

GLOBAL GOVERNANCE REDEFINED

Miles Kahler
University of California, San Diego
mkahler@ucsd.edu

Paper presented at

The Conference on Globalization, the State, and Society
Washington University School of Law
St. Louis, 13-14 November 2003
(Revised October 2004)

GLOBAL GOVERNANCE REDEFINED

Miles Kahler
University of California, San Diego¹

The site and scope of governance—defined as a set of authority relationships—has changed over the past century.² The pattern of change has been influenced by such underlying trends as globalization and democratization, as well as by particular shocks, such as the world wars. Before 1914, with governance increasingly concentrated in national governments, industrialization and economic integration prompted construction of narrowly defined international institutions that responded to cross-border infrastructural demands.³ A second burst of international institution-building, capped by the League of Nations, occurred in the wake of World War I. Those institutions, unable to influence a deteriorating and nationalistic economic and security environment, faded in the face of economic closure, military insecurity, and war after 1930. Governance was once again claimed by powerful national governments. A third shift in governance that emerged after 1945 continues to shape our thinking about global governance and its institutional architecture. That third wave of institution building, however, responded to a dis-integrated world and one in which there were relatively few sovereign units.⁴ In both respects—economic integration and sovereign claimants to authority—governance in the early twenty-first century confronts a very different world.

The institutions that remain at the core of contemporary global governance were designed during a time of economic closure; strong, centralized national governments; and a profound international cleavage between capitalist democracies and autarchic, authoritarian regimes. That world of war and cold war has now disappeared. The tight controls exercised by governments over cross-border flows of goods, capital, and labor have been substantially reduced, in part through the influence of those same postwar global economic institutions—the International Monetary Fund (IMF), the World Bank, and the General Agreement on Tariffs and Trade (GATT).⁵ The institutions themselves—along with many other post-1945 creations—have persisted in a changed environment; few new global institutions have been created for the world that has emerged since the end of the Cold War. The success of the institutions of economic governance in creating the more economically open world of globalization in the latter decades of the last century has often obscured both their genesis in a very different world and the ways in which globalization challenges and undermines them. Globalization has forced a redefinition of global governance, but that redefinition has not taken shape along the lines predicted by theorists in the post-1945 decades. It has produced a world in which institutions based on one model of governance are now challenged to adapt to a very different global environment.

The sections that follow concentrate on economic governance with some reference to parallels in the global security architecture. The global economic multilaterals (GEMs) that lie at the core of the post-1945 international economic

order receive particular attention. This necessarily skews the analysis of governance, but the conclusions drawn from this important slice of governance apply, at least in part, to other domains as well. After defining the key questions and dimensions of global governance, the features of the intergovernmental organization (IGO) model of governance are outlined. The onset of globalization in the final decades of the last century produced an initial set of predictions for change in the IGO model, which were largely overtaken by a redefinition of global governance that is still underway. Those changes—predicted and actual—make up the next section. Finally, the core issues confronting aging institutions of governance in their new environment are described in the concluding section.

Defining global governance

Every model of global governance is defined by a number of key characteristics. First, and prior to all subsequent questions, *who governs?* Which actors are enfranchised by the system of global governance and serve as recognized actors or principals in the system of governance? The membership criteria for institutions of governance typically provide an initial answer to this question.

Second, any system of governance concentrates authority at a particular *level or levels of governance*. Political authority is distributed across global, regional, and national levels of governance. Historically, supranational (global and regional institutions) have exercised relatively little authority, at best coordinating or legitimating national policies. That distribution of authority began

to change slowly after 1945. At the same time—and linked to the question of the ultimate principals of governance—the divide between public and private governance has shifted over time.

Third, the *institutional characteristics* of global governance may vary along a number of dimensions. Investigation and debate for at least two decades has centered on the significance of particular dimensions for their performance. Three dimensions have often been linked to institutional effectiveness (and often equated to “strength”): centralization (one center for global governance in a particular issue-area rather than competing institutions); legalization (the precision and degree of obligation entailed in institutional commitments); and delegation (the degree to which authority is delegated by the principals to a permanent organization and its staff).⁶ The precise relationship between institutional design calibrated on these dimensions and institutional performance or policy outcomes remains controversial. Changes in these characteristics have been associated with particular outcomes. Whether more legalized institutions or institutions with greater delegated authority produce higher degrees of compliance with agreed rules, for example, are hypotheses that have received only limited, rigorous tests.⁷

Accountability is a final dimension of institutional design that is linked to delegation. This issue, so prominent in current debates over global governance, was far less prominent in earlier periods, and particularly in the first decades after 1945. Whether and why the institutions of global governance respond to the preferences of their principals—defined by the first question—has only become

important as the delegated authority of those institutions has grown and their goals have become more controversial. In other words, accountability increases in political salience only with increasing delegation (or the perception of such delegation) to the institutions of governance.

Finally, global governance targets particular *outcomes*, both positive and negative, and embodies *strategies* for either achieving or avoiding those outcomes. The principals—those who govern—ultimately determine which outcomes are of greatest importance. Both the outcomes and the strategies chosen will influence the site of governance and optimal institutional characteristics.

Three arguments will be advanced in the remaining sections:

(a) Global governance after 1945—defined by the intergovernmental model—was designed for a less integrated world. Its institutions and strategies reflected negative international outcomes of the recent past (the institutional equivalent of fighting the last war).

(b) Over the past quarter century, globalization—defined as global economic integration—has redefined global governance. That redefinition, however, does not match closely early predictions of the effects of globalization.

(c) Despite this redefinition of global governance, aging post-1945 institutions, particularly the GEMs, confront a new environment that challenges their effectiveness and their legitimacy.

Global governance after 1945: the IGO model

Who governs? multilateralism and intergovernmentalism

Post-World War I international institutions and their successors after 1945 offered parallel answers to one key question: who governs? Post-1945 international governance drew on earlier models and reinforced them: governments were dominant over non-governmental actors, whether private corporations and financial institutions or non-governmental organizations. As described below in greater detail, this assertion of public authority at the global level implied demotion of an institutional alternative that had played an important role during the interwar decades: public-private or purely private networks of governance.

Postwar global institutions grappled with a second issue related to the primacy of national governments: balancing of the norm of sovereign equality of states against the realities of power and resource disparities. A time-honored model for international governance, great power diplomacy, was set aside in favor of multilateralism, which was defined by institutions that aimed a universal membership and accepted participation by all states that satisfied membership criteria. Until the latter decades of the twentieth century, those membership rules did not produce very large numbers.⁸ Nevertheless, each institution produced a

formula for balancing the demands of a growing membership against the desire on the part of the largest powers for influence that would match their contribution of resources and their investment in the regime. In the case of the International Monetary Fund and the World Bank, formal weighted voting combined with super-majorities on key constitutional and policy issues provided a veto, first for the United States and then for the European Community. The GATT (and later the WTO) remained attached to consensus voting and a one country, one vote formula for formal governance. These rules protected the most powerful against a coalition of the weak, but also provided equivalent protection to any member of the organization, a formula for deadlock. At the United Nations, the Security Council veto served to differentiate the great (and ultimately nuclear) powers from other members.

