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**Towards Better Governments?
A Theoretical Framework for the Influence of International
Organizations**

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QoG WORKING PAPER SERIES 2009:31

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December 2009

ISSN 1653-8919

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Abstract:

Although international organizations are typically seen as important actors promoting better government institutions and reducing corruption, there are few comprehensive analysis of *how* they promote such changes. This paper develops a theoretical framework that traces the roots of IO success or failure to factors that are internal to the strategies that they employ. We suggest that the tools used by international organizations to promote quality of government can be categorized into four groups: Inter-state competitive pressures; conditions on economic assistance; interaction with transnational actors; and the enlargement of international communities. In contrast to accounts that trace the roots of IO success or failure in member states to domestic particularities, such as the amount of domestic resistance to government reforms, we argue that the mechanisms themselves have a number of shortcomings that reduce their effectiveness. Six such factors are identified: imprecise data, market pressures, contested policy advice, incomplete internalization and lack of mainstreaming of norms by international organizations and member states, and low priority of quality of government issues. The paper thereby offers an explanation for why numerous empirical studies fail to find a positive correlation between IO measures and better government institutions.

Key words: International organizations, quality of government, corruption, governance rankings, foreign direct investments (FDI), conditionality, aid, structural adjustment, EU membership, norm diffusion, socialization

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The detrimental effect of bad government institutions is well established (Rothstein and Teorell 2008; OECD 2001; Mauro 1995; Gupta et al 2000). Uncorrupt, impartial and competent government institutions are central to deal with some of the most important problem of our times, including poverty reduction, climate change and mistrust.¹ Studies that pose the pertinent question of how we can get from a state of bad governance to a state where government institutions work well typically point at the potentially important role of international organizations (IOs). The political and economic strength of international organizations, and their almost unanimous decision to prioritize “good governance” in their work, has placed high expectations on their effectiveness in promoting better government institutions. By virtue of their political and economic strength it is often assumed that international organizations have a central role to play. However, the evidence presented so far has been mixed. While broad empirical studies have confirmed the link between international integration and reduced levels of corruption (Sanholz & Gray 2003) numerous case studies fail to find a positive link between IO engagement and better government institutions (Kelley 2004; Schimmelfennig 2005). One reason for this is the lack of systematic understanding of the different mechanisms at work when international organizations engage with member states.

In an attempt to remedy this state of affairs, this paper proposes a theoretical framework that helps us understand the influence of international organizations on government institutions. What are the different strategies that international organizations use to reduce corruption and promote better government institutions? What are the factors that hamper the effectiveness of these strategies? Why do the most common reform strategies of international organizations not always live up to expectations? The paper does not attempt to produce a comprehensive or complete review of all the work done in this field. Rather, the aim is to analyse the mechanisms involved in IO strategies to promote institutional reform. We specify four distinct mechanisms that international organizations use to promote better governments: *Inter-state competitive pressures, conditions on economic assistance, interaction with transnational actors and the enlargement of international communities* (adapted from Alderson 2001: 432). Our suggested distinction between different mechanisms

¹ In 1998, UN Secretary-General Kofi Annan identified good governance as “perhaps the single most important factor in eradicating poverty and promoting development” (UN 1998).

helps to bring about much needed conceptual clarity to the discussion about how international organizations influence the quality of government. In some ways, of course, this categorization is artificial as most of these methods are employed by international organizations simultaneously. However, by better defining the mechanisms through which international integration can have an impact on government institutions, both the strengths and the weaknesses of such strategies are revealed. In other words, the paper will show that while the mechanisms offer opportunities for reforms, they also carry a number of pitfalls that can impede their effectiveness.

We subsequently use this categorization to explain the dissonance between positive accounts of how international organizations can contribute to reduce corruption and promote better government institutions on the one hand, and the numerous empirical accounts that fail to find such a positive correlation on the other. Past studies have explained failures in international organizations' strategies by looking at conditions that are external to the mechanisms employed. In this paper we show that even if perfect external conditions were to exist (such as no domestic opposition to good governance reform), the *mechanisms themselves* have drawbacks that can contribute to hampering the success factor. In other words, in the process of diffusing norms to member states, there are internal factors within these mechanisms that in practice reduce their effectiveness.

