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IGOs as World Organizations

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Abstract International Governmental Organizations (IGOs) are omnipresent in international relations. They take over more and increasingly extensive duties and responsibilities in world society in nearly all fields of international political cooperation. Their function is no longer limited to facilitate cooperation between member states but they built up an international order. It is the intention of this article to introduce a theoretical concept that explains how IGOs shape patterns of global order. IR approaches cannot fully comprehend this issue because they focus too narrowly on states or state-IGO-relations. The article, therefore, argues for a system-theoretical approach, which is promising because it perceives organizations as autonomous, operational closed systems on the basis of decisions. This approach will be introduced and translated to IGOs in order to explain how IGOs process themselves by decisions that are not just directed to member states but are also landmarks for international non-state actors like enterprises or IGOs. In this respect IGOs can no longer be seen as international or intergovernmental but as *world organizations*.

1. Introduction

International Governmental Organizations (IGOs) are omnipresent in international relations. They take over more and increasingly extensive duties and responsibilities in world society in nearly all fields of international political cooperation. Their function is no longer limited to facilitate cooperation between member states. To the contrary, IGOs built up an international order for states and other actors on the international stage. This article concentrates on the changing roles and functions of IGOs and how they can be conceived theoretically.

Since their very first establishment until today, IGOs were created to facilitate cooperation between states. In the beginning of the *IGO era* they were seen as instruments for states with a particular focus (Wallace and Singer 1970; Weber 1983). If we look on IGOs today, many of them have a much broader action frame. They deal with different issues in various contexts and are responsible for tasks they were primarily not designed for. These functions do not merely facilitate interstate cooperation but allow IGOs to generate certain norms and rules, distribute and enforce them, monitor states and sometimes sanction them if they do not obey an accepted norm (Karns and Mingst 2004). In this sense, IGOs become gradually independent from member states although most of them were once created as their means. Albeit many empirical studies describe particular functions and argue that IGOs play different roles today the theoretical discussion to grasp these changes needs to improve. It is the intention of this article to introduce a theoretical concept that explains how IGOs shape patterns

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of global order for states as well as non-state actors. In this respect IGOs can no longer be seen as international or intergovernmental but as *world organizations* as their label in many cases already indicates, e.g. World Bank, World Trade Organization, World Health Organization etc.

The article addresses this development and argues that IR approaches cannot fully comprehend this issue because they focus too narrowly on states or state-IGO-relations. The prevailing concepts on IGOs as instruments and arenas are misleading, even the increasing perception of IGOs as actors is often shortened because it concentrates in one way or the other on state-IGO-relations but fails to grasp IGOs theoretically as analytical objects and not as derivations of states willing (Chapter 2). Therefore the article argues for a different analytical perspective to study IGOs and put them in the centre of investigation. The sociology of organizations, therefore, offers an interesting perspective on IGOs. It gives insights on how IGOs function internally and how IGOs interact with their environment (Chapter 3). In particular a system-theoretical concept perceives organizations as autonomous, operational closed systems on the basis of decisions. This approach will be introduced and translated to IGOs in order to explain how IGOs process themselves by decisions that are not just directed to member states but are also landmarks for international non-state actors like enterprises or INGOs. These theoretical considerations will be illustrated by two IGOs, the World Bank and the World Trade Organization (WTO) (Chapter 4). In the last chapter the core argument will be summed up and the link to the overall subject of the volume will be explicated.

2. IGOs in IR: Instruments becoming actors

Although, there is no commonly accepted understanding of IGOs, IR approaches concentrate on definitions of IGOs stemming from international law. Those define IGOs e.g. as "an association of States, established by agreement among its members and possessing a permanent system or set of organs, whose task it is to pursue objectives of common interest by means of co-operation among its members" (Virally 1981: 15). Other approaches describe IGOs by using the characteristics of the Union of International Association, i.e. IGOs are

- "a. being based on a formal instrument of agreement between the governments of nation states;
- b. including three or more nation states as parties to the agreement;
- c. possessing a permanent secretariat performing ongoing tasks" (Union of International Associations 2005).²

The definitions concentrate on the relation between states and on formal criterions of IGOs (like the minimum number of member states). In general, they do define the international aspects but neglect the *organizational characters* of IGOs. Or they just conceive the organizational character in a trivial

² The term "formal instrument of agreement" means an agreement that is signed by states (Union of International Associations 2005).

sense that states organize their actions and interactions. This under-complex concept of IGOs leads to the perception that merely the member states and only the states decide in IGOs. So the organization is nothing more than the accumulation of member states interest.

With this preliminary observation in mind the article discusses in the next step the three main metaphors which are applied to IGOs, i.e. instruments, arenas and actors (Pentland 1989; Archer 2001; Rittberger, Zangl et al. 2006). Thereafter, it will be referred to IGOs as bureaucracies (Barnett and Finnemore 2004). The chapter finishes by evaluating the usefulness of IR approaches and reveals their blind spots.