In most global institutions, at least until the last decade of the century, informal mechanisms played an equally important role in bridging the gap between universal membership and the prerogatives of more powerful states. Two were of particular importance. Many member states were disengaged from the decision-making of these institutions. Developing countries in particular accepted what John Williamson labels a type of “global apartheid” that assigned them to special regimes exempted from the liberalizing obligations and norms of other members.⁹ A prominent example of such a regime was the special and differential treatment awarded to developing countries under the General Agreement on Tariffs and Trade (GATT).

Equally important as a device for squaring large membership with disparities in power and resources was the club model of internal governance, described by Robert O. Keohane and Joseph S. Nye.¹⁰ Whatever the formal decision rules of the global economic multilaterals, their effective governance lay with smaller groups of industrialized countries: the G-5 (and later the G-7) in international monetary and financial affairs, the Quad in the case of the GATT. These informal clubs of the most powerful operated—and continue to operate—within the global institutions.

Perhaps the most important aspect of the club system was the implicit threat that it contained: a reversion from multilateralism to great power diplomacy. This threat was wielded as the membership in key global institutions grew rapidly during the 1960s and 1970s. The formation of the Group of 10 (G-10), a club of the industrialized countries in international monetary and financial affairs, and the prominent role of the Organization for Economic Cooperation and Development (OECD) in the last years of the fixed parity monetary regime were early examples. The movement of global macroeconomic policy coordination to the G-7, in which the multilateral IMF played a minimal role, was a further signal that economic weight could trump multilateral principle. Nevertheless, attachment to multilateralism in the core GEMs persisted, and membership was seldom denied to those who met minimal membership criteria. Foreign policy incentives often weakened those membership hurdles, and membership was offered to states that did not meet any of the criteria of membership. Romania's Cold War membership in the World Bank and IMF was only one glaring example.

Multilateralism, a predisposition toward universal membership, and compromises made with the realities of power and economic weight implied global governance that was biased toward a convoy strategy of compliance rather than a club strategy. International institutions may set high barriers to membership, admitting only members who are likely to comply (the club model) or institutional membership may be granted liberally, in the hopes that compliance will improve over time under the socializing influence of membership in the organization (the convoy model).¹¹ Among regional organizations, the European Community has adopted the club model of membership, with a daunting *acquis communautaire* that must be implemented by new members. The significance of such a model in changing the behavior of prospective members has been evident in both eastern Europe and, most recently, in Turkey.¹² The post-1945 system of global governance, however, like the Association of Southeast Asian Nations (ASEAN) and other regional organizations in Asia, has more often adopted a convoy model, with low membership barriers and exemptions for membership categories. Membership itself is expected to have socializing effects on members. Even the European Union, however, has introduced multi-speed membership and opt-out provisions. Among the global multilaterals, adoption of the convoy model of membership obligations, paradoxically, complemented an internal club organization that concentrated power in the hands of a small group of members. Those dominant members could then govern without the engagement of the many peripheral

members, far back in the convoy, who did not accept the full obligations of membership and provided few resources.

Sites of governance: weak supranationalism, strong national governments

Global governance after 1945 enfranchised national governments rather than other international actors. National governments jealously guarded their new powers, particularly powers of economic management that had grown under conditions of depression and war. One consequence of this siting of authority at the national level was relatively weak supranationalism: global governance incorporated little delegation of authority to institutions beyond the nation-state. The IMF, for example, which seemed to exercise considerable authority over key economic decisions such as exchange rates, in fact were marginalized as the major economies made decisions that were not monitored, much less sanctioned by the global organization. Here once again, the de facto club system of governance meant that peer pressure, and particularly the stance of the United States (which held the lever of Marshall Plan aid early in the period), was often more significant than the delegated authority of global institutions of governance.

A second feature that influenced choices over the site of governance was an assumption that political authority at one level would substitute rather than complement political authority at another. In other words, supranational institutions and national institutions were viewed as competitors for a fixed amount of political authority, as were public and private institutions.¹³ This view has persisted in contemporary debates over globalization, in which the sapping

of national political authority is seen as necessary corollary of the movement of authority to supranational institutions. A competitive view of the sites of governance also colored American attitudes toward regional organizations during World War II and in the immediate postwar years. Although the United Nations system made room for a regional infrastructure, most regional arrangements in the immediate postwar years were colonial empires or discriminatory trading blocs. The United States viewed them with considerable suspicion as rivals to the global institutions, a stance that extended to such other Eurocentric institutions as the Bank for International Settlements (BIS).¹⁴ The onset of the Cold War produced a more positive view, not only of regional alliance systems, but also of efforts at European integration that led to the European Community.

Institutional architecture: centralization, legalization, delegation

The organizational architecture and personnel of the post-1945 IGO model borrowed from earlier designs, particularly an international civil service that exhibited “many of the typical traits of Weberian bureaucracies.”¹⁵ When compared to the design of their immediate predecessors, however, the IGO model of global governance was more centralized, more legalized, and, at least in design, entailed more delegation to the international organizations at the core of the governance regimes. A world war had produced strong attachment to the image of peak organizations in key issue-areas: the United Nations in security, the IMF in monetary and financial affairs, and the (ultimately failed) International Trade Organization (ITO) in international commercial policy. The scope of these

centralized institutions was relatively broad, but functionally defined. The obligations of governments were defined precisely, and mechanisms for sanctioning the breach of those obligations were put in place. Enforcement often remained in the hands of national governments, although the delegated power of global institutions sometimes included a trigger for enforcement action. In order to carry out these new functions, authority was delegated by member governments to the permanent staff of these institutions. Supranationalism remained relatively weak, but the organizational core of global governance under the IGO model was substantially stronger than it had been in the decades before World War II. The IGO model of global governance resembled a weak image of national government: supranational institutions strengthened as they came to resemble the centralization and legalization of domestic political institutions; more authority would be delegated to those institutions over time with an eventual, and, in the eyes of some, irretrievable transfer of authority.¹⁶

Because the IGO model included delegation to a permanent organization, the accountability of those organizational agents became an issue for the first time. Their limited agency raised questions of effectiveness (whether they would shirk the responsibilities awarded them) and deviation from the preferences of governments that had created them. During the 1960s and 1970s, however, debates over accountability centered on the skewed pattern of organizational influence, which favored the industrialized countries. Accountability was therefore linked to questioning who governs among nation-states, rather than the possibility that delegated authority might escape the collective oversight of

governments or their citizens. Developing countries claimed a larger role in global governance or moved to construct their own, alternative institutions under the New International Economic Order. Weak supranationalism and the staffing of governance institutions with nationals of the dominant states insured that accountability in its second, contemporary sense remained a minor theme in global governance debates for decades after 1945.

