

# **A Theory of International Organization**

A Postfunctionalist Theory of Governance,  
Volume IV

Liesbet Hooghe, Tobias Lenz, and Gary Marks

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# Contents

<i>Detailed Contents</i>	xi
<i>List of Figures</i>	xv
<i>List of Tables</i>	xvii
<i>List of Abbreviations</i>	xix
1. Introduction	1
2. Philosophical Foundations of a Postfunctionalist Theory of International Organization	9
3. Measuring International Authority	26
4. The Basic Set-Up: How International Organizations Vary	44
5. Why Do Some IOs Expand their Policy Portfolio?	60
6. The Resistible Rise of International Authority	84
7. Why States Pool Authority	104
8. Five Theses on International Governance	121
<i>Appendix</i>	135
<i>References</i>	159
<i>Index</i>	187

## 6

### The Resistible Rise of International Authority

We detect a remarkable deepening of international authority in the postwar period. Sixty-one percent of the IOs that we observe saw an increase in both pooling and delegation (33 IOs) or in one or the other (13 IOs). No IO experienced a decrease in both pooling and delegation, and just seven underwent a decrease in either pooling or delegation and no increase in the other.<sup>1</sup>

Under what circumstances will states delegate authority to non-state actors? When will states pool authority in binding majoritarian voting? Our theory is that international authority reflects two contrary pressures, one functional and one social.

As an IO extends its policy commitments, it acquires the machinery of complex decision making. The intuition here is that the broader the range of an organization's policy portfolio, the greater the incentive to structure its agenda, marshal information, resolve disputes, and manage decision making. This is the idea that supranationalism arises as a functional adaptation to policy complexity. The IO retains its *international* character in that the member states negotiate its institutions, but in doing so states are induced to facilitate decision making by pooling authority among themselves and by turning over some key tasks to independent actors.

A functional logic explains both the overall trend towards greater IO authority over the past decades and the variation that we detect. However, functional adaptation is not the end of the story because international governance can generate a sharp political reaction among exclusive nationalists opposed to immigration, trade, and the loss of national sovereignty (Hooghe and Marks 2009b, 2018).<sup>2</sup> Functional pressures may meet intense resistance when an IO is politicized in domestic political conflict.

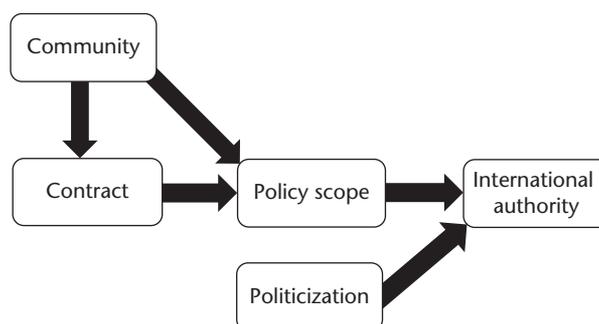
<sup>1</sup> We register change if there is an absolute shift of 0.01 or greater on a 0–1 scale from the first to the last year of an IO in the dataset. Twenty-three of the 76 IOs have the same score in their final year as in their first year.

<sup>2</sup> This argument builds on a growing literature that investigates the sources and consequences of politicization (Conceição-Heldt 2013; de Wilde, Leupold, and Schmidtke 2017; de Wilde et al.

## The Resistible Rise of International Authority

The critique from the left is that international governance insulates globalization from democratic rules that protect jobs and the environment. The nationalist critique, and the most potent source of resistance today, is that international governance is illegitimate because it undermines national self-rule and national culture. Those who conceive their national identity in exclusive terms, as “us versus them,” resist supranationalism as rule by foreigners. When an IO is politicized in domestic politics, a government may think twice about adapting policy to functional pressures. Politicization is arguably the chief reason why we do not live in a world of progressively deeper supranational governance.

The model we propose combines an analysis of the development of the policy portfolio laid out in Chapter 5 with the effects of the policy portfolio and politicization for IO authority in this chapter. Figure 6.1 summarizes these expectations by placing policy scope in a causal chain beginning with community. Community—the extent to which an IO encompasses normatively similar participants—underpins diffuse reciprocity and provides the basis for member states to engage in highly incomplete contracting. Highly incomplete contracting opens the door to an expanding policy portfolio, which leads to the pooling and delegation of IO authority. Rather than conceiving norms and functional pressures as alternative explanations of international governance, we theorize a sequential process in which the normative basis of contracting among states determines the growth of the policy portfolio, and the functional pressures arising from the policy portfolio determine the course of IO authority. Finally, IO authority evokes politicization because it enhances supranational shared rule at the expense of national self-rule.



**Figure 6.1** A model of international authority

2019; Ecker-Ehrhardt 2014; Kriesi et al. 2008; Hooghe and Marks 1999, 2009b; Hurrelmann and Schneider 2015; Hutter and Grande 2014; Kay 2015; Mansfield and Mutz 2012; Morgenstern et al. 2007; Rathbun 2012; Rixen and Zangl 2013; Schmitter 1969; Solingen 2008; Zürn 2004; Zürn, Binder, and Ecker-Ehrhardt 2012).

## A Theory of International Organization

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### Policy Expansion

Chapter 5 demonstrates that community—shared norms that undergird diffuse reciprocity—are vital for the incomplete contracting that facilitates policy expansion. Here we take the argument one step further to theorize how policy expansion affects the authority of an international organization. As the policy portfolio of an IO expands, so there are pressures to empower non-state actors and facilitate majoritarian decision making among the member states. This hypothesis is a special case of the more general claim that “More prevalent and complex political activity places growing demands on decision makers [...] and [enhances] the need to delegate decisions” (Pierson 2000: 483). There is abundant evidence for this functional logic in the development of national states and the expansion of civil services, courts, and agencies. Summarizing the findings of the literature on delegation within the state, Moe (2012: 17) observes that “In complex policy areas, the value of agency [...] will tend to be higher, and the optimal level of independence higher.”

We hypothesize a functional logic of empowerment in four mechanisms:

- *Moral hazard.* Pooling authority in majoritarian decision making alleviates a moral hazard—veto blackmail—that becomes more severe as an IO’s policy scope expands.
- *Issue cycling.* Delegation of agenda setting to non-state actors constrains issue cycling under majority voting as the dimensionality of the policy space increases.
- *Information.* The informational benefits of independent non-state expertise increase with the diversity of an IO’s policy portfolio.
- *Dispute settlement.* Policy expansion increases the demand for institutionalized monitoring of state compliance.

