

# 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.

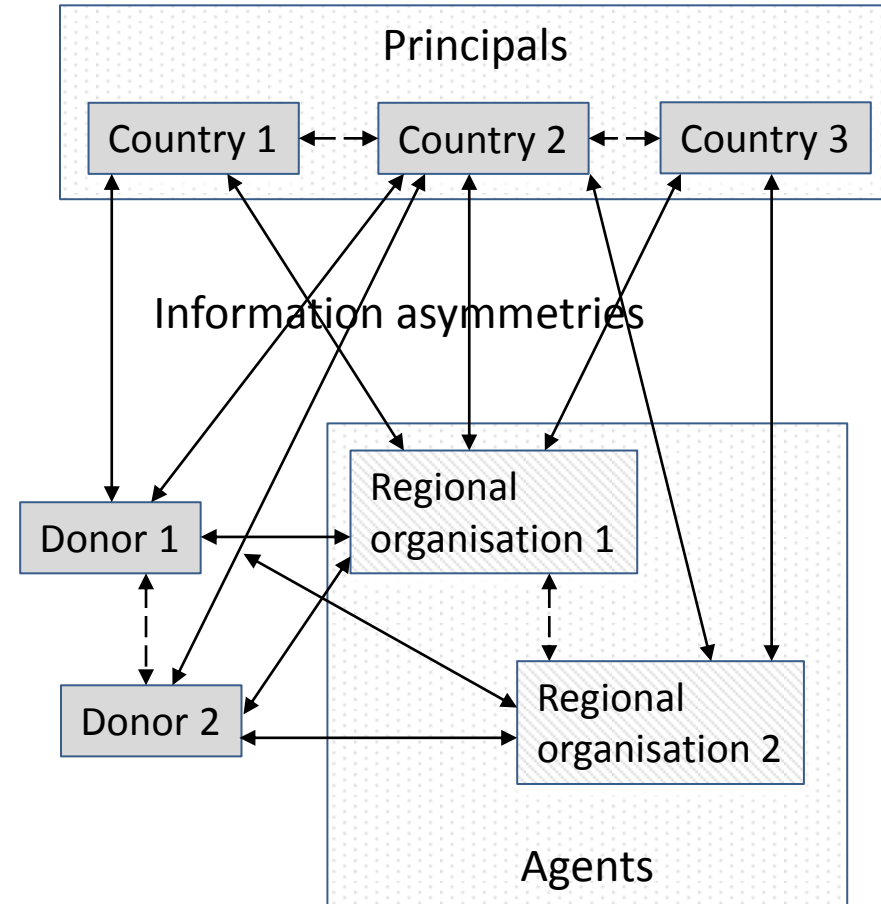
# Lessons from club theory

- 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

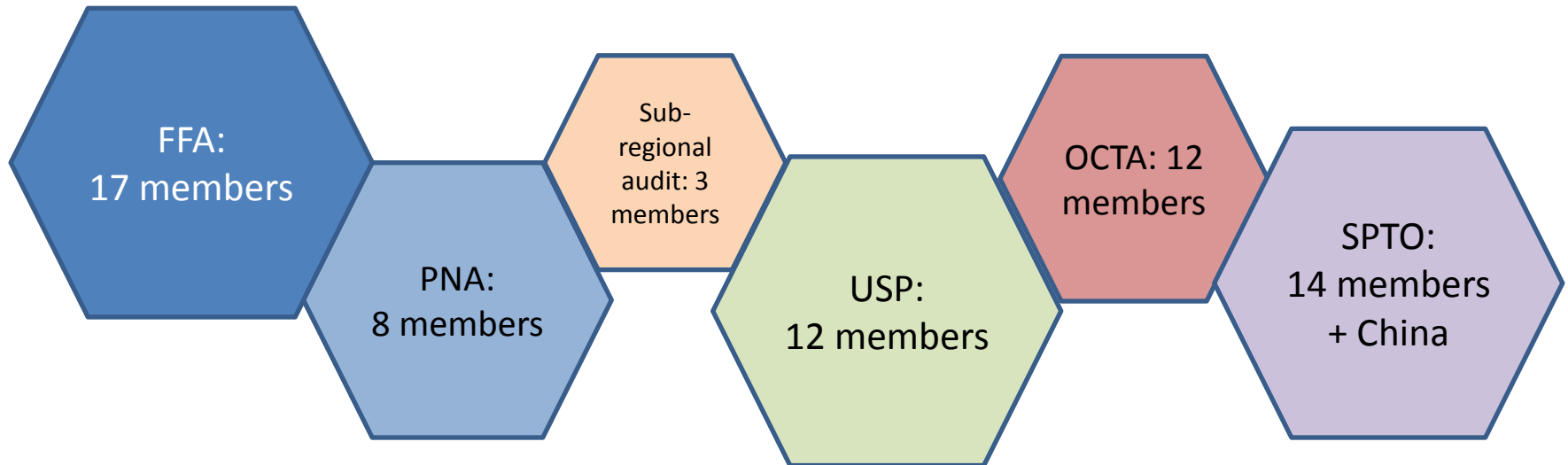
“Principal-agent problems are typically compounded in public administrations.”

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