Strategies and outcomes: the influence of depression and war

The avoidance of two international outcomes dominated the goals set for global governance after 1945: on the one hand, economic instability and depression and, on the other, interstate military conflict. The prevailing diagnoses of those catastrophic outcomes shaped both the strategy of global governance and its institutional architecture. The world economy would be stabilized through restraint of economic nationalism, and international security would be increased through curbing aggressor states. Using a contemporary vocabulary, the IGO model was aimed at rogue states. The rogue states that haunted the wartime United Nations were Germany and Japan, exemplars of a deviant and militarized capitalism that endorsed economic autarchy and territorial expansion. Post-1945 global governance was directed at the failings of the victor states as well, however, particularly the potential for backsliding into self-interested and self-defeating economic policies. The institutional design of global governance, emphasizing centralization and legalization, fitted with this larger strategy of setting brakes on deviant states. The IGO model was developed for

the governance problems of the first half of the twentieth century: state strength directed to the wrong ends would be met with strengthened international institutions of governance.

The IGO model of global governance remains a powerful influence in contemporary discussions of governance. If an issue-area is neglected or outcomes do not match an actor's preferences, a global institution modeled on the IMF or the World Trade Organization (WTO) is often proposed.¹⁷ Centralization of global governance in a single legalized institution with implied powers of enforcement is assumed to produce greater collaboration among governments. The post-1945 triumph of the IGO model of global governance was not foreordained, however. At least two institutional alternatives were equally powerful during the decades between the world wars. Much of the interwar era was dominated by private governance (oil) or public-private networks (finance) in which formal intergovernmental organizations played a negligible role.¹⁸ Although such modalities of governance persisted in certain sectors after 1945, governments exerted more control over private power internationally, through domestic regulation and the substitution of governmental cooperation. Great power bargaining, which dominated the revival of international cooperation in the late 1930s also provided an alternative to IGOs, and, as already noted, informal great power clubs remained important within multilateral institutions after 1945.¹⁹ Nevertheless, multilateralism shaped pure great power bargaining in the new global order: great powers were constrained by a commitment to organizations that awarded membership and voice to large

numbers of weaker states. Neither of these institutional alternatives disappeared, however, and, under conditions of economic globalization and a dramatic expansion in the number of sovereign units, their fortunes revived.

Globalization and the redefinition of global governance

Initial predictions: the threat to national governance

In the final decades of the last century, global economic integration expanded from the industrialized countries to ex-socialist and developing countries. Some observers predicted that its progress would be associated with dramatic changes in governance. The principals of governance would become more diverse, as non-governmental organizations and multinational corporations—key drivers of political and economic globalization-- assumed larger roles. The shift in principals would in turn force important changes in the site of governance. Governance would shift upward, enhancing the power of regional and supranational institutions, and, some predicted, toward sub-national levels of governance as well, spurred by demands for local autonomy and even secession. As private and nongovernmental actors exerted more political influence, the boundaries of governance would shift laterally as well, expanding the scope for private governance as the boundaries of public authority contracted. Supranational institutional design would move further in the direction of the post-1945 IGO model, as legalized and centralized institutions assumed more political authority. Delegation of authority from national governments might become permanent transfer of authority. Finally, old threats

from rogue states, at least in economic governance, had dimmed: newly liberalized states, operating in a globalized environment, had been “tamed.” The international agenda would shift from the threat of wholesale economic closure to the more manageable irritant of incompatible or illiberal national policies that thwarted international economic exchange. Battles over the extension over policy harmonization—how much was required and how it would be achieved—began to supersede earlier struggles over the content of external liberalization. International scrutiny would move further and further into the formerly domestic preserves of national policy.²⁰

This portrait of the consequences for governance of global economic integration was, in its starkest form, a portrait of the “hollowing out” of national governance. Rather than remaining the prime targets of global governance, national governments would become increasingly irrelevant. Even remaining barriers to economic integration that lay behind national borders were often informal and private in character. Anti-globalization activists were particularly concerned that the most (and perhaps only) democratically accountable level of governance would be eroded in favor of remote, bureaucratic organizations or collusive arrangements among corporations. Supranational organizations might slip away from the direction of national governments and exercise their authority at the behest of private actors, whose influence had grown with globalization.

A more rigorous and theoretically complete examination of the consequences of globalization produced predictions that were a qualified version of these. Economic models of changes in the site of governance weighed the

competing influence of externalities and economies of scale in the provision of public goods on the one hand, and the persistence of heterogeneous preferences over public goods on the other. Globalization was likely to create spillover effects from one society to another and provide incentives for shifting governance to the supranational level; globalization could also reveal economies of scale in public goods provision, for example, a common currency. Its effects on underlying preferences were more complex: globalization might encourage a homogenization in preferences over public goods. If one assumed no effect on underlying preferences, however, an increasingly open international economy would provide incentives for political disintegration, since sub-national groups no longer depended as heavily on the national market as barriers to economic exchange fell.²¹

Although these economic models of governance change were more indeterminate than the simplest of the early predictions of globalization's effects, the overall tendency, particularly if preferences over public goods became more homogeneous, would be for governance to shift upward. That tendency could be more than offset if globalization induced more heterogeneity in preferences, because of distributional or cultural effects. In either case, national governance could be subject to erosion. Predictions regarding the design of the global institutions themselves were less precise, but functional explanations for institutional design pointed toward more centralized institutions (ones with higher levels of delegated authority) under conditions of uncertainty. Arguably,

globalization increased uncertainty about the state of the world, and might also contribute to greater delegation of authority to global institutions.²²

These findings are qualified in models that incorporate political dynamics, particularly distributive conflict and concerns over institutional accountability. Globalization creates winners and losers within national societies. Conflict between those who benefit from globalization and those who are disadvantaged by it is likely to slow movement toward supranational governance and increased delegation to regional and global institutions. Strong preferences for democratic accountability may also bias outcomes in favor of the institutions of national or sub-national governance, which are closer to citizen-principals and are therefore likely to be viewed as more accountable. The “third wave” of democratization, another global trend in the last decades of the twentieth century, might therefore have effects on global governance that countervail those of globalization.²³

Global governance redefined: a proliferation of principals

Even casual empiricism at the turn of the century confirmed that many of the predicted effects of globalization on governance had not come to pass. Global governance had been redefined in the era of globalization, but observed change did not closely match earlier predictions. A second-generation view of the effects of globalization views it as both reinforcing and undermining the inherited IGO model of global governance. Its answer to the question “who governs?” demonstrates this simultaneous fulfillment and undermining of the IGO model. On the one hand, global governance has become multilateral for the first

time, as developing and ex-socialist countries began to exercise their membership rights. Many of the key developing countries had not been deeply engaged in the international economy before the 1980s: outside East Asia, their economies did not export manufactures on a large scale, and governments typically discouraged and restricted foreign investment in favor of bank lending. As economic orientation shifted toward liberalization and greater dependence on the international economy after 1980, the stakes of the developing economies in global governance grew. With greater stakes came greater demands for participation and voice in governance. The club model of governance, in which the industrialized countries had held sway in the key global economic multilaterals, came under attack. The developing countries began a campaign to challenge the decision rules and conventions that confirmed the power of the rich countries in global governance.