The argument that pooling authority responds to moral hazard begins with the observation that the more things a group must decide, the more troublesome is the rule that nothing can be decided without the consent of each participant. A major problem with unanimity is that it allows each participant to threaten to block a decision unless they receive a side payment. It is sometimes argued that an IO handling more policies will generate more opportunities for logrolling in which votes can be traded across policies in an effort to gain the support of every legislator. However, logrolling is no panacea if veto players are willing to cloak their true preferences to gain blackmail potential. Empirical studies of voting in the European Union confirm this: “Multidimensional legislation creates opportunities for logrolling and legislators’ veto power under the unanimity rule enables them to exploit

### The Resistible Rise of International Authority

these opportunities” (Aksoy 2012: 538, 543). Several studies suggest that fear of this moral hazard was instrumental in leading EU member states to limit the national veto as the organization extended its competences (Sandholtz and Zysman 1989: 115; Keohane and Hoffmann 1991: 21). It is instructive that where unanimity has been retained, as in the EU’s 2012 compact to coordinate fiscal policy, agreement was achieved not by logrolling, but by limiting the dimensionality of the policy space: “Time limits and political disagreements made it easier to achieve agreement by eliminating provisions as opposed to adding new ones” (Tsebelis and Hahm 2014: 1405; see Hug and König 2002 for earlier episodes). Rather than easing the potential for gridlock, expanding the policy scope of an IO appears to replicate the problem of decision making under unanimity in a wider range of issue areas. This grounds the expectation that the functional benefit of (super)majority voting increases as an IO’s policy agenda expands.

The flipside of majority rule is that it produces instability unless there is some institutional constraint on agenda setting. As an IO’s policy portfolio expands, so the number of possible reforms that could gain majority support increases. If agenda setting is unconstrained, every proposal can be defeated by another proposal that is majority preferred.<sup>3</sup> This has been intensively studied in the formal analysis of legislative choice: “Simply expanding the dimensionality of the choice space from one to two has profound disequilibrating consequences. . . . Consequently, majority rule theoretically can wander anywhere” (Krehbiel 1988: 267). Hence, pooling authority in majority voting has the knock-on effect of making it necessary to constrain majority cycling. Delegating agenda setting power to a non-state actor is one possible solution. In the field of international organization, this usually involves an independent secretariat with the power and, in some cases, the exclusive power to draft legislative proposals (Hawkins et al. 2006a; Müller, Bergman, and Strøm 2003; Pollack 2003).

As an IO’s policy portfolio broadens, so does the need for unbiased information. Arrow (1974: 53–6) points out that while an organization can acquire vastly more information than can any individual, this information must be carefully structured to be of use in decision making. Non-state agents may be valuable in retrieving, filtering, and disseminating information that would be expensive for a state to produce (Bradley and Kelley 2008; Koremenos 2008; Pollack 2003). Non-governmental organizations (NGOs), for example, may have a comparative advantage in providing local knowledge and in publicly monitoring member state commitments (Tallberg et al. 2014: 754–5). Moreover, a reputation for detachment from any one country—cultivated by an

<sup>3</sup> Tsebelis (2002: 154) observes that increasing the dimensionality of decision making adds to the number of voters who have the deciding vote in an otherwise tied outcome.

## A Theory of International Organization

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independent IO secretariat—may be useful in gaining the trust of national interlocutors and in retrieving unbiased information (Beyers and Trondal 2004; Egeberg 1999; Hooghe 2005). For each of these reasons, independent non-state actors may have informational access and expertise that becomes more valuable as an IO's policy portfolio grows.

Finally, policy expansion intensifies the problem of monitoring and enforcement. The more complex the policy environment, the greater the scope for contending interpretations of whether a particular behavior is a rule violation. Jurisdiction to interpret the meaning of the law is a basic court function. "Since the principals themselves disagree on what the contract implies, they cannot instruct the agent on exactly how to decide on the issue(s) under dispute. Principals, therefore, go to considerable lengths to select (or create) impartial agents with relatively high autonomy" (Hawkins et al. 2006a: 18; Kono 2007; Koremenos 2008: 168–9). Correspondingly, there is a functional logic in empowering an independent panel or standing court to arbitrate disputes and enforce its rulings by fine, sanction, or retaliatory measure (Alter 2008; Carrubba and Gabel 2017; Dworkin 1988; Franck 1988: 741).

These mechanisms suggest that as an IO comes to have a broader policy footprint its member states will be induced to extend majority voting and empower non-state actors. There is no subterfuge involved. International authority in this theory results from the decisions of the member states themselves, not merely from the efforts of non-state actors to work around member states or extend "agency slack."

## Politicization

Politicization—the salience and divisiveness of debate over an IO—can constrain international authority even in the face of functional pressure.<sup>4</sup> Functional pressures are most effective where decision making is sheltered from political conflict, and where as a result, it is shaped by efficiency rather than power. International authority touches a human nerve—who rules our community—and this may generate political conflict that can overpower the benefits of scale. When push comes to shove, domestic politics can trump economic efficiency.

An individual's attitude over international authority depends on how they consider themselves in relation to others. How do they conceive the communities to which they belong? Who is included; who is excluded; who has a

<sup>4</sup> The notion that politicization implies contestation as well as rising salience and widening involvement is well established (de Wilde, Leupold, and Schmidke 2017; Hutter, Grande, and Kriesi 2016).

## The Resistible Rise of International Authority

right to rule? The functional virtue of international governance can be a domestic political liability because it challenges the claim that the state alone has legitimacy to exercise authority within its domain. This can cause resentment on the part of those who experience economic insecurity, who are fearful of immigration, and who regard international authority as rule by foreigners.

The politicization of international governance is, in principle, agnostic about whether it promotes or depresses supranationalism. In the early years of European integration, it was possible to believe that mass publics would press for more supranational integration as its benefits filtered into their lives (Inglehart 1970; Schmitter 1969). However, the observed effect of politicization has been negative.<sup>5</sup> The predominant response has been a reaction on the part of those who feel that they suffer the consequences of jurisdictional shocks that challenge established loyalties and ways of life.

As the setting for the most far-reaching jurisdictional reform, the European Union has been in the forefront of politicization.<sup>6</sup> The first clear signs of this came with the Maastricht Treaty (1993) which extended the competences of the EU into areas that had previously been monopolized by states, including currency, immigration, and citizenship. The treaty was written as an epiphany to the benefits of scale, but it was perceived as a shock to national self-rule. Referendums in Denmark, where the treaty was rejected, and France, where it narrowly passed, hastened the rise of nationalist parties opposing European shared rule. Over the past quarter century, twenty-two referendums were initiated by national governments seeking legitimacy for European reform. Eleven went down in defeat.