Six such factors are identified. The inter-state competitive pressures mechanism is shown to suffer under problems of imprecise data and market pressures. The economic assistance mechanism is hampered by contested policy advice. The interaction mechanism has a reduced success rate because of a lack of mainstreaming of governance norms within international organizations. Finally, the enlargement of international communities' mechanism can fail to have the expected benefits because of incomplete internalization of norms by member states and a low priority of QoG issues. In other words, this paper illustrates that there is a sharp divide between the theory and practice of international integration.

How International Organizations Promote Quality of Government

International organizations are typically expected to have a positive influence on global development. Their precise role in international politics is however contested. In the realist approach international organizations play primarily a coordinating role in international relations. In this approach, states can choose to ignore international organizations whenever

they conflict with the pursuit of national self-advancement². Others suggest, however, that international organizations can have a deep impact on domestic policy making. Regime theorists, for instance, assign a central role to international organizations in this regard. International organizations are in this view a source of norms and legitimacy that can considerably impact on state behavior (Heinmiller 2007: 657). They enhance cooperation, provide a venue for policy formulation, and transfer models of governance internationally (Barnett & Finnemore 1999).

Socialization theory offers one model for understanding how international organizations can diffuse norms to member states. This theory treats international organizations as “social environments” wherein states and state agents may be socialized through participation (Checkel 2005: 815). Socialization has been defined as “a process of inducting actors into the norms and rules of a given community” (Checkel 2005: 804). IOs have thus been seen as contributing to socialization by connecting countries in networks of values and cultural exchanges. Moreover, IOs can contribute to reform by providing specific technical expertise or offering normative ideas (Jacoby 2006: 628; Checkel 2001). According to Sandholtz and Gray (2003: 769), “the most important IO teacher of norms” in the field of good governance is the World Bank. Since the 1990s, the Bank has formulated a set of good governance programs that it seeks to implement in its lending practices³. These norms include for instance accountability, transparency, public participation, and anti-corruption. The World Bank’s good governance norms are thus an example of how IOs can establish standards of appropriate behavior that could affect domestic politics.

This paper focuses on how international organizations promote quality of government (QoG), which is defined the part of the broader concept of good governance that centre specifically on the qualities of government institutions. Except for government institutions playing a central role for development (Rothstein & Teorell 2008; Holmberg et al 2009; Akçay 2006; Halperin et al 2005; Kaufmann 2004; Chong and Calderón 2000; Gupta et al 2000), there are two other reasons for this paper to focus on the promotion of quality of government. First, government reforms have received a high policy priority among international organizations. In the early 1990s, the World Bank placed anticorruption and

² This view is often associated with the works of Krasner (1991) and Mearsheimer (1994)

³ The World Bank broadly defines good governance as “the traditions and institutions by which authority in a country is exercised. This includes (1) the process by which governments are selected, monitored and replaced, (2) the capacity of the government to effectively formulate and implement sound policies, and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them”. (Kaufmann et al. 1999, p. 1).

good governance on its agenda and soon other international organizations, such as the IMF⁴ and the EU, followed suit. They all developed various methods for the diffusion of norms, which will be discussed below⁵. Second, there exists a rich body of literature on the efforts by international organizations to spread quality of government, such as transparency and anticorruption. Case studies have thus highlighted both successful and unsuccessful cases of IO influence. These case studies tend to point out the political conditions of a country as factors that contribute to the success or failure of international norm diffusion (Dollar & Svensson 2000: 895). This paper, on the other hand, will analyse the practical problems that are internal to the mechanisms that international organizations employ to promote quality of government.

Studies on how international organizations influence domestic norms have so far offered few systematic accounts of the mechanisms at work when quality of government is promoted.⁶ Sandholtz and Gray's (2003) empirical study of 150 countries suggests that being integrated in international networks of communication through international organizations reduces the level of corruption. Their study, however, fails to identify the causal mechanisms through which this occurs.⁷ Furthermore, their conclusion does not always find support in other empirical studies on the effect of international integration and government reforms. Research on reform agendas in Eastern Europe, for instance, finds that IO strategies that do not offer both strong political and economic incentives for countries to adopt better government institutions often fail (Kelley 2004; Schimmelfennig 2005). One explanation for this apparent contradiction is that socialization effects are hard to measure (Johnston 2001; Hooghe 2005; Checkel 2005)⁸.