If globalization reinforced the multilateralism of the IGO model, it also undermined it by adding claimants for the role of principal in these organizations. The engagement of non-governmental organizations with intergovernmental institutions was not entirely new; as Steven Charnovits describes, the IGO model had in some cases explicitly recognized the role of non-governmental actors.²⁴ Now, however, transnational NGOs, often mobilized by the issue of economic globalization, pressed a new agenda for global governance, from human rights to environmentalism, that intersected with the existing institutions of global governance and their longstanding and relatively narrow definitions of scope. NGOs also pressed claims to become new principals of these institutions,

exerting influence directly rather than through their national governments. In tandem with those claims, they mounted a strong critique of the process of global governance, arguing in favor of greater democratic accountability.²⁵ Their claims as new principals and proponents of greater transparency in the process of global governance were often in direct conflict with the demands of developing countries for greater influence in the same organizations (and the willingness of their governments to accept the less transparent modalities of interstate bargaining).²⁶

Global governance redefined: complementarity in the sites of governance

Contrary to early predictions, globalization did not uniformly shift governance to the supranational level and undermine the authority of national governments. Both the IGO model and the earliest predictions in the era of globalization assumed that political authority at one site of governance would substitute for authority at another: if supranational authority expanded, national authority was compromised. Contemporary governance has instead more often demonstrated that political authority at different levels can be mutually reinforcing or interdependent. Regional institutions provide one prominent example. The creators of post-1945 global institutions and later proponents of those institutions viewed regionalism as a potential threat to global governance and the more open international economy that post-1945 institutions promoted. Even the GATT, lacking many of the powers of the failed ITO, incorporated restraints (often flouted) on regional trade arrangements. As interest in bilateral and regional

trade arrangements grew in the late 1980s and the 1990s, the identity of regionalism as either a building block or a stumbling block for global trade liberalization received renewed attention. Although regional initiatives appear to gain support when global trade negotiations falter, the pattern since 1980 suggests that a strengthened global trade regime can co-exist and even benefit from regional arrangements. A disintegrated world of discriminatory and mutually exclusive trade blocs is still imaginable, but the new regionalism is unlikely to produce it.

Regional governance influences the effectiveness of global institutions in other ways as well. Globalization remains less than global: “economic integration remains uneven and spatially differentiated.”²⁷ Regional neighborhoods that produce radically different outcomes—whether measured by interstate violence, democratic regimes, or economic openness—have remained features of a globalized world. Those regions also produce different patterns of governance and regional institution building, ranging from the high density and broad scope of European institutions to the far more informal and less authoritative institutions of East and Southeast Asia. Regional neighborhoods also affect affinities for global regimes. For example, ratifications of global human rights treaties, such as the convention establishing the International Criminal Court, display a distinct regional bias, with European ratifications nearing 90% but very few ratifications in South Asia or the Middle East.²⁸

Global governance also relies increasingly on national capabilities, rather than substituting for those capabilities. Even during the heyday of neo-liberal

policy prescriptions, the “orthodox paradox” had been apparent: resilient market reforms require effective national institutions. Successful economic development is associated with robust national institutions, and the positive benefits of globalization are greater in societies linked by effective institutions to the world economy. In many issue-areas, contemporary global governance requires the creation or reform of national institutions. Accession to the World Trade Organization by developing countries has required commitments to build institutions that can protect intellectual property rights (including revisions to domestic legal institutions) and enable implementation of international obligations. The new international financial architecture, the core global response to recurrent emerging market crises in the 1990s, awarded a central place to reformed regulatory and supervisory regimes in developing countries.²⁹ Environmental accords also require national capabilities for effective monitoring and enforcement. Even compliance with human rights regimes, as Turkey has recently demonstrated, means reforming police and judicial systems to eliminate the conditions for torture and other violations.

Global governance redefined: institutional diversity

The institutional design of governance has demonstrated considerable diversity under conditions of globalization. Convergence on one institutional design has been weak at global and national levels. Only the creation of the trade regime in the WTO follows the earlier script that predicted greater centralization, legalization, and delegation as authority was expanded at the

supranational level. The scope of the IMF under conditions of deepening global financial integration has become narrower, with the developing countries as its principal clients and the prevention and management of financial crises as its effective mandate.

Other more recent institutional innovations have not displayed a centralized or legalized structure. The Financial Stability Forum, the only novel institutional response to financial crisis, is a loose consortium of national regulators. It closely resembles the network of central bankers at the Bank for International Settlements (BIS) that has coordinated international banking regulation for three decades. In such networked organizations, only a weak organizational core, if any, exists. Anne-Marie Slaughter has described a different form of networked organization—government networks that return authority to national governments, but “disaggregated” national governments. As Slaughter notes, these networks are “decentralized and dispersed, incapable of exercising centralized coercive authority.”³⁰ Raustiala and Victor offer a similar portrait of new forms of governance as regime complexes, based on existing institutional density and lacking “any central, hierarchical international institution.”³¹ Finally, in certain areas at the core of globalization, such as foreign direct investment, efforts to construct global institutions have failed altogether.³² Globalization appears compatible with a variety of institutional forms, few of which resemble a “state-like” organizational structure: neither the domestic analogy nor the IGO model have produced the most important recent models for global institutional design.

The domestic analogy has also failed as a template for accountability in global governance. Critics of accountability in the global economic multilaterals have targeted lack of accountability to both member governments (the over-weighting of industrialized countries in the decision-making of these institutions) and to a broader spectrum of national preferences (the over-weighting of corporate and bureaucratic interests in national policymaking). The same critics, however, have often prescribed practices drawn from domestic democracies: transparency through competition and majoritarian practices.³³ Such reforms, if implemented, could well impair the effectiveness of these institutions, which may be a goal of some critics. Accountability defined by analogy to national democratic polities could impose large burdens on decision-making efficiency, legitimacy (by undermining the breadth of consensus that underlies decisions), and effectiveness in achieving organizational goals.

Global governance redefined: the border between state and non-state

Globalization has shifted the definition of both positive and negative outcomes that are the targets of governance. The IGO model had designated rogue states as the principal source of disorder in the global economic and security systems. Early predictions of governance shifts under globalization implied that national governments would be sapped of capabilities or constrained by the “golden straitjacket” of economic interdependence.³⁴ Government misbehavior, therefore, posed a shrinking threat to global order. If the original IGO view overstated the importance of governments as a source of disturbance,

the original globalization view overstated the role of private actors in constraining governments.