Faced with resistance from nationalist political parties, governments thought twice about taking further steps even when the functional pressures were undeniable. This was sharply evident in the response to the Eurozone crisis from 2008. Responding to public opinion which was vehemently opposed to

<sup>5</sup> Grande and Kriesi (2016: 297, 299) observe that “the political consequences of the most recent waves of politicisation are neither positive nor open-ended but negative.” Zürn (2018: 137–69) characterizes politicization as “a double-edged sword” which may upgrade participation but intensify demands.

<sup>6</sup> On politicization in the EU, see Bartolini 2005; Bornschier 2018; Börzel 2016; Börzel and Risse 2018; Curtice 2017; De Vries 2018; De Vries and Hobolt 2018; De Wilde, Leupold, and Schmidtke 2016; Evans 1999; Evans, Carl, and Dennison 2017; Grande and Hutter 2016; Grande and Schwarzbözl 2017; Green-Pedersen 2012; Hobolt 2016; Hobolt and Tilley 2016; Höglinger 2016; Hooghe and Marks 1999, 2001, 2009b, 2018b; Hurrelmann, Gora, and Wagner 2015; Hutter 2014; Hutter, Grande, and Kriesi 2016; Kleider and Stoeckel 2019; Kriesi et al. 2008; Kuhn 2015; Kuhn and Stoeckel 2014; Kuhn et al. 2016; Laffan 2016a, 2016b; McNamara 2015; Marks 1999; Marks and Wilson 2000; Marks and Steenbergen 2004; Piattoni 2010; Polk and Rovny 2017; Polyakova and Fligstein 2016; Prosser 2016; Risse 2010; Rohrschneider and Whitefield 2016; Saurugger 2016; Schimmelfennig 2014, 2018a, 2018b; Van Elsas, Hakhverdian, and van der Brug 2016; Van Kersbergen and De Vries 2007; Webber 2019; Zürn 2012.

## A Theory of International Organization

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Eurozone bailouts, Chancellor Merkel recommitted her government to Article 125 of the Maastricht Treaty, the anti-bailout clause prohibiting shared liabilities or financial assistance. Other northern European governments followed suit. The result was a series of incremental reforms that staved off disaster while prolonging austerity (Copelovitch, Frieden, and Walter 2016). Above all, Eurozone governments sought to avoid reform that would intensify politicization. The European Stability Mechanism was based on a treaty modification which, ingeniously, avoided referendums by requiring only a two-line amendment to the Treaty on the Functioning of the EU. The European Central Bank, a technocratic institution insulated from popular pressures, became instrumental in providing liquidity from 2012. Eurozone governments reverted to conventional diplomacy which had the intended effect of empowering national executives and, at least temporarily, bypassing EU institutions (Genschel and Jachtenfuchs 2018; Jones, Kelemen, and Meunier 2016). The EU was trapped in a postfunctionalist dilemma: on the one side, Eurozone governments were impelled by an unrelenting functional logic toward fiscal union; on the other, they were unnerved by tenacious domestic resistance (Börzel and Risse 2018; Schimmelfennig 2018a; Hooghe and Marks 2019).

Politicization is starkly evident in the European Union, but the phenomenon appears to be more general. Its effects have been detected in the United States, Latin America, and in several global IOs. Solingen and Malnight (2016) make the argument that how government leaders respond to globalization depends on their domestic support. Where an “inward-looking” coalition of nationalist or religious movements with import-competing industries is predominant, government leaders will tend to oppose regional cooperation.

Politicization around the North American Free Trade Agreement (NAFTA) appears to have had a powerful anticipatory effect in constraining subsequent international governance. At the time it was negotiated, from the summer of 1991, NAFTA became a major political issue (Mayer 1998: 5; Cameron and Tomlin 2001). Organized labor and environmental NGOs pressured Democratic party candidates, and populist conservatives supporting Buchanan pressured Republicans (Bow 2015: 41). NAFTA was precisely contracted to minimize delegation to non-state actors, and to deflect the accusation that it was “part of a skeletal structure for world government” (Buchanan 1993). Both the Clinton and Bush administrations trod carefully on an issue that divided their supporters: “large scale politicization in the late 1980s and early 1990s had the effect of discouraging political elites from pursuing further integration initiatives, and this in turn made politicization recede” (Hurrelmann and Schneider 2015: 255).

In Latin America, Mercosur, the Andean Community, CARICOM, and SICA have seen bouts of politicization (Hoffmann 2015). This has been linked to a

## The Resistible Rise of International Authority

shift to “intergovernmental agreements rather than institutionalized treaties or supranational institutions” (Ruggirozzi 2015: 240). Recent agreements in energy, food security, culture, finance and banking, social development, healthcare, and education are relatively complete contracts that involve little or no pooling or delegation.

Several global international organizations have contended with politicization, inducing them to alter their legitimation narratives, adjust policy, or adopt institutional reforms. The World Bank, the International Monetary Fund, and particularly the World Trade Organization (WTO), have been targeted (Ecker-Ehrhardt 2018). Criticism from the radical left has focused on democracy and the environment, as in Seattle in 1999 when tens of thousands of activists chanting “no globalization without representation!” broke up a ministerial WTO meeting (Munck 2007: 60). In recent years, however, opposition has been most intense on the part of nationalists, particularly in the US, who believe that the WTO’s appellate body encroaches on national sovereignty, and that “member states rather than unelected appeal judges should decide ambiguous or contentious issues and that it is wrong for the appellate body to establish precedents for future cases” (Elliot 2018).