Instruments

As instruments IGOs are perceived as functioning for states or carrying out certain tasks for them. This instrumental perspective can be found in realistic and neo-realistic approaches. In fact, those approaches do not pay much attention to IGOs. States are conceptualized as being the one and only actors in the international realm. They follow their preferences while acting in an environment characterised by anarchy where they try to enlarge their power and security in comparison to other states. In this respect IGOs are important only insofar as they offer opportunities for states to enforce their interests. Thus, IGOs are conceived—by (Neo-)Realists—as operative tools for states, these "institutions largely mirror the distribution of power in the system" (Mearsheimer 1994-1995: 13). That means IGOs do not have any influence on the international politics; quite to the contrary "the most powerful states in the system create and shape institutions so that they can maintain their share of world power, or even increase it." (Mearsheimer 1994-1995: 13). This instrumental metaphor of IGOs can also be found in Marxist approaches. Marxist approaches perceive that the basic division of the world isn't the division in states but in classes – in particular the bourgeoisie and the proletariat. Against this background IGOs are perceived as means for the world's bourgeoisie to suppress and exploit the proletariat (Berki 1971).

Arenas

As arenas, IGOs offer a forum for states to accede to agreements. Therefore IGOs shape an administrative frame for negotiations (i.e. venue, organizational procedures, agenda-setting etc.) that facilitates an achievement of agreements between states. IGOs are regarded as "[...] permanent institutions of conference diplomacy in which states may exchange information, condemn or justify certain actions and coordinate their national political strategies" (Rittberger, Zangl et al. 2006: 6). This perception is shared by neo-institutional approaches. Although the relations between states are anarchic neo-institutionalists believe IGOs can stabilize cooperation between states. They can be useful vehicles to coordinate the interstate collaboration and help states to solve common problems leading to better results than acting in a non-cooperative manner. In the long run IGOs contribute to peaceful coexistence of states by reducing uncertainty and complexity in international relations.

Although neo-institutional approaches assume that IGOs can operate as actors in the international system, e.g. by monitoring and sanctioning states' behaviour (Keohane and Nye 1972; Krasner 1995), they don't accredit IGOs with a similar quality of autonomy as they claim for states. They argue that in fact, the decisions of IGOS are still made by states—and solely by states—under the roof of an IGO. In this sense, IGOs are just playing fields for states (Rittberger, Mogler et al. 1997). States create mechanisms of self-evaluating and sanctioning through IGOs but do not establish IGOs as actors decoupled from member states decisions. IGOs are just as powerful as states allow them to be, that means every decision and action attributed to IGOs can be derived from states. Furthermore, IGOs activities are regarded in relation to states, i.e. it is studied to what extent IGOs enhance and foster the negotiations between states to find an agreement. Similar to (neo-)realist approaches IGOs have no meaning as such but are only analyzed as having influences on interstate relations.

Actors

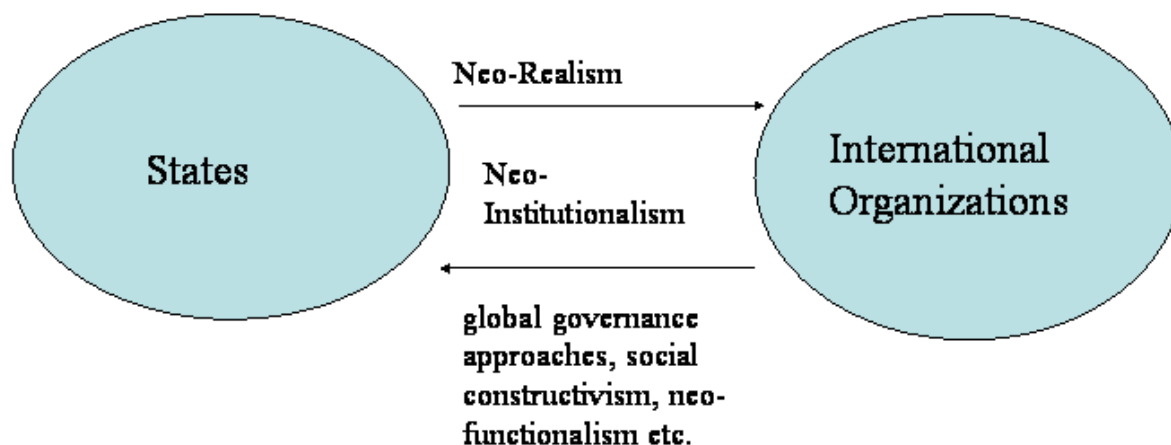
In comparison to the first two metaphors implying that IGOs are passive tools or frames for states' interaction they are imputed to a more active role in approaches using the actors' metaphor. Concerning this metaphor, IGOs are perceived as actors on the international stage whereas their acting part is disputable. One regards IGOs as *supporting actors* while others perceive them as *protagonists* (Rittberger, Zangl et al. 2006: 6f). The role of IGOs as *supporting actors* is emphasized in principal-agent-models. Those are dealing with the question how states (as principals) can use IGOs (as agents) to deal with interstate problems. In this concept, states delegate tasks to IGOs which they are not able or willing to fulfil themselves. "In this framework, member governments establish the goals that IOs will pursue and then allow the IO to pursue those goals with little interference most of the time" (Nielson and Tierney 2003: 245). However, principal-agent-models focus on IGOs as actors in their own rights as a problem that needs to be solved by better control. They scrutinize the tools principals can employ "to rein errant behaviour by IO agents" (Nielson and Tierney 2003: 242). Such a theoretical understanding underlines that IGOs can gain autonomy through delegation but IGOs' autonomy is seen as defective and deviant from expected behavior. Therefore, principal-agent approaches analyse the possibilities and means states have or can apply to ensure that IGOs act the way they intend.