A revised view of globalization and governance points to the interaction between governments and non-state actors as critical to the production of both positive global outcomes and avoidance of negative outcomes. Non-state actors have assumed a larger role in global politics, in the international economy, and in new security threats. In the economic realm, the old concern over trade wars among the major industrialized countries—revived as recently as the early 1990s—has faded with an awareness that those governments have so much invested in the global trade and investment regime that only a major shock could push them toward policies of economic nationalism and closure.

More threatening are financial crises that have recurred since the 1980s. Those crises have implicated emerging market economies in the first instance and then illuminated surprising links among financial centers and key financial institutions. The Asian financial crisis, its subsequent spillovers to Russia and Brazil, and the threat to the global financial system through the failure of Long Term Capital Management were only the most recent examples. Since that time, financial crises in Turkey and Argentina have had more isolated effects. The connections that are constantly forged and reforged in an integrated global financial system are likely to produce unexpected crises of wider scope in the future, however. National economic development and international financial stability have become more dependent on a dance that governments must undertake with financial markets to avoid a rapid withdrawal of confidence and

capital that can lead to currency and banking crises as well as economic recession. A combination of government missteps and private miscalculation (or herd behavior) can produce precisely the crisis that both public and private actors wish to avoid.

In the realm of security, the role of transnational non-state actors with violent agendas—whether criminal or political—was already an important element on national agendas before the terrorist attacks of 11 September 2001.³⁵ Those events and the understanding of terrorist and non-proliferation threats that followed have confirmed the importance of the borderland between state and non-state. The Bush Administration's turn toward war with the Saddam Hussein regime in Iraq was a step back, toward an obsolescent view of decrepit rogue states as the principal threat to United States security. The A. Q. Khan network, centered on the leading nuclear scientist in Pakistan, was an apt illustration of the sources of new international insecurity and their link to globalization: a scientist who apparently sold nuclear plans and materiel developed by the Pakistan government to governments (and others?) for private gain. The Khan network was able to draw on a critical transnational group of suppliers through the porous nature of a globalized world economy. Mobile financial resources, transferred through formal and informal transnational financial networks, have also sustained Al Qaeda itself and other terrorist groups.

Complicated interaction between governments and private actors lies at the heart of new assessments of threats to both economic prosperity and national security. The resulting redefinition of global governance requires a

substantially greater base of knowledge in a world of heightened uncertainty. The old, relatively simple causal models based on state behavior, leveraging international pressure and resources to curb governments, have been replaced by far more complex and incomplete models of strategic interaction in which collective action by governments—the hallmark of the IGO model of global governance—is only one piece of the puzzle. The new global governance, whether dealing with global warming, failed states, or terrorist networks, requires modeling on a scale and a level of complexity that was not foreseen in a world dominated by states.

Global governance redefined: alternative models of global governance

As the existing IGO model of global governance was redefined in the new era of globalization, so were its principal competitors: great power collaboration outside the multilateral framework and private-public networks. Although the growing importance of large developing economies—China, Brazil, India—pulled the major industrialized economies back to a redefined multilateralism for global economic governance, the military predominance of the United States moved the American government, particularly during the Bush Administration, toward unilateral action in preference to dealing with security threats through multilateral means, either global (United Nations) or alliance (NATO). Designing a global security regime or series of regimes in the presence of such military asymmetry had become a major challenge, even as the campaign against Al Qaeda and the Iraq war led many Americans to question a

unilateralist strategy. If the unilateral option dominates, hierarchical security institutions, described by David Lake, may co-exist with multilateralism in economic domains.³⁶

In certain respects, the other competitor to the IGO model of governance—the public-private networks that had been prominent before World War II—revived with the growth of international trade and investment. Now, however, to corporate networks were added nongovernmental networks that challenge both corporations and multilateral organizations for a role in global governance. Their relationship to governments remains ambiguous. Some are barely non-governmental because of funding and other links to government entities; governments also worked successfully to maintain their role as gatekeepers to authoritative negotiating forums and international organizations.³⁷ In addition, as described by Walter Mattli, purely private governance, in the form of standards-setting and arbitration, assumed a larger role in governance. As Mattli's account suggests, successful institutional responses often incorporated public-private networks of governance.³⁸ Neither the unilateralist, imperial competitor nor the privatized version of governance had replaced the IGO model as redefined under conditions of globalization. Nevertheless, growing institutional competition and the ongoing redefinition of global governance raised questions about the effectiveness and the legitimacy of these aging institutions.

Issues for aging institutions in a new environment

Many of the key institutions of global governance were established in a world that had suffered the disintegrating shocks of depression and war. In certain respects, they are the victims of their own success: as globalization has advanced, they risk becoming ineffective or irrelevant. As long ago as 1971, the International Monetary Fund saw its role at the center of a fixed parity exchange rate system overturned in the face of capital market integration among the industrialized countries.³⁹ Globalization has added new actors and new issues to the global agenda, often with no obvious site for their actions and governance. In some cases, they have been squeezed uncomfortably into governance structures originally designed for other issues and purposes. National governments have demonstrated little enthusiasm for new global institutions constructed on the IGO model.

For existing global institutions to survive and remain effective in a redefined system of global governance, several difficult issues must be confronted: principal proliferation and institutional paralysis; linking global governance to strengthened regional and national capabilities; enhancing institutional accountability while avoiding institutional overload; and finally, arriving at some consensus on global subsidiarity: which governance functions are best left with national governments and which should be delegated to old or new institutions of global governance.

Principal proliferation and institutional paralysis

The globalized world of the turn of the century has remained a world of increasingly fragmented sovereignty. Although the European Union represents a new actor of larger scale, the characteristic territorial actor in world politics remains a small sovereign state. Since the era of decolonization, the number of sovereign units claiming a role in global governance has grown substantially. Globalization has offered substantial new incentives for activism as national stakes in the world economy have grown. One consequence has been near paralysis, particularly for institutions, such as the WTO, that retain consensus decision rules. The club system that informally governed many global institutions has broken down or, if it was embedded in formal decision rules, it is under siege. Those who were excluded from the most influential inner circle now demand admission, whether the United Nations Security Council, where Japan, Germany, and Brazil seek permanent membership, or the Bretton Woods institutions, where the developing countries have questioned both the privileged role of the industrialized countries and a less-than-transparent mode of decision-making. One solution—relatively rare among institutions of global governance—is a system of representation that would effectively organize and give voice to governments—with widely divergent stakes and capabilities—without rendering decisions impossible. A new system of representation for member governments, however, cannot resolve the question of whether non-state actors should be directly involved in global governance and by what means, a question closely linked to the issue of accountability.