### Key Variables

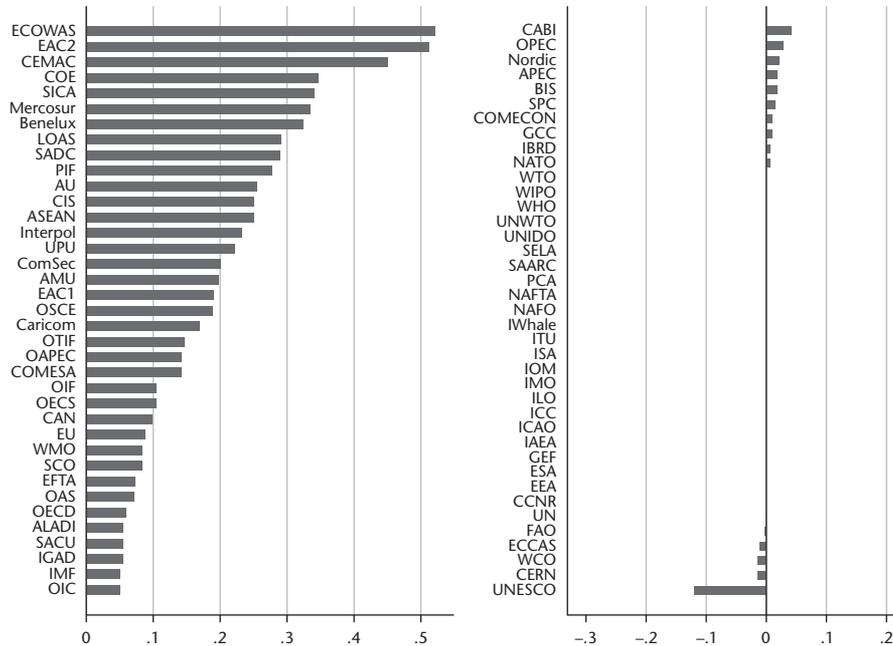
This section describes how we estimate the building blocks of our explanation—delegation, pooling, policy scope, and politicization.

#### *Delegation*

*Delegation* is an annual measure of the authority of independent non-state bodies in an IO’s decision-making process. Figure 6.2 summarizes the change in an IO’s score from its first to last year in the dataset. Delegation has increased overall, but the trend is far from uniform. Forty-seven (62 percent) of the seventy-six IOs experienced an increase, twenty-four saw no change, and five saw a decline, with UNESCO as outlier.<sup>7</sup> Seven IOs move more than 0.3 points on the 0–1 scale, and all are general purpose IOs. This is what one might expect to find if change in delegation is sensitive to expansion of the

<sup>7</sup> UNESCO’s Executive Board was originally composed of experts who served “on behalf of the Conference as a whole and not as representatives of their respective governments” (UNESCO 1946, Art. V.A.2). Beginning in the 1950s, member states implemented reforms that progressively restricted the independence of board members, and by 1991, the Board was composed exclusively of national delegates (Finnemore 1993; Sewell 1975).

## A Theory of International Organization



**Figure 6.2** Change in delegation by IO

*Note:* N = 76 IOs for 1950–2010. The boxes show for each IO how much delegation has changed from the first to the last year. The left panel shows IOs for which delegation has increased by 0.05 or more; the right panel shows IOs for which delegation has increased marginally, remained unchanged, or decreased.

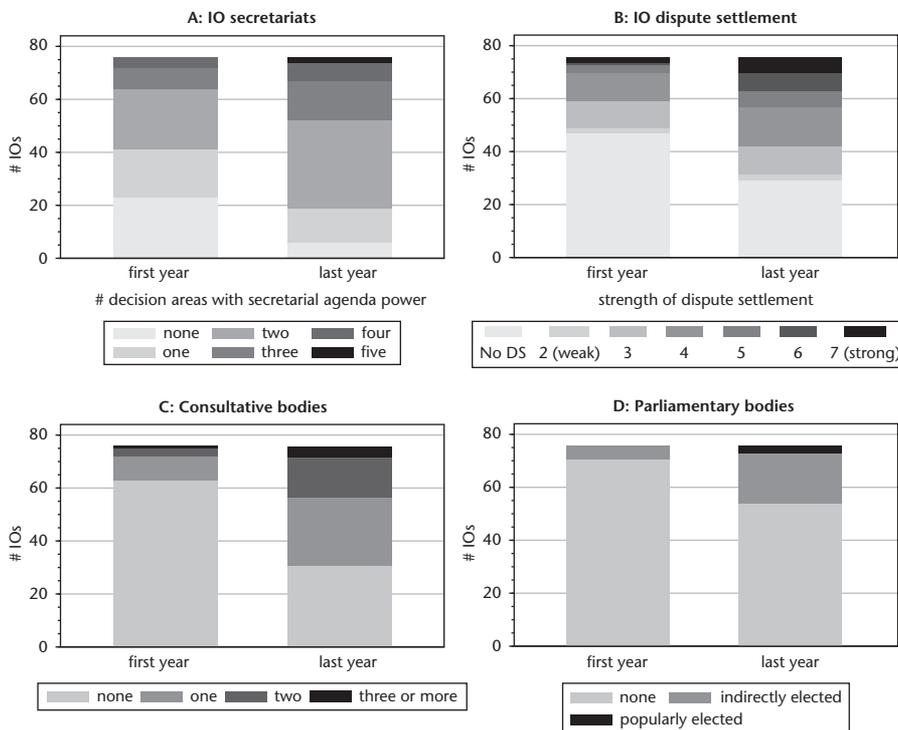
policy portfolio. As Chapter 5 shows, a general purpose IO, that is, an IO with an incomplete contract, tends to have an expanding policy portfolio.<sup>8</sup>

Figure 6.3 provides a disaggregated picture of delegation. Forty-one IOs (54 percent of the total) begin with a secretariat having no agenda powers or agenda powers in just one of five key decision areas (panel A). By the last year in the dataset, this shrinks to nineteen (or 25 percent). Conversely, the number of IOs with a secretariat that can set the agenda in three or more decision areas doubles from twelve to twenty-four. The sharpest increase is in the budget and policy making. By 2010, fifty-four of seventy-six IOs have a secretariat that both drafts the annual budget and initiates policy, compared to thirty-four at the start.

Dispute settlement has become much more supranational (Figure 6.3, panel B). Forty-seven IOs (or 62 percent) lack third-party dispute settlement at the beginning, falling to twenty-nine (or 38 percent) at the end. At the start, the

<sup>8</sup> By 2010 or the final year in the dataset, general purpose IOs had, on average, competence in 14.2 policies.

## The Resistible Rise of International Authority



**Figure 6.3** Change in delegation by IO body

**A** Note: N = 76 IOs. The bars stack the number of IOs according to the strength of their secretariat: from IOs with a secretariat without agenda power (white stack at bottom) up to IOs with a secretariat that has agenda powers in five decision areas (black stack at top). The bars compare the distribution among IOs in their first (left) and last (right) year in the dataset.

**B** Note: N = 76 IOs. The bars stack the number of IOs according to the strength of their dispute settlement: from IOs without third party dispute settlement (white stack at bottom) to IOs with a strong supranational dispute settlement (black stack at top). The bars compare the distribution among IOs in their first (left) and last (right) year in the dataset.