In Global Governance approaches IGOs are perceived as *protagonists* on an international stage. These approaches are based on the assumption that, because of a growing number of interstate linkages, it becomes necessary to develop, maintain and implement accepted norms and standards on a global scale. In this respect, IGOs are perceived either as persecutors of a global order or at least as an indicator for a structure of global order that proceeds. The raising number of international problems that could not be solved by states is seen as a major challenge on the one hand and as a proof for the need of international concerted action on the other (Commission for Global Governance 1995: 370). The interdependency between states becomes most obvious at the interface between economy and

politics. Here the density of institutional arrangements – i.e. IGOs like the IMF, World Bank, WTO – to generate global order is most comprehensive and advanced (Mürle 1998; Nuscheler 2002; Slaughter 2003). The character of IGOs in Global Governance approaches varies and is often linked to the notion of norms³. Constructivist approaches emphasize a two-sided role of IGOs. On the one hand IGOs (as *arenas*) institutionalize and maintain norms.⁴ On the other hand IGOs (as *actors*) act gradually independent and contribute to enforce or create norms that shape behavioural patterns for states. In this respect, IGOs act as norm entrepreneurs (Ayres 1983; Risse and Sikkink 1999). They maintain and enforce norms, they contribute to norm diffusion (Finnemore 1993), in some cases they monitor states by implementing norms (Quester 1970; Blokker and Muller 1994) or in rarely particular cases sanctioning non-conform states behaviour (Hazelzet 2004; Barton, Goldstein et al. 2006). In addition to those functions relating to norms, IGOs act as experts, as organs for legitimating or as dispute settlement actors in international relations (Dai 2007).

In sum, it can be concluded that the metaphors of IGOs and the approaches sketched above concentrate mainly on the relationship between states and IGOs and analyze to what extent the one could exert influence on the behaviour of the other and vice versa (see Figure 1).

Figure 1: IR-Theories on State-IO-Relations



³ Norms are defined as "shared expectations about appropriate behavior held by a community of actors. Unlike ideas which may be held privately, norms are shared and social; they are not just subjective but intersubjective." (Finnemore 1996: 22). This does not require that norms are legally binding or can be sanctioned. It is decisive that norms are shared expectations about what adequate behavior is and what is not.

⁴ As an *arena*, IGOs may be understood as a stage for (international) non-governmental organizations (NGOs). NGOs can use this *stage* to challenge member states—the protagonists onstage—to adhere to the IGOs norms and rules they formally accept but in fact sometimes violate. In doing so, NGOs can informally accuse those states disobeying IGOs norms and rules. This procedure might exert pressure on rule-breaking states because they could be accused by NGOs while other members are present. This opportunity provides NGOs a certain degree of power and forces states to adhere IGOs principles (Katzenstein 1996: 19ff; Keck and Sikkink 1998; Joachim 2001). Furthermore, NGOs can contribute to establish certain rules in IGOs because they pretend to be the "good guys" representing values or higher principles and do not act self-interested. This particular opportunity provides NGOs some *moral power*⁴ which makes it sometimes difficult for states to counteract. Beside NGOs epistemic communities and advocacy networks can use IGOs in a similar way. Their success in implementing norms through IGOs depends – similar to NGOs – on their espoused impartiality and neutrality (Sikkink 1993; Keck and Sikkink 1998).

Most studies in IR assume states as being the dominant actors. IGOs are only created to assist states and to tackle international problems. They are means to reduce transaction costs by establishing different procedures (e.g. general meetings, consultation processes, etc.) and providing information for interstate negotiations. Constructivists take the power of norms seriously and analyze how states are affected by those norms. But although constructivists highlight the power of IGOs and their various possibilities to influence states, they are limited to the analysis of IGO-state relations.

This concentration on states respectively state-IGO relations obstructs the view on IGOs as purposeful actors that are not exclusively bound to states but have also relations to other IGOs, NGOs, epistemic communities etc. In this respect IGOs have to be analyzed as organizations with certain interest and agendas on the one hand and as multiple entities embedded in and influenced by a wider context on the other. But this perspective is usually not covered by IR approaches. Therefore, theoretical perspective from organizational sociology should be applied to shift the focus on IGOs rather than on state-IGO relations.

To use insights from organizational studies in IR is not totally new. Ness and Brechin (1988) tried to bridge the gap between IR and Organization Studies. They conceptualize IGOs as *organizations* in international relations and not just as instruments, arenas, or actors. IGOs are "live collectivities interacting with their environments, and they contain members who seek to use the organization for their own ends, often struggling with others over the organizational character" (Ness and Brechin 1988: 247). Therefore, Ness and Brechin apply sociological insights from organization studies by referring to central features of organizations developed by Scott to scrutinize the performance of IGOs – in particular their efficiency and effectiveness (Ness and Brechin 1988). Other authors use a particular organizational studies approach to comprehend IGOs. Keohane for example started to use organizational concepts from institutional economy and emphasized that IGOs can contribute to reduce transaction costs in interstate co-operations (Keohane 1984). Nielson and Tierney used in their principal-agent approach a theory of the firm to explain delegation from states to IGOs. They discuss various opportunities and means for states to take control of IGOs (Nielson and Tierney 2003).