Global governance, regional neighborhoods, and national capabilities

The redefinition of global governance during two decades of globalization has demonstrated that levels of governance are often complements, not substitutes. Effective global governance is dependent on compatible regional neighborhoods and capable national governments. Unfortunately, few clear strategies exist for constructing regional neighborhoods that support global governance. Two different types of successful regional order exist. The first, represented by ASEAN, assumes domestic heterogeneity and constructs norms of behavior that come to identify the region. For ASEAN, these norms are incorporated in its Treaty of Amity and Cooperation as well as other agreements and declarations. Regional norms in this case are both borrowed from and lend support to the United Nations Charter and its norms of territorial integrity, political autonomy, and peaceful resolution of disputes. On this basis, ASEAN has constructed a successful regional order, one that approaches a security community. A different strategy builds on domestic political homogeneity in the form of democratic institutions. Those regime characteristics, supported by regional institutions and peer pressure, in turn have implications for external behavior. This strategy is characteristic of regional orders in Europe and Latin America.

Although globalization is sometimes portrayed as a welcome constraint on wayward governments, it has not eliminated the need for capable national governments as a foundation for successful global governance. The collapse of

legitimate political authority in failed states represents at a minimum a security threat to their neighbors. Weak domestic capabilities prevent governments from fulfilling global obligations. Unfortunately, none of the competing international strategies for building effective national governance have proven consistently successful. The occupation of Iraq by a United States-led coalition has revived an old imperial strategy that many thought had disappeared: national governance imported and imposed, by coercive means if necessary. A multilateral trusteeship strategy has been suggested for those states that have descended into an anarchic and violent failure, although that strategy for building national governance faces many of the obstacles inherent in the imperial option. Existing global institutions have long had programs of technical assistance and surveillance of national policies that are aimed at gaps in national governance. For less reform-minded states, the instrument of conditionality—financial or other membership rewards in exchange for policy change and institutional development—has not awarded the international community effective leverage over national policies in many cases.⁴⁰

Those most optimistic about the reach of globalization have argued that market incentives and sanctions will encourage national governments to improve their capabilities and reform their institutions. During and after the financial crises of the 1990s, the power of international markets was emphasized as a critical support for the new international financial architecture. Private investors would avoid economies in which regulatory systems were flawed and the rule of law was weak. The response of investors to the SARS epidemic in 2003 made

clear the economic costs that could be paid by governments that failed tests of transparency and effectiveness. Expanded reliance on market discrimination among governments and sanctioning of those whose policies undermine global governance is misplaced, however. Private actors often have few incentives to either reward or sanction according to the rules and norms of global governance. In some cases, the advance of global economic integration may offer perverse incentives, for example, offering a safe haven to those avoiding legal and regulatory regimes established by national governments or international agreement.

Institutions of governance: accountability and overload

Although both developing country governments and NGOs have criticized the IGO model for lack of accountability, their definitions of accountability are dissimilar: developing countries demand greater accountability to all member governments; NGOs emphasize accountability to global civil society or to the citizens of national societies, which they often claim to represent. The incorporation of non-governmental actors—corporate and NGO-- into global governance has been underway for some time. Greater transparency in existing global institutions has gone some distance to satisfying their criticisms. Nevertheless, recommendations for greater accountability defined as democratic accountability portray the nature of global institutions inaccurately and could impair their effectiveness. The appropriate analogy for these institutions is the delegated authority that is widespread in domestic non-majoritarian institutions.

Central banks, regulatory agencies, and courts are all ultimately accountable to citizen-principals in a democracy, but the selection of their personnel and their decision rules are not designed to parallel democratic procedures. Their effectiveness is dependent on their liberation from those procedures. Admitting the need for such liberation in global institutions would be a first step toward designing appropriate institutions of accountability.⁴¹

Accountability institutions are already in place or could be constructed. Both the IMF and the World Bank now have accountability agencies that stand outside their organizational hierarchies. The IMF's Independent Evaluation Office analyzes IMF programs using criteria set by the member governments. Its findings are made available to a wide audience outside the Fund. The World Bank's Inspection Panel accepts requests for evaluation of the effects of Bank programs on clients. The criteria for evaluation are those set by the Bank's members, but the evaluator is independent of Bank management. Both institutions rely on the dissemination of their findings as a means to produce organizational change and learning. Another strategy has become more important as the causal models underlying global governance have become more complex and controversial: institutionalizing competitive pressure among experts within and without the institutions of governance. Leadership selection practices that are more transparent also build accountability. Introducing intense competition through a misplaced domestic analogy, however, may undermine the broad base of support required by top management in these institutions. Each of these strategies attempts to reduce the often steep trade-off between

accountability and other key institutional goals, particularly effectiveness and legitimacy.

Institutional overload and mission creep, as new functions are added in a haphazard fashion to the old will also impair the effectiveness of international institutions. The world of the IGO model was more easily parceled into distinct issue-areas than the contemporary globalized system. Globalization itself forces a redefinition of the agenda that global institutions have pursued. New issues have arisen—the environment, migration, human rights—that were far less significant in the immediate post-1945 decades. Those engaged in these new issue-areas have discovered a distinct reluctance to create new institutions at the global level among national elites. As a result, existing global institutions become an awkward home for ill-fitting programs. Their expertise may be inadequate for the new mandates, and those additions may distract the organizations from existing programs that are central to their purpose. Linking trade and the environment at the WTO, adding financial regulation to the mandates of the Bretton Woods institutions, and awarding peacekeeping and nation-building responsibilities to NATO are only a few examples of mission creep since the end of the Cold War. Filling evident gaps in the patchwork of global governance through existing institutions of global governance is often difficult to separate from a haphazard widening of their scope.

Global subsidiarity: the boundaries of multi-level governance

Globalization has produced stark predictions of the erosion of national governance and an inevitable upward shift of authority toward institutions that are less accountable. Dani Rodrik has posed this prediction in the form of a trilemma (borrowing from the well-known trilemma of international monetary economics): In his view, citizens can have only two of the following three—global economic integration, democracy (mass politics), or the nation-state.⁴² In other words, effective democracy (available only at the national level) is incompatible with globalization and effective global governance. Decades of advancing global economic integration call into question such stark choices. Globalization does not inevitably require or produce effective global governance, nor does it inevitably undermine national governments and their policy choices. I have argued, on the contrary, that effective national governments are essential to effective global governance. Embedded in that assertion is a second claim: that effective global governance implies choices about those governance functions that are best allocated to global, regional, national, or local levels. Such an allocation is fully compatible with accountable institutions, but accountability may not be enforced by formal democratic mechanisms at every level.

Although Rodrik portrays the choices in his political trilemma too starkly, he is right in arguing for a return to the vision of Bretton Woods, even though we face a world that has been transformed since those global institutions were constructed. Hard and essential decisions must be made on the most effective site of authority for dealing with global problems that have at best long-term

solutions—economic development, political order, social inequality among others. Rather than viewing global governance as the imposition of a single (American or Western) solution to those problems, it may best be seen as a way of supporting and sustaining governance at other levels, permitting the space and supplying the resources for national and local governments—more directly accountable and perhaps better equipped—to experiment with solutions. Effective global governance could then also provide a means for transferring promising solutions to other settings where the experiments can continue. Bretton Woods was at its core designed to allow national democratic governments just that space to pursue the goals that their citizens set, in a more prosperous and peaceful environment. That vision should persist in the changed circumstances of the new century.

