

Institutionalizing global governance I
Panel report for the CPOGG conference at Schloß Amerang
(November 1-3, 2002)

The discussed papers

Frank Biermann and Steffen Bauer: *Managers of Global Governance. Assessing and Explaining the Effectiveness of Intergovernmental Organisations*

Ralf J. Leiteritz and Catherine Weaver: *'Our Poverty is a World Full of Dreams': Organizational Culture and Change at the World Bank*

Oliver Kessler: *Risk, Uncertainty and Institutional Design in International Finance*

The three papers discussed are all interested in the general themes surrounding International Organization, the Biermann/ Bauer and the Leiteritz paper are furthermore focusing on specific international organizations (IOs). All three papers start their inquiry with a theoretical problem of global governance, they next propose a new way of thinking about their individual problématique, and they more or less start to apply their new approach to their specific cases. They are therefore all critical in the sense that they do not accept the common way of how academia thinks about global institutions. All three papers have their strengths in identifying important questions, they all offer interesting alternatives, but they have the very common problem that it becomes fuzzy what they can contribute to the general debate beyond their individual cases.

The theoretical problems identified

All three papers are extremely unhappy with the current state of theorizing in the field of IR, although they all criticize the debate on a different level.

The Biermann/ Bauer paper criticizes that IOs are rarely taken as actors in their own right. Mainstream International Relations (IR) still focuses on states and even the discussion about

regimes did not focus on the organizations themselves and thus could not provide a sufficient theoretical answer to the questions of when, how, and why IOs are created. The academic debate about global governance is thus blind to a certain category of actors.

The Leiteritz paper states that traditional theories can only explain why change within international organizations comes about, but not which direction it takes and which outcomes it might have. The discussion about global governance therefore lacks an understanding of what happens inside specific actors.

The Kessler paper is the theoretically most challenging one. It is concerned with the underlying assumptions that are structuring the very design of international institutions. The contemporary global governance debate thus suffers from deep entrenched biases that do not allow us to develop practical knowledge about international institutions.

The solutions offered

The three papers are well entrenched in their respective literatures (especially IR theory) and each one makes an individual contribution delineating which specific aspects future research should focus on.

The Biermann/ Bauer paper offers a new research methodology to examine the effectiveness of IOs, as traditional studies, if they treated IOs in detail at all, only offered taxonomic descriptions. New research should be more inspired by sociological institutionalism than by regime theory and the two authors claim that effectiveness can thus be assessed on the level of the effect (outcome, output or impact of an activity) and on the basis of qualitative and sometimes even of quantitative indicators. This in turn would allow to explain the variation in organizational effectiveness. Global governance can thus be assessed empirically, but a new sociological more informed approach is necessary in order to develop hypotheses about the effectiveness of international institutions.

The Leiteritz paper argues that the outcome and the process of change within institutions can best be approached when the organizational culture of IOs is looked at. Change might be induced through internal or external variables, but organizational culture as an intervening variable is the filter through which environmental signals or internal reform processes are

interpreted. Organizational culture has a strong path-dependency and is thus responsible whether learning, adaptation or the status quo prevails. The Leiteritz paper and the Biermann/ Bauer paper, both open up the black box IO and claim that taking IOs not as arenas of action but as independent agents allows a better understanding of the institutions of global governance. Both papers also try to synthesize traditional principle-agent models with constructivist approaches. In both cases the question remains however open whether such ‘constructivism light’ works or if there are not two stories to tell for ontological as well as epistemological reasons.

The Kessler paper is much more radical in its theorizing. It offers a very strong attack on the traditional understanding of risk in economics. It states that risk as uncertainty builds on the notion of objective aleatoric probability, that is probability as randomness. Such an understanding is however problematic, because any discussion within such a framework builds on the assumption that institutions work in a planned and foreseeable context. The alternative would be a subjective epistemological conception of probability as a lack of knowledge. Such an understanding would be far more critical towards any given data sets or be more aware of its own context. Kessler’s paper thus advises us to focus on the very basis of our understanding of institutions and to consider alternative narratives than the dominant ones.

The cases treated

The Biermann/ Bauer paper does not yet present any concrete cases, but it is the basis for a larger research program involving three universities. The empirical material will come from IOs in the field of environmental policy. The case is thus seen as representative for the category of IOs as such.

The Leiteritz paper includes a sophisticated case study of the World Bank and its latest attempt to reform itself, the Strategic Compact. The case nicely shows that indeed organizational culture has led to effects that would have not been possible if there were only external constraints or internal attempts. Focusing on organizational culture it is therefore possible to show the process of reform as well as why some specific outcomes prevailed. The paper makes no comment in which universe of cases, the specific one should be situated but similar to the Biermann/ Bauer paper the case can be taken as representative for IOs overall.

The Kessler paper only hints at a possible case study, the new international financial architecture and here especially the attempt to raise global stability through more transparency. What kind of case this would be and which aspects would be of importance must be explored further before a comment about the case itself is possible.

These all are interesting and important cases when one wants to develop a critical perspective on global governance, however some problems remain especially at this level.

The problems and how they might be solved

None of the papers situates itself in the global governance discourse and one does neither find a definition of global governance nor a reference to the problems discussed in this debate. This is problematic for two reasons. First, the papers have a hard time to communicate with the other contributions of the conference, as they do not use the same points of reference. Second and much more important, the neglect of paying attention to issues of global ordering in general, hides the political aspects of their individual cases, although they might be there implicitly.

The Biermann/ Bauer project could in the end turn out to be no more than a taxonomy of efficiency, ranking IOs according to their output, outcome, and impact. Although this is of course of interest for the public policy debate surrounding these organizations, the question of ‘so what?’ is not really answered. Furthermore, not including the global governance debate could lead to a purely technical understanding of efficiency, but efficiency is always enhanced ‘by somebody and for somebody’. Although the inclusion of situational variables could take account of the possible role of an hegemon or the power of a discourse, it is doubtful that one will know what to look for if one does not have any guidance. Incorporating the discussion about global ordering could help to identify the important cases as well as the importance of the cases.

The Leiteritz paper implies that a discussion of the World Bank and the way its internal reforms proceed is important in itself. But even if we accept this assumption, the question is open what do we do with the knowledge gained? Even if we examined the organizational culture of every single IO, it is doubtful whether we have gained much theoretical or practical

wisdom. There is thus again the need to situate the single case within the broader discussion about global institutions. There is of course no single objective point of view from which to judge the importance of a specific reform or the quality of an institution overall, but referring to typical questions of the global governance discourse like ‘What order should there be?’, ‘What kind of authority should IOs, states, and NGOs have?’ could provide as a substitute.

The Kessler paper explicitly states that the question ‘what is the case’ is politically highly significant and its theoretical reasoning for starting within new parameters is convincing. Concerning the case, it now has to put his hand where his mouth is. Focusing on international finance and on the role of increased transparency in particular is of course important, but the reasons for why this is the case should be stated. Thus, why is the case an interesting one and what exactly does it stand for? The purely technical understanding of global engineering is a much discussed topic in much of the critical literature about global governance and it seems that again including this discourse would allow others to share the insights gained.

Overall, the three papers have thus well managed to break down the black box of international institutions by focusing on the efficiency of IOs, their internal culture, and the underlying assumptions that are traditionally used in describing them. It is now time that they open up their own contributions to the discourse of global governance.