Probably the most elaborated theoretical concept to analyse IGOs as actors is developed by Barnett and Finnemore. Against the background of their study on the power and pathologies of IGOs, they focus on IGOs as bureaucracies in a Weberian sense and ask how they gain authority and how they use their power (Barnett and Finnemore 1999; Barnett and Finnemore 2004). Barnett and Finnemore elaborate four different forms of IGOs authority (rational-legal, delegated, moral, and expertise) and illustrate their concept of authority by analyzing the IMF⁵, the UNHCR⁶ and the UN⁷.

⁵ They exemplify that how the IMF has risen to a powerful organization (Barnett and Finnemore 2004: 45-72). It was originally designed to serve the interests of member states but instead developed by its expertise authority, e.g. its technical advices, knowledge in economic affairs and conditional programs, to a gradually independent organization (Barnett and Finnemore 2004: 45-72).

⁶ The UNHCR, established in 1951 with an expected life span of three years, evolved from an entirely dependent organization to an organization being able "to capitalize on world events and use its authority to greatly expand both the groups of people it assisted and the kinds of assistance it could give" (Barnett and Finnemore 2004: 73). The UNHCR's

Barnett and Finnemore assert that the power of IGOs derives from their authority, their knowledge, and the rules to regulate international relations and constitute a global regulation structure. Barnett and Finnemore (2004) identify three related mechanisms: "IOs (1) classify the world, creating categories of problems, actors, and action; (2) fix meanings in the social world; and (3) articulate and diffuse new norms and rules" (Barnett and Finnemore 2004: 31). These mechanisms can have regulative and constitutive effects.

Although the studies and approaches offer some useful insights and describe how IR could be enriched by organizational Studies concerning the study of IGOs, they do not create a theoretical concept that explains autonomization processes in/of IGOs. Either the approaches use only basic notions from Organizational Studies and translate these notions to IGOs without offering a theoretical concept (Ness and Brechin 1988; Barnett and Finnemore 1999) or they provide a conceptual approach to study the authority and power of IGO-bureaucracies (Barnett and Finnemore 2004) but limit their perception to IGOs as bureaucracies. Barnett and Finnemore present a helpful approach of bureaucracy's authority and explain how IGOs as bureaucracies can affect states' outputs and their behaviour. But this approach is not useful to study autonomization processes because the environment of IGOs is neglected and it cannot be explained how IGOs change internally. In addition Barnett and Finnemore merely analyze the administration in and of IGOs but neglect that this theoretical model is only applicable for a very small number of IGOs and ignores the role of other organs within IGOs. Against this background it has to be concluded that although bureaucracy-metaphor broadens the concept it is still limited to the IGO-state relation and just concentrates on the power of IGOs but does not perceive them as objects of investigation.

Of course, there are some empirical case studies where IGOs are scrutinized and the subjects above are discussed. And as a by-product, those empirical case studies come to the conclusion that some IGOs behave and act in ways not intended by their creators (Henry, Lingard et al. 2001; Martin 2003; Nielson and Tierney 2003). In spite of those empirical findings a theoretical framework to examine IGOs and how they may change is still missing. IGOs remain black boxes because they are closely coupled to states (in IR-theories) and conceptualized as will-less instruments for states to pursue states' own ends. But the above-mentioned empirical studies show that this perception is misleading. IGOs are purposeful actors following (to a certain extent) their own agendas. Therefore, it seems reasonable

authority consists of delegated authority, e.g. by helping states to carry out specific tasks of coordinating state-obligations under the Refugee Convention, and their moral authority derived from its mission to help and protect refugees (Barnett and Finnemore 2004: 73-120).

The delegated and moral authority of the UNHCR can also be seen in their ability to lay down the definition of a "refugee". This definition has become a common accepted notion across nation states that is used internationally and shapes national law (Barnett and Finnemore 1999).

⁷ The UN's authority derives from their impartiality and neutrality to act as a broker in conflicts. The UN and its peacekeeping culture are used as examples of pathologies in IGOs. Barnett and Finnemore show how specific organizational cultures that favour non-intervention and the cooperation with conflicting parties made the genocide in Rwanda possible or at least impeded an intervention of UN peacekeeping forces. In Rwanda, the UN defined the violence as a civil war in the sense that one could observe reciprocal clashes between the two ethnic groups. Because of the characterization as a civil war, the UN had no basis for involvement under peacekeeping rules. As a consequence, the UN rejected intervention even in the face of mass killings (Barnett 1997; Barnett and Finnemore 2004: 121-155).

to analyze them as such with the adequate theoretical approaches and tools that can be found in organization studies.

3. IGOs as *Organizations* – an Organizational Studies Approach

Contrary to IR, scholars from organization studies take questions about the meaning and function of organizations as well as their embeddedness in their environment serious. They present a wide range of approaches to analyze IGOs. In general, these approaches examine the function of organizations in a society respectively its surrounding environment(s) (Scott 1992: 8-15; Walter-Busch 1996). Scott (1992) differentiates three levels of analysis for organizations dependent on how the phenomenon is to be explained, (1) the behaviour of individual participants in organizations, (2) the functioning or characteristics of aspects or segments of organizational structure, (3) the characteristics or actions of the "organization recognized as a collective actor functioning in a larger system or relations" (Scott 1992: 15). Here, the article mainly concentrates on the third level of analysis because it is interested in the process of how IGOs buffer themselves from states effects to expand their status of autonomy and enlarge their frame of action. Therefore approaches analyzing the relation between organizations and their environment seem to be especially useful.