**C** Note: N = 76 IOs. The bars stack the number of IOs according to the incidence of standing consultative bodies composed of non-state actors: from IOs without consultative bodies (light gray stack at bottom) to IOs with three or more such bodies (black stack at top). The bars compare the distribution among IOs in their first (left) and last (right) year in the dataset.

**D** Note: N = 76 IOs. The bars stack the number of IOs by the incidence of a parliamentary assembly composed of elected politicians: from IOs without assembly (light gray stack at bottom) to IOs with an indirectly elected assembly, to IOs with a directly elected assembly (black stack at top). The bars compare the distribution among IOs in their first (left) and last (right) year in the dataset.

median IO scored zero on a seven-point scale for dispute settlement. By 2010, this had risen to four on the same scale. This is commensurate with a standing tribunal that (a) makes binding rulings, (b) provides automatic access (i.e. a litigant does not need prior consent by some political body), and (c) is an integral part of the contract for all member states rather than a subset.

## A Theory of International Organization

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Our data on consultative bodies (Figure 6.3, panel C) are consistent with data collected by Tallberg et al. (2014: 741–2), who detect “a shift toward forms of governance that involve transnational actors [as] policy experts, service providers, compliance watchdogs and stakeholder representatives.” While at their creation just thirteen IOs (or 17 percent) had one or more formally recognized consultative bodies of non-state actors, by 2010, this had increased to forty-five (or 59 percent).

The bodies that have the least delegation are IO assemblies. There appears to be little functional pressure to transform a member-state dominated assembly into a directly or indirectly elected legislature or to supplement an IO’s decisional apparatus with a second chamber. Where this has happened it has been part of an effort to legitimize IO decision making (Lenz, Burilkov, and Viola 2019).<sup>9</sup> Nineteen IOs have done so, of which the European Union, the Central American Integration System, and the Andean Community have directly elected parliamentary bodies (Figure 6.3, panel D).<sup>10</sup>

### *Pooling*

*Pooling* taps the extent to which authoritative control is taken out of the hands of individual states by majoritarian voting in collective state decision making. We weight *Pooling* by the bindingness of decisions and the extent to which a ratification procedure allows individual states to escape a collective decision.

Figure 6.4 shows the net change in pooling. Overall, pooling is less dynamic than delegation. Thirty-seven IOs experienced an increase in pooling, twenty-eight did not change, while eleven IOs saw a decrease, including the World Health Organization (−0.14), the International Civil Aviation Organization (−0.06) and the International Monetary Fund (−0.06). Five IOs move up more than 0.3 points on the 0–1 scale, and an additional ten grow by 0.15 or more. All but two of the fastest growing IOs are general purpose.

Majority voting has become almost the norm in budgetary allocation and policy making (Figure 6.5). Majority voting has also become more common in the remaining decision areas, though consensus or unanimity remains the mode. As one might expect, the incidence of majority voting is much greater in day-to-day decision making than on constitutive decisions

<sup>9</sup> Legitimacy pressures have been well documented in the ratcheting up of the European Parliament’s authority in response to the criticism that the EU weakens national parliaments and weakens democracy (Goetze and Rittberger 2010; Rittberger 2005, 2012; Schimmelfennig 2010).

<sup>10</sup> In 2005, Mercosur agreed to introduce direct elections for the Mercosur Parliament. By February 2019, only two member states—Argentina and Paraguay—had held direct elections (Comisión de Juristas para la Integración Regional 2019).

## The Resistible Rise of International Authority

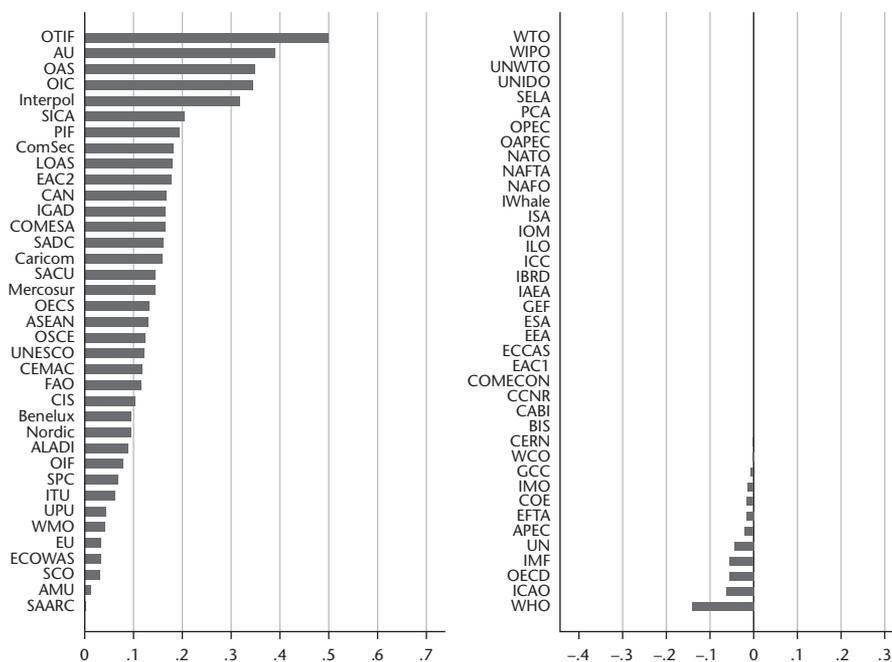


Figure 6.4 Change in pooling by IO

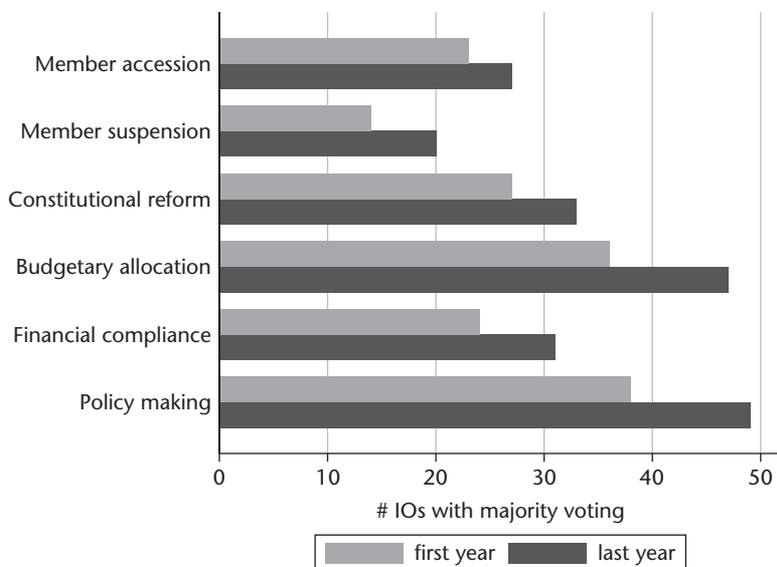
Note:  $N = 76$  IOs for 1950–2010. The boxes show for each IO how much pooling has changed from the first to the last year. The left panel shows IOs for which pooling has increased; the right panel shows IOs for which pooling has remained unchanged or decreased.

relating to membership accession, suspension, compliance, and constitutional reform.

