economist for the World Bank Group, 11 September 2018, Washington DC.

²⁶ Interview with Nancy Birdsall, President Emeritus and a Senior Fellow at the Center for Global Development, 20 September 2018, Washington DC.

²⁷ Interview with Alan Gelb, Senior Fellow, Centre for Global Development, 19 September 2018, Washington DC.

loans to Africa than the World Bank (Dyer, Anderlini and Sender 2011; Bloomberg 2011). Regardless of accuracy of these reports, the fact is that World Bank clients have now more leeway in choosing different sources of finance. This has been substantially enhanced by access to financial markets and private capital. In 2012 World Bank lending represented only about 5 percent of the aggregate private capital flows to developing countries (Ravaillon 2016, 78). This included Eurobonds, which have become commonplace among African countries over the past years, rightly creating fears that it might be contributing to a new debt-trap (Bassett 2017). Not to mention private lenders, foundations or charities that have carved their way into what had been for decades the natural habitat of the World Bank. It is surely a trend that has been recognized inside the Bank, but the perception seems to be somewhat different than what some scholars suggest. One should also have in mind the regional development banks, such as the Inter-American Development Bank (IDB), the African Development Bank (AfDB), and the Asian Development Bank (ADB), which are also trying to navigate the increasingly complex multilateral global system.

The World Bank prefers to think of all these new kids on the block, but also the usual suspects, such as regional development banks, more as “development partners”²⁸ than rivals and “the more the merrier” narrative seems to be more prevalent than the “competition” story²⁹, that has been spearheaded by media outlets, which is understandable given the limited budget of the Bank and, at the same time, the massive development needs of the world’s poorest regions. It may be assumed that, since the budget of the World Bank is not infinite, its share in the global development effort will be gradually shrinking as the congestion in development finances increases. Ravi Kanbur argues that establishing institutions such as the New Development Bank (NDB) or The Asian Infrastructure Investment Bank (AIIB) can be actually attributed to the infrastructure deficit in the member countries that the World Bank is unable to bridge (Kanbur 2017).

Aggregating preferences and other theoretical issues

Aggregation of preferences is one of the key theoretical concepts in the public goods literature. It is assumed that in the provision of national public goods, the state (government)

²⁸ Interview with Katarzyna Zajdel, Alternate Executive Director at the World Bank Group, 14 September 2018, Washington DC.

²⁹ Interview with Punam Chuhan-Pole, lead economist, Office of the Chief Economist of the Africa Region at the World Bank, 24 April 2013, Washington DC.

claims it has a capacity to aggregate the preferences of all potential consumers. Given limited resources and many claimants only a few public goods can be produced at any given time; it has to prioritize certain goods at the expense of other goods. Put another way, there is rivalry in the consumption of public goods (among different public goods, not over a specific public good). The same logic may be applied to GPGs. Consider the International Criminal Court, which is arguably a type of international (global) public good in a sense of supply of the fight against impunity (Galand 2018). Its work may benefit all countries without constraining the level of its consumption, and it is impractical if not impossible to exclude countries from its benefits. Yet, controversies surrounding the ICC rulings and its legitimacy are legendary, especially with regards to the situations in Darfur, Libya and Kenya, where many people felt that Africans are discriminated against and prosecuted more often than non-Africans. As a result, numerous countries, including South Africa, Burundi and the Gambia, announced that they planned to leave the court. The example of the ICC demonstrates how difficult may be to produce GPGs simply because it is difficult for different countries to agree on which public goods should be prioritized³⁰.