Beside the different levels of analysis, organizations are studied from different perspectives. Scott distinguishes three perspectives to conceptualize organizations: a rational system perspective, a natural system perspective, and an open system perspective (Scott 1992: 21f.). (1) From a *rational* system perspective, organizations are perceived as collective entities. Organizations are oriented to pursue concrete goals and thus design a highly formalized social structure aimed for the pursuit of organizational goals (Scott 1992: 22f, 29-50). (2) From a *natural* system perspective, organizations are seen as organic systems. They are collectivities whose participants pretend to follow formal organizational goals but in general they follow only one overall organizational goal: the survival of system. All organizational actions, procedures, and resources are coordinated and arranged in a way to achieve this aim (Scott 1992: 51-75). (3) From an *open* system perspective organizations are not closed system separated from their environment unlike the rational and the natural systems perspective "but are open to and dependent on flows of personnel, resources, and information form outside" (Scott 1992: 25). The organization is shaped, supported and infiltrated by the environment. The environment is the basic source for systems survival because it consists of the necessary resources and elements the organization needs to exist.⁸ The organization is not conceived as a monolithic entity but is composed of individuals having "differing interests and value various inducements. They join and leave or engage in ongoing exchanges with the organization depending on the bargain they can strike [...]" Viewed from this perspective, participants cannot be assumed to hold common goals or even to

⁸ This includes the function of legitimization. In some theoretical approaches the environment legitimates the organization therefore the organization has to adjust to environmental demands in order to survive (Meyer and Rowan 1977).

routinely seek the survival of the organization" (Scott 1992: 25). In this respect organizations are systems of independent activities "[s]ome of these activities are tightly connected; others are loosely coupled." (Scott 1992: 25). Also approaches perceiving organizations as predominantly closed systems that construct their environment and interact with this *enacted environment* can be summarized as an open system perspective, e.g. Weick (1995), Luhmann (2000). Against this background organizations are closed and open systems simultaneously, they constitute their openness only because of their closeness. That means they are closed in terms of their internal processes and decision-making but they constantly observe their environment and produce decisions that take external changes into account. So they are sensitive to environmental changes and open in this sense.

This perspective seems highly useful for analysing IGOs for at least four reasons:

First, this perspective combines two perceptions that are useful for IGO studies: IGOs and their inner-organizational life *plus* the various relations between organizations and their environment.

Second, the open system perspective provides useful insights concerning the inner-organizational dynamics and structures. Organizations are perceived as consisting of coalitions with different interests trying to use the organization for their own ends. This idea is beneficial for analyzing the relationship between member states, their representatives and IGOs. There are many empirical examples showing that member states are building coalitions and counter-coalitions for particular issues to enhance the probability of acceptance for a proposal or to disapprove an approach. At the same time, independent organs in IGOs can be analyzed as purposeful sub-actors and it can be theorized that they follow specific interests. Currently, coalition building and changing coalitions can be observed regarding the proposals to reform the UN Security Council.

Third, the perspective allows studying the function of IGOs' independent organs, for example the secretariats, as a sub-organizations that processes information or fulfil certain tasks in order to reduce complexity, equivocality and uncertainty for organizational members, i.e. states. This role of IGOs' secretariats is often stated in neo-institutional approaches that emphasize the framing ability (for example: agenda-setting) for meetings.

Fourth, the perspective offers a theoretical toolbox that helps to resolve the complex relationship between an IGO and its environment. The concept of the environment is not limited to states but contains besides states other IGOs, (I)NGO, companies, enterprises and the like. IGOs are embedded in their environment and they interact with their environment. That means, IGOs address norms not just to member states but also to non-state actors for example enterprises when it comes to social or environmental norms. At the same time IGOs action could have an influence on their environment and vice versa. INGOs have had some influences on the WTO since the Millennium-Conference in Seattle 1999. As a response to the protests and excesses of anti-globalization activists and NGOs in 1999, the next conference in Doha 2001 was prepared in exclusion from public participation to impede protests. At the same time, the WTO plays a more active role in its interactions and contacts with NGOs, e.g. NGOs' members are invited to be part in informal meetings and work with member states' delegations and secretariat officers.

To fully appreciate the theoretical shift from IR to Organizational Studies and the preliminary considerations above for the study of IGOs, one has to carefully consider IGOs characteristics and anomalies. This point is crucial because IGOs differ in many ways from individual-based organizations that are the basic objects of research in Organizational Studies (Ahrne and Brunsson 2005).⁹ Most obviously, the membership in IGOs differs notably from that in formal organizations like enterprises or administrations. Formally, states are the relevant members of IGOs whereas individuals are the members of formal organizations (Scott 1992: 18f.). Keeping this in mind and coming from open perspective understanding of organizations, a system-theoretical concept will be used in the following chapter to describe and analyze IGOs. Even though many other organizational theories could be applied to describe IGOs as actors and how they are entangled with their environment (e.g. the sociological neo-institutional theory of the so-called Stanford School, see Meyer/Rowan 1977), the system theory is one of the few to explain conceptually how IGOs can gain autonomy and how they disconnect from member states influences on the one hand but are also irritated by their relevant environment.