An IO can weaken majority voting by making collective decisions conditional on opt-in, or at least by allowing states to opt out. As Table 6.1 indicates, IOs have in general clamped down on escape routes from binding IO decisions. An IO is coded as making a binding decision when there is no legal opt-out and no possibility of circumventing the decision through domestic ratification. Bindingness is the norm for budgetary allocation: the proportion of IOs having binding budgets rose from 64 percent to 85.5 percent. Policy making is still primarily only partially binding or non-binding, though the number of IOs with binding policy making increased from twenty-two (29 percent) to twenty-eight (37 percent).

Ratification can provide individual states with a back-door veto. The last three rows of Table 6.1 show the change in ratification requirements for accession, constitutional reform, and policy making. Binding voting on accession and policy making is the least ring-fenced, with most IOs not requiring ratification. By contrast, most IOs do require ratification on constitutional reform, and the proportion has increased. As in domestic politics, the

## A Theory of International Organization



**Figure 6.5** Change in majority voting in 76 IOs

*Note:* N = 76 IOs in their first and last year in the dataset. An IO exercises majority voting when the most conservative state-dominated body uses simple majority or supermajority to reach a final decision.

**Table 6.1.** Change in bindingness and ratification in 76 IOs

	First year		Last year	
Decision is unconditionally binding				
Budget	49	(64.0%)	65	(85.5%)
Policy (at least one stream)	22	(29.0%)	28	(36.8%)
Decision comes into force without ratification				
Accession	49	(64.5%)	58	(76.3%)
Constitutional reform	13	(17.1%)	11	(14.5%)
Policy (at least one stream)	39	(51.3%)	46	(60.5%)

*Note:* 76 IOs.

incidence of veto points is greatest when it comes to changing the rules of the game.

### *Policy Scope*

*Policy scope* estimates the legal, financial, and organizational basis of an IO's policy portfolio assessed for each of twenty-five policies. We use eight indicators outlined in the Appendix.

## The Resistible Rise of International Authority

### *Politicization*

*Politicization* estimates the salience and divisiveness of debate over an IO. It refers to “a process whereby the technocratic behind-the-closed-doors logic of decisions and decision-making processes in and about international institutions... is challenged” (Zürn 2012: 52). Media coverage of protests directed at an IO is an accessible indicator for contestation about an IO, and it is plausible that such coverage indicates politicization (Beyeler and Kriesi 2005; Tarrow 2005). We use an algorithm developed by Tallberg et al. (2014) for annual media coverage of protests/demonstrations directed at an IO in the LexisNexis database.<sup>11</sup>

### *Controls*

We control for several variables that are hypothesized to affect delegation or pooling:

- *Democracy* on the hypothesis that democratic rulers are less fearful of supranational authority than are authoritarian rulers (Risse-Kappen 1995; Simmons 2009).
- *Power asymmetry* on the ground that powerful states can be expected to oppose international authority because they prefer informal, “me-first,” arrangements in which they can impose their preferences (Abbott and Snidal 2000: 448; Grieco 1990; Krasner 1976; Mattli 1999).
- The *number of IO member states* because the incentive to delegate and pool authority can be expected to increase as the growth of an IO’s membership impedes decision making (Hawkins et al. 2006a; Koremenos, Lipson, and Snidal 2001: 789; Pollack 2003).
- *Affluence* because more affluent populations transact more across national borders and may have a greater incentive to empower an IO.
- *GDP dispersion* on the hypothesis that the more economically heterogeneous the member states of an IO, the greater the benefit of empowering the IO to mediate conflicts (Carnegie 2014; Martin 1995; 2006: 145).<sup>12</sup>
- *Core state powers* on the expectation that member states will be less willing to cede authority in defense and security (Genschel and Jachtenfuchs 2016; Haftel 2011; Kono 2007; Martin 1992; Snidal 1985; Stein 1982).

<sup>11</sup> *Politicization* is calculated as a three-year moving average of the number of mentions that combine the word *protestor* or *demonstrator* with the IO name (see Appendix). The measure is quite strongly correlated with an estimate of the salience of an IO derived from a count of references to the IO in Google ( $r = 0.75$ ).

<sup>12</sup> Hawkins et al. (2006a: 21) and Snidal (1994: 63–6) discuss alternative hypotheses.

## A Theory of International Organization

- A *year count* to pick up the effect of an omitted variable that might produce an incremental increase in IO authority over time.<sup>13</sup>

## Evidence

We analyze seventy-six international organizations from the year they were set up (or 1950) to 2010. All models estimate fixed effects to gauge change over time using one-year lags for independent variables. Table 6.2 begins with base models predicting delegation and pooling, respectively, by the number of IO policies in the previous year and a three-year moving average of politicization. All models have the full range of controls and a year count to address pressures of time in an unbalanced panel.

*Policy scope* and *Politicization* are robust predictors of *Delegation* and *Pooling* over time. We find this under all combinations of controls including the fully specified models.<sup>14</sup> The models in Table 6.2 account for around 41 percent of the variance in change in *Delegation* and 25 percent of the variance in change in *Pooling*. *Pooling* is more sluggish than *Delegation*, and it is cross-sectionally dominated.<sup>15</sup> Both functionalist and postfunctionalist pressures appear to shape international authority within IOs over time. An expanding policy portfolio induces states to increase delegation and pooling, while politicization operates in the opposite direction. The estimate for the effect of an increase in the number of policies handled by an IO is significant at the

**Table 6.2.** Explaining change in delegation and pooling

	DV = Change in delegation	DV = Change in pooling
<b>Policy scope</b> <sub>t-1</sub>	0.015*** (0.003)	0.010*** (0.003)
<b>Politicization</b> <sub>t-1</sub>	-0.011** (0.005)	-0.018*** (0.006)
R <sup>2</sup> within	0.412	0.256
AIC	-10,858	-10,269
F-statistic (sign. at 0.0001 level)	6.19	5.81

Note: N = 3,199 IO-years (76 IOs) for 1950–2010. The dependent variables *Change in delegation* and *Change in pooling* vary between -1 and +1.