ENDNOTES

¹ The author thanks Kelly Wurtz for his research assistance.

² A fuller discussion of governance and its competing definitions is given in Kahler and Lake 2003, 7-11.

³ Murphy 1994, Figure 2, 84.

⁴ Shanks, Jacobson, and Kaplan (1996) provide an excellent overview of the development of intergovernmental organizations (IGOs) over time.

⁵ The question of how important international institutions have been to particular international outcomes remains controversial. For a summary of the view that they were significant to the post-1945 global order, see Eichengreen and Kenen 1994. For a recent debate on this question as it applies to the GATT/WTO, see Rose 2004a, 2004b and Goldstein et al. 2003.

⁶ For a definition of legalization, Abbott et al. 2001. For a different categorization of institutional characteristics, Koremenos, Lipson, and Snidal 2001a. If authority is delegated to a quasi-judicial entity that is responsible for interpreting or extending agreed rules, increased delegation also increases legalization.

⁷ On the consequences of legalization, Kahler 2001, Simmons 2001; on the question of effectiveness and indirect evidence for it from institutional design, Koremenos et al. 2001b, 1079-1080.

⁸ Kahler 1992.

⁹ Williamson 2002, 2.

¹⁰ Keohane and Nye 2000, 26.

¹¹ Without using these labels, Downs, Rocke, and Barsoom 1998 give an excellent formal discussion of these alternatives.

¹² Judith Kelley (2004) offers an excellent account of the use of both membership conditionality (based on the club model) and “socialization-based methods”(equivalent to the convoy model described here) in Europe to influence the policies of candidate states in East Europe.

¹³ For a discussion of domestic and international institutions as substitutes and complements, Martin and Simmons 1998.

¹⁴ Kahler 2002, 47.

¹⁵ Davies 2003, 3. The two eras were also bridged by individuals, such as John Maynard Keynes, a skeptic of American policy after 1919 and key designer of the Bretton Woods organizations; Per Jacobsson, a member of the Bank for International Settlements secretariat and later a Managing Director of the International Monetary Fund; and Jean Monnet, who moved from the League of Nations bureaucracy to become a founding father of the European Community.

¹⁶ Kahler 1995

¹⁷ For example, Esty 1994.

¹⁸ On oil cartels, Keohane 1984, pp. 150-174; Yergin 1991; on public-private networks in finance, Kahler 2002.

¹⁹ The Tripartite Agreement in international monetary affairs was a prominent example of the great power bargain as an alternative to the IGO multilateral model. The most prominent alternative of this kind in the debate over the Bretton

Woods agreements was a bilateral pact on exchange rates between the United States and the United Kingdom. (Kahler 2002).

²⁰ Kahler and Lake 2003a.

²¹ A more complete account and evaluation of economic models of governance change is given in Kahler and Lake 2003a, 2003b; Martin 2003; Alesina and Spolaore 2003, 81-94

²² Koremenos et al. 2001b; Kahler 1995.

²³ Supranational institutions may be equally accountable, but, as argued below, the mechanisms for enforcing accountability differ from those in the realm of national governance.

²⁴ Charnovits 1997.

²⁵ O'Brien et al. 2000 offer case studies of the interaction of NGOs with global multilateral institutions.

²⁶ Kahler 2004; Sampson 2001 offers competing perspectives on the NGO-developing country divide in the WTO.

²⁷ Kahler and Lake 2003b, 435.

²⁸ I owe this finding to the research of Heather Smith.

²⁹ Eichengreen 1999, 42-51; Eichengreen 2002, 23-39; Kahler 2000.

³⁰ Slaughter 2004.A

³¹ Raustiala and Victor 2004, 305.

³² The Multilateral Agreement on Investment (MAI) was negotiated at the OECD from 1995 to 1998. The Agreement was open to all OECD members and the European Communities and open to accession by non-OECD (developing)

countries. The negotiations failed under intense pressure from NGOs in 1998.

On the negotiations, see <http://www1.oecd.org/daf/mai/>.

³³Kahler 2004.

³⁴ Friedman 1999, 83-92.

³⁵ Peter Andreas has created a similar category of “clandestine transnational actors” (CTAs): “nonstate actors who operate across national borders in violation of state laws and who attempt to evade law enforcement efforts.” (Andreas 2003, 78)

³⁶ Lake 2001.

³⁷The competition between NGOs and MNCs is described by Haufler 2003.

³⁸ Mattli 2001; Mattli 2003.

³⁹ Explanations for the downfall of the fixed parity regime remain subject to debate, but the consensus view awards a major role to increasing capital mobility.

⁴⁰The shortcomings of conditionality are described in Kahler 1992 and Stone 2002.

⁴¹ A longer discussion of the forms of accountability appropriate for international institutions is given in Kahler 2004 and Keohane and Nye 2003.

⁴² Rodrik 2000, 2002.

BIBLIOGRAPHY

- Abbott, Kenneth W., Robert O. Keohane, Andrew Moravcsik, Anne-Marie Slaughter, and Duncan Snidal. 2001. The Concept of Legalization. In Judith Goldstein, Miles Kahler, Robert O. Keohane, and Anne-Marie Slaughter, editors, *Legalization and World Politics*. Cambridge, MA: MIT Press.
- Alesina, Alberto and Enrico Spolaore. 2003. *The Size of Nations*. Cambridge, MA: MIT Press.
- Andreas, Peter. 2003. Redrawing the Line: Borders and Security in the Twenty-First Century, 28, 3 (Fall): 78-111.
- Charnovits, Steve. 1997. Two Centuries of Participation: NGOs and International Governance. *Michigan Journal of International Law*, 18, 1997 (Winter), pp.183-286.
- Davies, Michael D. V. 2002. *The Administration of International Organizations: Top Down and Bottom Up*. Aldershot: Ashgate Publishing Ltd.
- Downs, George, David M. Rocke and Peter N. Barsoom. 1998. Managing the Evolution of Multilateralism. *International Organization*, 52, 2 (Spring): 397-419.
- Esty, Daniel. 1994. *Greening the GATT: Trade, Environment, and the Future*. Washington, D. C.: Institute for International Economics.
- Friedman, Thomas L. 1999. *The Lexus and the Olive Tree*. New York: Farrar Straus Giroux.
- Goldstein, Judith, Douglas Rivers, and Michael Tomz. 2003. How Does the Trade Regime Affect International Trade? Paper presented at the Annual Meeting of the American Political Science Association, Philadelphia, PA, 28-31 August 2003.
- Eichengreen, Barry. 1999. *Toward a New International Financial Architecture*. Washington, D. C.: Institute for International Economics.
- Eichengreen, Barry. 2002. *Financial Crises*. Oxford: Oxford University Press.
- Eichengreen, Barry and Peter B. Kenen, 1994. Managing the World Economy under the Bretton Woods System: An Overview. In Peter B. Kenen, ed., *Managing the World Economy, Fifty Years after Bretton Woods*. Washington, D. C.: IIE: 3-57.