4. IGOs as social systems

The modern system theory is first and foremost a societal theory. It aims to describe and analyze society and divides three levels of social systems: society, organization and interaction (Luhmann 2003: 2). Social systems are characterized as everything that differentiates between the self and the environment. Further differentiations are realized by re-inducting the differentiation between the self and its environment. That means there may be subsystems within a system that have system-internal as well as system-external environments. These subsystems operate as systems within a system.

On every level the system theory perceives communications¹⁰ as the basic element to study in social systems (Luhmann 2003: 16 et sqq.). Organizations are societal systems that operate via decisions or more precisely via the communication of decisions. Organizations do nothing else than producing decisions. Decisions are the only operational element of an organization. Decisions are generated by

⁹ Ahrne and Brunsson (2005) define meta-organizations as those organizations having other organizations as their members. A state is (itself) a particular form of organizations and IGOs are in this respect meta-organizations (Ahrne and Brunsson 2005), i.e. international organizations are meta-organizations. They examine differences between organizations and meta-organizations and argue that theories from Organizational Studies do not conceptualize meta-organizations as organizations because they focus solely on individual-based organizations. Therefore, Ahrne and Brunsson (2005) call for a theory of meta-organizations and present an outline of that theory (Ahrne and Brunsson 2005). They explain various differences between organizations and meta-organizations. They conclude that the function of an organization is heavily affected by the kind of members they have (Ahrne and Brunsson 2005: 5ff). Although they highlight meta-organizations they neglect the particularities of international governmental organizations.

¹⁰ Communication is not perceived in a sender-receptor-model. It is understood as a threefold selecting process consisting of information, notification and understanding.

decisions and decisional premises.¹¹ Therefore, every organizational behaviour or action is communicated in the form of decisions. Every organizational output is a result of decisions or a decision itself. For example, the organizational boundary is constructed by decisions and it will be reconstructed permanently because the organization goes on in the production of decisions that link to the boundary decision (see figure 2). Thus, the system theory neither concentrates on individuals or coalition of individuals in organizations nor on actions (see Scott 1992: 25) but on decisions (Luhmann 2003: 137-175), e.g. not the members are important variables of organizational analyses but the decision to become a member and the consequences this implies.¹² To observe and analyze an organization is to focus on their decisions and their decisional premises, i.e. those premises framing a decision that is to be chosen.

Organization's function is to absorb uncertainty that exists because the organization constructs (via decisions) an environment that consists of a huge amount of information and irritations. To be capable for processing decisions organizations are forced to reduce uncertainty to a degree that further decision making is possible. Insofar every decision is a reduction of ambiguity because it makes a commitment to a certain option while putting other possible options aside. The reached decision is simultaneously the starting point for further decisions. That means the decisions of every organization are recursively linked to former decisions and open up the horizon for further decisions to be connected with. Thus, they can be described as autopoietic social systems on the basis of decisions (Luhmann 1997; Luhmann 2000; Luhmann 2003: 176 et sqq.) because organizations construct and re-construct themselves by decisions. Since the variety of possible "decision communication" is high, organizations need to reduce complexity while, at the same time, ensuring that decisions can connect to previous decisions in the system. Every organizational decision has to be connected to a former decision otherwise it cannot be an organizational decision. The connectivity of decisions on decision ensures that communication does not come to a halt. Under these conditions organizations achieve operative closure vis-à-vis their environment (Luhmann 1991; Luhmann 1993; Luhmann 1999).¹³ Another consequence of the system-theoretical approach is that organizations are perceived as changing permanently because they produce decisions unremittingly and (potentially) change with every new decision. Therefore organizational *change* is typical observation whereas stability needs to be explained.

Taking the concept of operative closure serious, the environment cannot influence organizations because organizational operations are self-referential, i.e. they just refer to former decisions and decisional premises and are independent from environmental activities. Against this background

¹¹ Decisional premises are those decisions that are the basis of further decisions and are not questioned or re-decided by every new decision, e.g. the organizational structure, communication processes, administrative procedures etc (Luhmann 1991: 342).

¹² The decision to become a member implies that one has to share the objectives and values of the organization. If a member does not agree with these organizational basics or does for example oppose against the organizational objectives it is impossible to be a member of the organization any longer.

¹³ Luhmann calls the self-production via decisions and the operative closure of organizations *autopoiesis* (Luhmann 2000: 48pp).

organizations cannot be influenced by their environment and vice versa. Organizational operations are exclusively relevant for the organization. However, the organizational operative closure is the relevant precondition for the organizational ability to perceive irritations within their environment that can be transformed in organizational decisions in order to absorb complexity (Luhmann 2003: 187et sqq.).

