

Regional Pooling of Services in the Pacific



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Types of regionalism in the Pacific Plan

1. Regional provision of services (pooling):

Governments are freed from daily management of some services.

2. Regional integration:

Lowering market barriers between countries.

3. Regional cooperation:

Services are provided nationally, but with coordination of policies between countries.

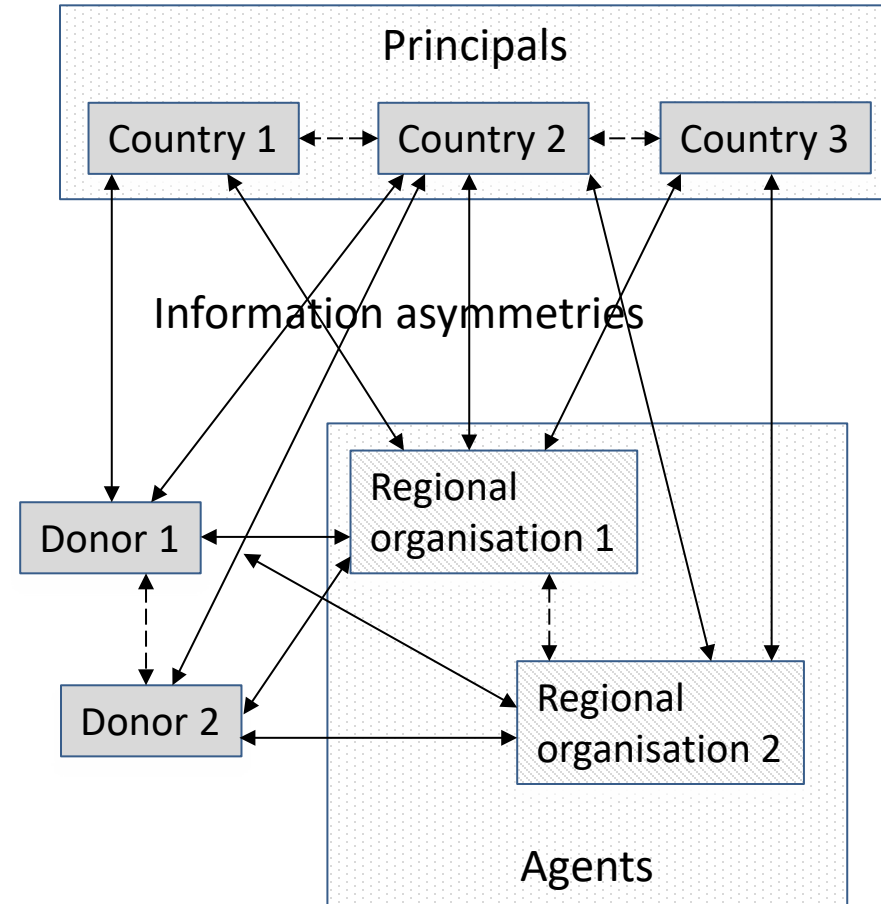
Lessons from club theory

- Every member must benefit (benefits > costs)
- Benefits of pooled service provision must:
 - Be greater than those of national service provision (“benefits of sovereignty”)
 - Offset other short-term adjustment costs (harmonisation etc)
- Sharing benefits fairly reduces conflict

Principal-agent challenges

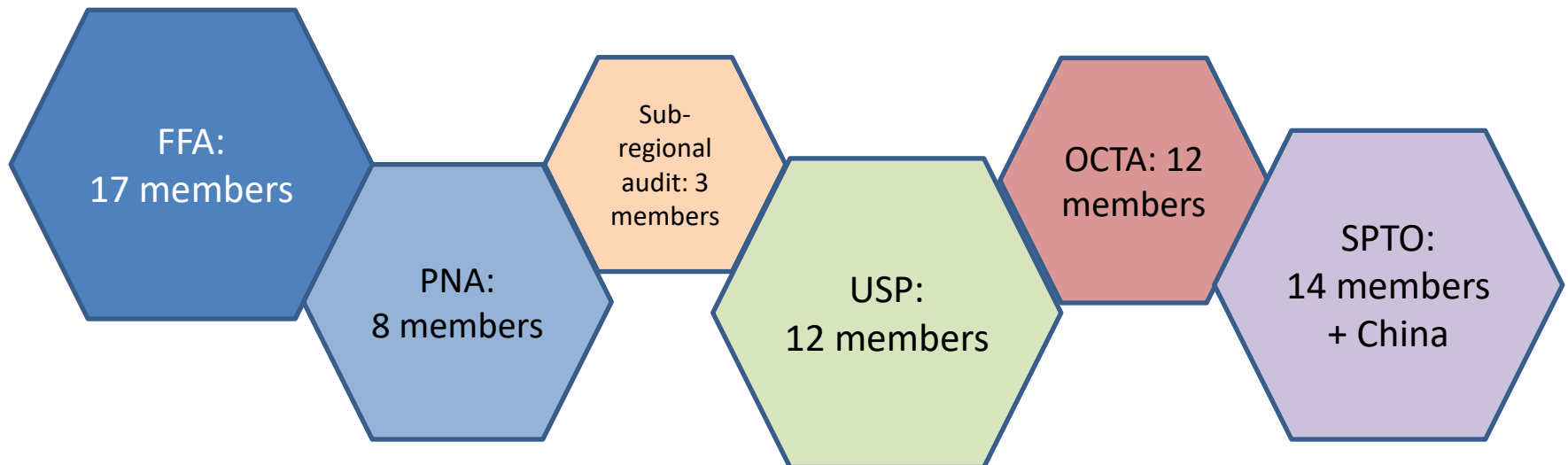
“Principal-agent problems are typically compounded in public administrations.”

Barder, 2009 – *Beyond Planning: Markets and Networks for Better Aid*



Findings

- 1. Since 2005, the number of attempts to pool services has grown...**
- 2. ...and a patchwork of pooled service provision has emerged**



Findings

3. The centralising effects of pooling create tension between:

- efficiency/commercial objectives, and**
- equity objectives**

Findings

- 4. (Almost) all pooled services in the Pacific are donor-funded**
- 5. “Pooling” initiatives in the Pacific are often more correctly labelled capacity building**

Pooling of capacity
building efforts

Pooling of
service delivery



Not reliant on
donor funding



Donor funded