That said, even if the World Bank had gone through a major overhaul, was to be given a new, clear mandate in line with the GPG agenda, it would be extremely difficult to operationalize GPGs, considering their theoretical characteristics and aggregation problem. The critical question is what types of GPGs the World Bank would mainstream and which would be ranked as less important. As Kapur argues “there is little substantive analysis that would help International Organization members to rank public goods in order of their relative contribution to global welfare. The analytical hiatus allows them to press for private interests in the guise of GPGs” (Kapur 2002). This is a particularly sensitive issue as the World Bank is not infallible and was wrong many times before. So, is the World Bank good at aggregating preferences? It is fair to say that it is probably not, “but better than no other institutions and probably better than in the past”³¹. The problem of preferences is, however, compounded by another theoretical quality of public goods. The World Bank not only does not have full knowledge of individual preference functions but countries involved may choose not to reveal their true preferences (they have an incentive to under-report their valuation of public goods) fearing that if they do, they will have to pay the bill. Eventually, it might result in oversupplying

³⁰ I am grateful to Alan Gelb for this example.

³¹ Interview with Nancy Birdsall, President Emeritus and a Senior Fellow at the Center for Global Development, 20 September 2018, Washington DC.

or undersupplying some classes of GPGs. The latter case is consistent with the free-rider problem.

The problem of preferences is particularly acute in knowledge production, which, as this article postulates, represents a textbook example of a GPG. Both research and policy advice have been historically influenced by the West who retained dominance over the institution (Vestergaard and Wade 2013); particularly the US hegemony has been heavily felt (Wade 2002). From the early post-war economic “Stages of growth” authored by Walt Rostow or Rosenstein-Rodan’s “Big Push” to the neoliberal agenda of the 1980 and 1990s, the World Bank has on many policy fronts presented views coined in the West, some also arguably to promote Western interests or at least Western ideology. Therefore the World Bank cannot be really considered an impartial knowledge creator in social science (Kanbur 2002) and its many policy choices have been of a questionable utility to poorer members. Even research of the World Bank arguably being itself a proper GPG is not free from dilemmas related to the aggregation of preferences. This is compounded by the fact that whereas many of the cross-border problems are located in the poor parts of the world, whilst research capacities are almost exclusively located in the rich countries who continue to dominate the academic discourse. This makes it drastically more difficult to align preferences with research priorities. For poorer members, global public goods such as the protection of Arctic biodiversity has a low priority compared to initiatives whose benefits might affect them more directly, such as research on tropical agriculture or disease prevention (Clemens and Kremer 2016). This is where they will oppose redirecting resources from the individual-country level to “core” activities which are ideologically driven by the most powerful members.

The effectiveness and feasibility of the World Bank serving as a *primus inter pares* in the provision of GPGs additionally hinges on the type of GPG and its properties. Beyond the two classical properties of nonrivalry and non-excludability, GPGs are sometimes classified according to the so-called aggregation technology. The term was introduced by Todd Sandler (Sandler 1997; Sandler 2003) and describes the relationship between individual contributions and the good’s overall supply level. That said, most generally, GPGs can be a result of “summation” where each unit contributed to a public good (or bad) adds identically and additively to the overall level available to all. The classic example is controlling global warming. They can also be produced as the “weakest-link”, where the smallest contribution determines the quantity of a public good. Here surveillance of a contagious disease outbreak (e.g. Ebola) is a good case in point. The third general aggregation technology is the “best shot”, where supply of a public good is determined by the largest contributions from among

participating countries. Polio vaccine produced in the US in the 1950s and then made available across the world is an example of this. The take away is that the properties of GPGs may heavily affect policy options and financing possibilities (Sandler 2001). The World Bank's role in coordination and financing might be fundamentally different in curbing climate change and spearheading tropical agriculture research. Fighting climate change, which is a summation technology and involves multiple players, is extremely difficult to coordinate and prone to free-riding, particularly when large income inequalities among countries are assumed (Kanbur, Sandler and Morrison 1999, 72). This is, for instance, fundamentally different from the weakest link, where free-riding is not an issue since decreasing contributions by any party would inevitably lead to the drop of GPG supply to zero for everyone. A potential deficit of public good may be relatively easy to address by other players, such as international organizations, as they have more incentive to participate (Sandler 2003, 136). In terms of finance, Sandler argues that the international community should direct scarce resources only to "those global and international public goods that need either a significant push or only a smaller coax", which can come from an international organization, such as the World Bank, with other goods the community "should sit back and let incentives guide the actions of sovereign markets" (Sandler 2001).