\*\*\* p < 0.01, \*\* p < 0.05, \* p < 0.1. Fixed effects estimations with standard errors clustered by IO and under controls (democracy, members, power asymmetry, affluence, GDP dispersion, core state powers, year count).

<sup>13</sup> Models using a fractional polynomial instead of year count produce essentially the same results (see online Appendix).

<sup>14</sup> *Democracy* is significant at the 0.1 level in the base model for *Pooling*, but not for *Delegation*. None of the remaining controls, except the year count, reaches statistical significance.

<sup>15</sup> Chapter 7 accounts for cross-sectional variance in *Pooling*.

## The Resistible Rise of International Authority

0.01 level in predicting change in *Delegation* and *Pooling*. *Politicization* has a negative effect that is significant at the 0.05 level for *Delegation* and at the 0.01 level for *Pooling*.

The substantive effects of a changing policy portfolio are sizeable. Holding all controls at their means, a shift in an IO's policy portfolio by five policies (one standard deviation) changes delegation by 0.08 and pooling by 0.05 on a 0–1 scale. A 0.08 increase in delegation is equivalent to the introduction of an independent and compulsory arbitration system with authority to make binding judgments unless a collective state body overrules. The same increase would result if the general secretariat's agenda power was extended to two additional decision areas. A 0.05 increase in pooling is equivalent to introducing a binding budget adopted by simple majority at the agenda-setting stage and by consensus at the final stage.<sup>16</sup>

It is worth stressing that we are modeling reform negotiated among the member states themselves. Hence, our findings do not encompass the possibility that IO bureaucrats slip from state control to extend their own agency (Johnson 2014). This makes what we do find all the more consequential for it is one thing to say that supranationalism grows because non-state actors informally escape state control, and quite another to find that states agree to convey authority to non-state actors and pool authority in binding majoritarian decision making. The authority estimated in our models is formally negotiated, explicitly contracted, and consequently costly to change. It does not arise merely as an unintentional gap in state control.

Our theory conceives IO authority as the result of a two-step process in which the scope of an IO's policy portfolio is both a predictor and an outcome (see Figure 6.1). In the first step, change in the policy scope of an IO reflects normative commonalities among its members and the incompleteness with which they contract governance. The premise is that community shapes the possibilities for international governance which one can observe when states contract an IO and as the policy portfolio changes over time. In the second step, the authority of the IO depends on its policy scope and the extent to which the IO is caught up in public contestation. The claim here is that the normative basis of an IO has functionalist consequences for pooling and delegation which are tempered by the unwillingness of a government to empower an IO targeted in domestic political contestation.

<sup>16</sup> We test alternative explanations for IO design in the online Appendix. We find some support for the hypothesis that states are less willing to cede authority to IOs concerned with core state powers. We also find that IOs having an epistemic community tend to experience lower politicization, though the effect is small (Haas 1992). Finally, we detect no robust effect for power asymmetry or GDP dispersion. Separate models that test for foreign policy divergence and for trade interdependence find no significant effect. In all models, policy scope and politicization are robustly significant.

## A Theory of International Organization

**Table 6.3.** A two-stage model explaining change in delegation and pooling

	DV = Change in delegation	DV = Change in pooling
<b>Policy scope<sub>t-1</sub> instrumented</b> (instruments: community, contract)	0.026*** (0.006)	0.018*** (0.006)
<b>Politicization<sub>t-1</sub></b>	-0.014* (0.007)	-0.021*** (0.006)
R <sup>2</sup> within	0.331	0.205
AIC	-10,445	-10,060
F-statistic (sign. at 0.0001 level)	6.28	5.23

Note: N = 3,199 IO-years (76 IOs) for 1950–2010. The dependent variables *Change in delegation* and *Change in pooling* vary between -1 and +1.

\*\*\* p < 0.01, \*\* p < 0.05, \* p < 0.1. Two-stage fixed effects resulting from a two-stage model in which community dynamic and contract dynamic explain policy scope, and policy scope (instrumented) explains international authority; standard errors clustered by IO and full controls.

We model this in a two-stage fixed effects regression, in which *Contract* and *Community* explain *Policy scope*. Table 6.3 reports the second-stage results for delegation and pooling. In both equations, *Instrumented policy scope* is significantly associated with change in both *Delegation* (p = 0.0001) and *Pooling* (p = 0.007). Two-stage estimation is almost always less efficient than ordinary least squares estimation (Bartels 1991), but here the loss in statistical power is negligible. The F-statistics for the two-stage models in Table 6.3 (6.28 and 5.23, respectively) are only slightly weaker than the F-statistics for the fixed effects models in Table 6.2 (6.19 and 5.81, respectively).

## Illustrative Cases

The development of ASEAN provides a telling example of how member states may empower a secretariat as the policy breadth of cooperation grows. ASEAN was founded as a security organization by Indonesia, Malaysia, Philippines, Singapore, and Thailand in 1967 as a response to the threat of Communist subversion. The normative foundation of the organization was described as the “ASEAN way”—an informal style of cooperation, consultation, consensus, non-interference, and weak institutionalization (Acharya 2001; ASEAN 1967, 1976a). Decision making was sparse and intergovernmental (Jetschke and Katada 2016: 233–4). It was not until ASEAN took on regional development and energy cooperation in the mid-1970s that it came to have an independent secretariat tasked with framing the budget and developing “plans and programs” (ASEAN 1976b: Art. 3.2.viii). This was still a bare bones operation with just seven staff, all seconded from national ministries.

## The Resistible Rise of International Authority

Following the member states' decision to move toward market integration in 1992, the role of the secretariat and its secretary general was considerably strengthened. The position of secretary general was elevated to ministerial status, its tenure was extended to five years, and it was empowered to "initiate, advise, co-ordinate and implement ASEAN activities." The secretary general was also charged to "serve as spokesman and representative of ASEAN on all matters" (ASEAN 1992: Arts. 2.1.4 and 2.1; Jetschke 2012). The secretary general was now assisted by a deputy, four bureau directors, eleven assistant directors, and eight senior officers, plus front-line staff. An executive of "Senior Economic Officials" was set up which could take decisions by consensus (i.e. with abstentions not counting), "a break with ASEAN traditional insistence on effective unanimity" (Kahler 2000: 554).