In order to explore how IGOs become independent actors and how processes of autonomization can be explained, it has to be made clear what the organizational character of an IGO is. So the theoretical ideas in this paragraph have to be translated and exhausted regarding IGOs. IGOs differ from other formal organizations first and foremost because of their membership structure. Besides states IGOs have some sort of administration that is not only responsible for the agenda-setting but can also influence or predetermine IGOs' decisions (Barnett and Finnemore 2004: 29ff). From a system-theoretical point of view both are members of an IGO whereas the motives might be different. But the essential point is that both participate (because of their decision to be a member of an IGO) in decision making processes. The system-theoretical concept is extraordinary valuable for the analysis of IGOs. It asks for decisions, the decisional premises as well as former and following decisions to which any decision has to be linked. This is not to say that member states and their motives or interests doesn't matter however the system theoretical approach suggests to shift the attention from actors to decisions and ask what are the preconditions, i.e. decisional premises and former decisions, to process and find this decision. There might be various reasons to for a member state or an administrative member to engage in this or that or decide for a certain option but these reasons and intention are an unmarked space (Luhmann 2000: 92ff) and cannot be analyzed in detail. Meanwhile decisions are context-sensitive operations that allow an understanding of other organizational decisions. Any decision can be refined by former decisions that presuppose the decision.

However, the empirical relevance of this theoretical model cannot be discussed in detail here because it needs a thorough empirical analysis the following paragraphs exemplify how empirical phenomena can be explained and understood.

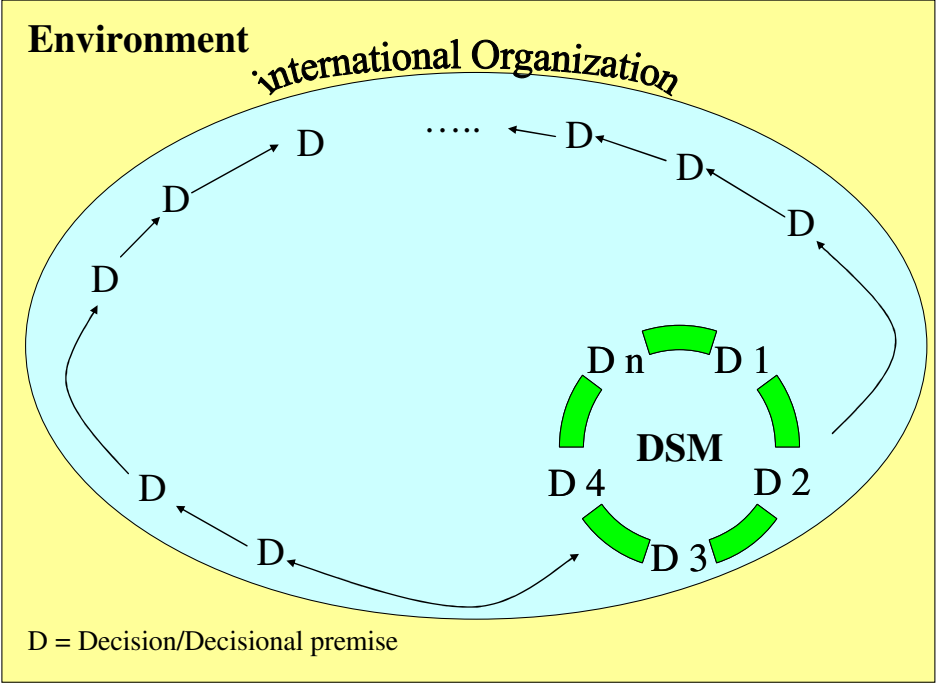
This theoretical model seems to be evidently applicable for tribunals or international courts as IGOs, e.g. the European Court of Justice (ECJ) or the European Court of Human Rights (ECHR). Those courts produce decisions by recourse and reference to former decisions. Especially when it comes to judgments (as a decision) one can observe that it is given reason by referring to former judgements (as a former decision of a court) or to procedural or structural precondition (as decisional premises). This is exactly the description of jurisdictions under case law. But it is not to say that a judgement is fully predetermined by former judgements, quite to contrary courts and tribunals have to interpret law, law-like regulations and norms. However, they do so by referring to former judgements and decisions and with an understanding of an international consistent jurisdiction in mind. Against this background it striking that although international courts as organization are operational closed systems they do to some extent refer to decisions and judgements of other international courts and take those into account

be generating a decision. By referring to judgements of other courts which become a basis and decisional premises for connecting decisions or judgements (in the language of a court) courts can create some overall (European) law. At the same time the courts, e.g. ECJ and ECHR reciprocally support their status and the status of other courts by referring to other judgements (Scheeck 2005). This is a perfect example for an environmental irritation on the one hand. On the other hand it could be interpreted as an initial step for an international case-law system that emerges between courts without a *supra-court*.