- Haufler, Virginia. 2003. Globalization and Industry Self-Regulation. In Miles Kahler and David A. Lake, editors, *Governance in a Global Economy: Political Authority in Transition* (Princeton: Princeton University Press: 226-252).
- Kahler, Miles. 1992. External Influence, Conditionality, and the Politics of Adjustment," in Stephan Haggard and Robert R. Kaufman, editors, *The Politics of Economic Adjustment*. Princeton: Princeton University Press: 89-136.
- Kahler, Miles. 1993. Multilateralism with Small and Large Numbers. In John Gerard Ruggie, editor, *Multilateralism Matters*. New York: Columbia University Press: 295-326.
- Kahler, Miles. 1995. *International Institutions and The Political Economy of Integration* Washington, D. C.: The Brookings Institution.
- Kahler, Miles. 2000. The New International Financial Architecture and Its Limits. In Gregory W. Noble and John Ravenhill, editors, *The Asian Financial Crisis and the Structure of Global Finance*. Cambridge: Cambridge University Press: 235-260.
- Kahler, Miles. 2001. Conclusion: The Causes and Consequences of Legalization. In Judith Goldstein, Miles Kahler, Robert O. Keohane, and Anne-Marie Slaughter, editors, *Legalization and World Politics*. Cambridge, MA: MIT Press.
- Kahler, Miles. 2002. Bretton Woods and its Competitors: The Political Economy of Institutional Choice. In David Andrews, Randall Henning, and Louis Pauly, editors, *Organizing the World Economy*. Ithaca, NY: Cornell University Press: 38-59
- Kahler, Miles. 2004. Defining Accountability Up: The Global Economic Multilaterals. *Government and Opposition*, 39:2 (Spring):132-158.
- Kahler, Miles and David A. Lake. 2003a. Globalization and Governance. In Miles Kahler and David A. Lake, editors, *Governance in a Global Economy: Political Authority in Transition*. Princeton: Princeton University Press: 1-30.
- Kahler, Miles and David A. Lake. 2003a. Globalization and Changing Patterns of Political Authority. In Miles Kahler and David A. Lake, editors, *Governance in a Global Economy: Political Authority in Transition*. Princeton: Princeton University Press: 412-438.
- Kelley, Judith. 2004. International Actors on the Domestic Scene: Membership Conditionality and Socialization by International Institutions. *International Organization*, 58, 3 (Summer): 425-457.

- Keohane, Robert O. 1984. *After Hegemony*. Princeton: Princeton University Press.
- Koremenos, Barbara, Charles Lipson, and Duncan Snidal. 2001a. The Rational Design of International Institutions. *International Organization*, 55, 4 (Autumn): 761-800.
- Koremenos, Barbara, Charles Lipson, and Duncan Snidal. 2001b. Rational Design: Looking Back to Move Forward. *International Organization*, 55, 4 (Autumn): 1051-1082.
- Lake, David. 2000. Beyond Anarchy: The Importance of Security Institutions. *International Security*, 26, 1 (Summer): 129-160.
- Martin, Lisa N. 2003. The Leverage of Economic Theories: Explaining Governance in an Internationalized Industry. In Miles Kahler and David A. Lake, editors, *Governance in a Global Economy: Political Authority in Transition*. Princeton: Princeton University Press: 33—59.
- Martin, Lisa N. and Beth Simmons. 1998. Theories and Empirical Studies of International Institutions. *International Organization*, 52, 4 (Autumn): 747-749.
- Mattli, Walter. 2001. Private Justice in a Global Economy: From Litigation to Arbitration. *International Organization*, 55, 4 (Autumn): 919-947.
- Mattli, Walter. 2003. Public and Private Governance in Setting International Standards. In Miles Kahler and David A. Lake, editors, *Governance in a Global Economy: Political Authority in Transition* (Princeton: Princeton University Press: 199-225.
- Murphy, Craig N. 1994. *International Organization and Industrial Change: Global Governance since 1850*. New York: Oxford University Press.
- Keohane, Robert O. and Joseph S. Nye. 2000. Introduction. In Joseph S. Nye and John D. Donahue, editors, *Governance in a Globalizing World*. Washington, D. C.: Brookings Institution Press: 1-41.
- Keohane, Robert O. and Joseph S. Nye. 2003. "Redefining Accountability for Global Governance," in Miles Kahler and David A. Lake, editors, *Governance in a Global Economy: Political Authority in Transition* (Princeton: Princeton University Press, pp. 386-411.

- O'Brien, Robert, Anne Marie Goetz, Jan Art Scholte, and Marc Williams. 2000. *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements*. Cambridge: Cambridge University Press.
- Raustiala, Kal and David Victor. 2004. The Regime Complex for Plant Genetic Resources. *International Organization*, 58, 2 (Spring): 277-309.
- Rodrik, Dani. 2000. Governance of Economic Globalization. In Joseph S. Nye and John D. Donahue, editors, *Governance in a Globalizing World*. Washington, D. C.: Brookings Institution Press: 347-365.
- Rodrik, Dani. 2002. Feasible Globalizations. Harvard University, unpublished paper.
- Rose, Andrew. 2004a. Do We Really Know that the WTO Increases Trade? *American Economic Review*, 91, 4 (March).
- Rose, Andrew. 2004b. Do WTO Members have More Liberal Trade Policy? *Journal of International Economics*. 63, 2 (July): 209-235.
- Sampson, Gary P., editor. 2001. *The Role of the World Trade Organization in Global Governance*. Tokyo: United Nations University Press.
- Shanks, Cheryl, Harold K. Jacobson, and Jeffrey H. Kaplan. 1996. Inertia and Change in the Constellation of International Governmental Organizations, 1981-1992. *International Organization*, 50, 4 (Autumn): 593-627.
- Simmons, Beth. 2001. The Legalization of International Monetary Affairs. In Judith Goldstein, Miles Kahler, Robert O. Keohane, and Anne-Marie Slaughter, editors, *Legalization and World Politics*. Cambridge, MA: MIT Press: 189-218.
- Slaughter, Anne-Marie. 2004. *A New World Order*. Princeton: Princeton University Press.
- Stone, Randall. 2002. *Lending Credibility: The International Monetary Fund and the Post-Communist Transition*. Princeton: Princeton University Press.
- Williamson, John. 2002. Did the Washington Consensus Fail? Washington, D. C.: Institute for International Economics. Outline of remarks at the Center for Strategic and International Studies, 6 November.
- Yergin, Daniel. 1991. *The Prize: The Epic Quest for Oil, Money, and Power*. New York: Simon & Schuster.