This was just the beginning of a functional process in which expanding policy commitments led to the creation of resourceful IO bodies. In the 1990s, ASEAN member states signed a Framework Agreement on Services, an Industrial Cooperation Scheme, and a plan for an ASEAN Investment Area, followed in the 2000s by a series of formal agreements for cooperation in preferential tariffs, financial regulation, energy, and the environment. In 1996, the member states set up dispute settlement to monitor compliance and in 2004 they weakened political control by referring adjudication to a body of senior economic officials which could reverse a decision only by consensus (Alter 2014: 153; Hooghe et al. 2017: 441). Over the past two decades, the trail of documents detailing the rules of the organization and powers of its bodies has considerably thickened, and the bodies themselves are accorded a larger role in agenda setting, providing information, resolving disputes, and managing decision making.<sup>17</sup> ASEAN has retained its reputation for informal negotiation and consensus, but this takes place within an increasingly institutionalized context in which written rules are, not surprisingly, useful in providing explicit guidelines (Khong and Nesadurai 2007).

The negative effect of politicization on change in delegation and pooling is robust across alternative specifications.<sup>18</sup> These include analyses limited to the fifty-three IOs that have experienced politicization and analyses restricted to the post-1989 period which has seen the most intense politicization. The finding is robust also in models that use two- and three-year time lags for politicization.<sup>19</sup>

<sup>17</sup> The 1996 Protocol on Dispute Settlement Mechanism, Art 7 (ASEAN 1996); the 2004 Protocol for Enhanced Dispute Settlement Mechanism, Arts. 9.1 and 12.13 (ASEAN 2004).

<sup>18</sup> The Appendix discusses the limitations of LexisNexis for estimating politicization.

<sup>19</sup> *Politicization* is significant and negative at the 0.05 level or better for all but one of ten robustness analyses. The exception is change in *Pooling* for the post-1989 period, where the coefficient for *Politicization* has a negative sign but is not significant.

## A Theory of International Organization

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Politicization, as we estimate it here, is mainly a Western phenomenon. The IOs that are mentioned in the LexisNexis database alongside the terms “protestor” and “demonstrator” are chiefly those that are contested in Western societies—e.g. the WTO, the UN, the EU, and NATO. However, populist nationalism, which in recent years underpins much politicization, is more general.

The Southern African Development Community (SADC) experienced a sharp drop in delegation in 2013 after six years of intense politicization. The target of contention was SADC’s Tribunal which became operational in 2006 (Lenz 2012). Modeled on the European Court of Justice, it provided automatic third-party access and binding rulings, and importantly, it offered preliminary rulings to national courts and litigation access to private persons (SADC 2001a). The Tribunal claimed jurisdiction over the principles formulated in the SADC Treaty, including member state adherence to “human rights, democracy, and the rule of law” (SADC 2001b: Art. 4). All this made the Tribunal “in theory even more politically intrusive than the ECJ” (Alter 2012: 140; Lenz 2012).

The Tribunal ran into trouble with its first major case in 2007, when a Zimbabwean white farmer filed against the Mugabe land redistribution reform (Alter, Gathii, and Helfer 2016). Other farmers joined the suit and the Tribunal made a series of judgments condemning the land reform as a violation of landowners’ rights on the grounds that it denied access to justice, discriminated on the basis of race, and failed to provide fair compensation. This directly challenged President Mugabe’s land redistribution program and was met by intensified efforts to kick the farmers off their farms. Mugabe defended the program as an act of national self-rule: “We have courts here in this country that can determine the rights of people. Our land issues are not subject to the SADC tribunal.”<sup>20</sup> SADC member states were reluctant to come to the defense of the Tribunal because postcolonial land reform has deep emotional resonance in their own societies (Achieme 2018: 125, 136–40). In August 2010, the SADC Summit hired an outside consultant to review the Tribunal and did not reappoint judges whose terms had expired. In effect, the Tribunal was suspended, and in 2013 it was officially dissolved (Alter, Gathii, and Helfer 2016: 312–13; Nathan 2013). The result in terms of *Delegation* is a decline from 0.35 in 2010 to 0.08 from 2013.<sup>21</sup>

<sup>20</sup> Quoted in Chinaka (2009) and Alter, Gathii, and Helfer (2016: n. 99), available at <https://mg.co.za/article/2009-02-28-mugabe-says-zimbabwe-land-seizures-will-continue>.

<sup>21</sup> In 2014, the Summit agreed a protocol for a new tribunal without private access or preliminary ruling. Member states would be permitted to withdraw from the tribunal’s jurisdiction, making coverage optional (SADC 2014). The protocol requires ratification by two-thirds of the member states, which by February 2019 had not happened. In December 2018, the South African Constitutional Court ruled that the new SADC Protocol is unconstitutional because it bars private litigants.

## The Resistible Rise of International Authority

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### Conclusion

Most of the IOs observed in this book experienced an increase in delegated authority to non-state actors or took on majoritarian voting rules in member state decision making. The period 1950 to 2010 was an era of international governance.

This chapter explains how this happened, why some IOs deepened their authority while others did not, and how this process has been curbed. Our explanation ties together the normative conditions of international cooperation, the subsequent development of the policy portfolio, the effects of this for international governance, and the political resistance that has ensued.

The evidence presented confirms that an IO's authority is responsive to two forces: a functional pressure arising from change in an IO's policy portfolio, and a political reaction in which IO authority is swept up and constrained in public debate. Our expectation about the portfolio effect is grounded in a literature on decisional complexity and organizational design. It argues that a growing policy portfolio produces an incentive to limit the ability of any one actor to exercise a veto and an incentive to delegate authority to independent actors who can frame the agenda, provide information, and adjudicate conflicts.

Functionalist theory, for all its power, leads one to expect increasing supranationalism among general purpose IOs which tend to have expanding policy portfolios. However, we hypothesize a contending effect arising from the politicization of international governance and the mobilization of demands for national self-rule. Politicization can strip away the protective blanket of permissive consensus which exists when domestic publics trust their governments to do the right thing. It thrusts international governance into domestic politics and so challenges the causal priority of functional pressures.

Fixed effects models confirm the effect of both change in an IO's policy portfolio and politicization. In addition, two-stage models support the broader claim that IO authority depends on the growth of the policy portfolio which in turn depends on the incompleteness of an IO's foundational contract and the normative coherence of its member states.

In concluding, it is worth considering the scope conditions. The evidence here engages international organization in the six decades following World War II. From a long-historical perspective this might be an *N* of 1. Since 2010 politicization has gathered strength. It has come to structure political conflict in several Western and non-Western societies. A core claim of postfunctionalist theory is that the demand for national self-rule may challenge international governance even when the benefits of scale are considerable.