Even though the relevance of international courts, especially European courts, is an often mentioned example for an evolving supranationality (Sandholtz and Sweet 1998) or even a global state (Wendt 2003), the system theoretical model is also useful for non-court IGOs that are not perceived as supranational actors. If we think of IGOs as organizations concerning to the definitions discussed above, it does not make much sense to think about autonomization in terms of getting independent from member states. Because, as the notion suggests, member states are *members* of the IGO, therefore it can hardly be conceptualized how an IGO or in general an organization can increase its independence vis-à-vis its members. Members prove through their decision to become a member that they are part of the IGO and participate in decision making processes. In particular the system theoretical approach highlights the decisions to become a member as a presupposing decision for further decisions. Regarding IGOs like the WTO it is hard to conceive how autonomization can be described in the WTO and how the WTO can address other actors than states because it is constructed as a purely member-driven organization (World Trade Organization 2003). But the question is relevant if we take into account that IGOs consist (in many cases) of sub-organizations¹⁴ like panels, organs or secretariats carrying out specific task. These sub-organizations can be conceived as systems within a system that means the concept of operative closure can be applied to sub-organizations, too. Sub-organizations construct their boundaries by decisions and these sub-organizations are closed vis-à-vis environmental influences to the extent they possess those causes they need to produce decisions (Luhmann 1988: 40; Luhmann 2003: 38pp). These sub-organizations can have influences on an IGO because they produce decisions and decisional premises for the IGO and for ongoing decisional processes based on decisions of the sub-organization. Against this background the hypothesis can be stated that IGOs gain autonomy vis-à-vis their member states to the extent they are able to establish sub-organizations that can produce certain decisions for the IGO (see figure 2). Simultaneously, the decisions produced within an IGO are not solely directed to their member-states but are also regarded by other IGOs, (I)NGOs, enterprises, epistemic communities etc., e.g. the multi-pillar pension reform model developed by the World Bank in 1994 (World Bank 1994) was – although it was primarily addressed to states – analyzed and discussed by various IGOs and experts who criticised the World Bank model and argued for a reformulation (Wodsak/Koch (under review)).

¹⁴ The idea of sub-organization is also described in Luhmann's system theory but presented more extensively in Teubner's approach on recursively linked organizational elements and components.

Figure 2: The System-Theoretical Understanding of IGOs



The system theoretical model can be exemplified concentrating on quasi-jurisdictional organs like the Dispute Settlement Mechanism (DSM) of the WTO. The DSM is a procedure that is built up on clear rules and a timetable about what are the relevant steps to be taken and how long each will take (World Trade Organization 2005a: 55ff). The DSM has its own environment, on the one hand it faces the WTO environment that consist of states, other IGOs (like the IMF, World Bank, ILO etc.) and (I)NGOs, experts and epistemic communities; on the other hand it has an inner-WTO environment consisting of the councils (like GATT, GATS, TRIPS etc.) and of the member states.¹⁵ Furthermore, the Dispute Settlement Panel (DSP) and the Appellate Body (AP) have a clearly defined structure, procedure and number of members (World Trade Organization 2005b). There is a board of possible members of the DSP and the AP who can be appointed. Their membership is not linked to individual characteristics but to their expertise which fits the demands for the position they are holding in a dispute settlement process (Oesch 2003). The DSP as well as the AP is a formally independent organ of the DSM. Concerning the system theoretical model the independence of the DSM doesn't merely result from the independence of the DSB-members but from the DSM-decisions that are not closely linked to other WTO-decisions. To the contrary the DSM decisions are decisions emanating from former DSM decisions (see figure 2). These decisions are based on formal procedures and structures (decisional premises) and are developed by referring to the WTO constitution, former decisions of the DSM and cases that are decided before. But the decisions are not just a decision for the DSM on which further decisions are based. These are also decisions for the WTO and their member states because member states adopt the decision of the DSM and act by referring to them. Furthermore DSM

¹⁵ There is a huge body of literature analyzing the interrelations between the WTO and other IGOs as well as INGOs that cannot be exhausted here in greater detail (Vines 1998; Winham 1998; Langhammer 1999; Siegel 2002; Mason 2004; Steinberg 2004; Winters 2004; Head 2005; Mohr 2005).

decisions are a basis for subsequent decision making processes both within the WTO and its environment. This is for example quite evident taking into account the reactions and responses of (multinational) enterprises as well as member states on Chinese importations of technical and mechanical products that might harm the agreements under TRIPs (Trebilcock and Howse 2005: 641ff) or the dispute on pharmaceutical products and the protection on public health (Abbott 2005). Through the production of decisions the DSM is able to influence world trade because they generate a frame for behaviour to which actors refer to.

5. Conclusion and Prospects for Further Research

The presentation started with the question how to explain IGOs autonomization processes. The article argued in the first step that although the question of global order is a central question of IR theories they fail to conceptualize IGOs as actors in their own rights. Thus, theoretical considerations from organizational studies could be worthwhile as they put the concept of *organization* in the center of their studies and offer conceptual frames how to study the relations between organizations and their environment. In this regard, the article argued for a perspective that conceives organizations as embedded in an environment on the one hand and on the other hand as containing of different coalition with different interests. Afterwards the article suggested explaining autonomization processes by referring to a system theoretical concept. The conceptual value of this approach is illustrated by pointing at the ECJ and the DSM of the WTO.

Coming back to the initial question, the article provides insights in at least two ways. First, a general frame can be established that reveals the different actors inside and outside an IGO and to what extent they are relevant for IGOs. Second, the article sketches the links and relations between IGOs and their environment and suggests that the source for autonomization lies in the IGO itself and more precisely in their ability to make decisions that are recursively linked to former decisions it has processed. Emancipation from states' couplings occurs if IGOs are able to construct and reconstruct their decisions in self-referential circles. In this respect IGOs can be conceived as world organizations that establish a frame of action not only for states but also for non-state actors like enterprises, INGOs or to the world society.

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