Conclusions and final remarks

The concept of global public goods has been vigorously debated since globalization accelerated in the 1990s, creating numerous tensions between state and market but also producing a great deal of cross-border challenges that require collective action at an international level. Many international organizations have embraced the idea of the GPG agenda quite happily. They have done it either because they sensed an opportunity in this promising new field, which might help them uphold their relevance in the fast-changing world or they simply realized that their mission can be compromised or successes reversed if they did not go beyond business as usual. The World Bank had been among them.

Many people, particularly grouped around the Centre for Global Development, have long pushed for the Bank to move on and shift its attention from the problems of individual member-countries to collective actions and addressing global challenges, instead of being just yet another aid agency. After all, the world has changed tremendously since the World Bank was first established in 1944, and a great many of the problems people are facing nowadays have gone from local to global. Also, the World Bank, once wielding a near monopoly in the

business of lending to developing countries, is no longer alone on that stage. Emerging powers, such as China or India, irritated by how little leverage they have inside the Bretton Woods institution have enthusiastically spearheaded alternative development banks (e.g. the AIIB, the BRICS NDB or the CDB), which they can model according to their own liking.

Being a global institution, with a global membership and a global mission, it was no surprise that the World Bank has happily embraced the idea of GPGs. It has adopted GPG-related terminology, funded and promoted numerous GPG-oriented publications and made global public goods a part and parcel of official communication. Having said that, today GPGs are by no means an alien concept in the World Bank and among its staff. Nevertheless, most changes in this respect have occurred “at a mental level” rather than operational one, and they may be likened to “rearranging the deck chairs on the Titanic”. The idea that the World Bank one day will be primarily focused on the provision of global public goods still remains in the realm of political fiction.

There are numerous reasons why this is the case; some of them can be linked to political economy, others are theoretical. As this article has discussed, the World Bank, since its establishment, has been there for its members not for the international community and the mandate is very clear about that. From the members’ perspective, unless new sources of finance are found, the trade-off of more involvement in global public goods is less funds available to address their national development needs. Not to mention that the modus operandi of the World Bank which is still based on individual country loans is ill-suited to dealing with international spillovers and cross-border challenges. The subsidiarity principle proposed by some scholars, albeit intellectually appealing, also, as has been argued, is not a feasible solution if taken to the extreme. The World Bank is arguably the most qualified among international organizations to deal with global public bads, but the division of labor according to the subsidiarity principle might not be effective due to the relative weakness of other parts of the multilateral system. In the current, quite hostile, mood towards multilateralism, particularly inspired by the US administration, the World Bank, where the US retains veto power over changes in its structure, any fundamental shift towards the GPGs agenda is very unlikely, even if some experts argue that in the midst of the crisis of multilateralism the World Bank has an even bigger role to play.

A number of theoretical characteristics of global public goods are not conducive to the idea of the World Bank becoming a provider of global public goods in a more systemic fashion. Whereas the Bank is probably better at aggregating the preferences of its members rather than anyone else, considering the huge diversity of its members and the preferences that come with it, it would be difficult for the Bank, which is already suffering from weak legitimacy, to pursue

GPGs that would enjoy an across-the-board consensus. Also, aggregation technology is rarely taken into account when experts muse about the World Bank going all GPGs; nevertheless addressing climate change and inventing a vaccine for Ebola entail two very different toolkits and actions on the part of the institution.

The World Bank is arguably the best the world has to think boldly about providing GPGs, yet entrenched in the past and still driven by its historical roots, the Bank's members and its board may be not ready to change its course just yet and even if they were, considering the theoretical complexities of GPGs, this would be a daunting task.

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