⁴ The declaration *Partnership for Sustainable Global Growth* that was adopted by the IMF in 1996, identifies "promoting good governance in all its aspects, including ensuring the rule of law, improving the efficiency and accountability of the public sector, and tackling corruption" as an essential element in promoting economic development.

⁵ The high priority given to good governance issues and the measures in place in many international organizations to encourage member states to improve QoG makes this a good case to study compared to for example sustainable development norms, which are also high on the agenda but haven't been as comprehensively promoted by most IOs. Thus although many of the arguments in this paper can be applied to other norms spread by IOs, good governance is a good test case because it has come relatively far in being put in practice.

⁶ For a classification of different methods in which external actors can influence domestic politics to bring about reforms, see Jacoby (2006). Jacoby offers three models of norm diffusion: Inspiration, Coalition, and Substitution. These focus more on defining the degree of intervention by external actors and the link-up with domestic groups than specifying the tools to achieve reform.

⁷ Similarly, Bearce and Bondanella (2007) present support for the international socialization theory, but do not identify the mechanisms through which this works.

⁸ Checkel (2005: 803) mentions a number of empirical challenges in studying socialization, such as how to operationalise socialization, develop reliable indicators and obtain good data.

However, another explanation is that there is gap between how international integration occurs in theory as opposed to in practice. While the theoretical underpinnings of positive IO influence on QoG are sound, an identification of the causal mechanisms reveals a number of practical problems for the benefits of international integration to materialize.

*****Figure one about here*****

The mechanisms that will be discussed have been adapted from Alderson's (2001: 432) classification of the most important mechanisms for international norm diffusion. These are: a) Inter-state competitive pressures, b) Conditions on economic assistance, c) Interaction with transnational actors, d) The enlargement of international communities. Alderson calls for these "theory-like generalizations" to be unpacked so as to allow for empirical testing. This will be the starting point in the rest of this paper. Each of these mechanisms will be explored below with examples of their functioning in practice. The analysis will offer an explanation for why important empirical studies have shown weak support for the influence of international organizations on government institutions. Figure 1 summarizes the mechanisms suggested, gives examples of how they work and their intended effects as well as the internal factors hampering their effectiveness. These ideas are elaborated in the following sections.

Inter-state Competitive Pressures

How can countries be pressured into competing against other states to better their governments? In this section, we define inter state competitive pressure as a factor potentially promoting better government quality and explore its functioning in practise. We suggest that this mechanism can work in at least two different ways: a) through competitive pressures associated with governance rankings by international organizations, and b) competition for foreign direct investment (FDI). The discussion will look at the theory and practice of inter-state competitive pressures in order to determine how this method can reduce corruption and promote better government institutions. The analysis will show that two particular shortcomings may lessen the success rate of these strategies: imprecise data and market pressures.

The first strategy includes rankings used by international organizations. These rankings foster a naming and shaming process whereby states are pressured into improving their governments as a way to better their image in the world. There are a range of indicators

and indices that attempt to measure governance and government performance, of which the best known is the World Bank's Governance Indicators. Other partial systems of governance ratings, on which the World Bank's indicators are based, include for instance Transparency International's Corruption Perceptions Index and Freedom House's Freedom in the World ratings. It has been argued that these ratings serve an important role in encouraging government reforms. According to Rotberg (2004: 73), Transparency International's corruption rankings have "managed to shame countries and rulers in Africa and Asia to reduce corruption at the national level, leading more nations to seek to be perceived as less corrupt". The rationale for rankings is thus that they can draw attention to the state of governments in different countries and provide normative pressure for states to introduce reform. They may also contribute to embolden civil society organizations that work with these issues so that they can be more effective in their efforts (Rotberg 2004: 73). Thus, in theory, rankings should work positively in encouraging quality of government reforms.

In practice, however, the difficulty in producing objective indicators may work against this strategy. This is because current rating systems are based on perceptions and can therefore appear as being biased (Rotberg 2004: 72; de Haan & Everest-Phillips 2007). Thus, as no rigorous objective criteria to assess quality of government exist, countries at the bottom of the rankings may discard them as being political. Low-ranked countries that are strong enough to withstand the competitive pressures that this strategy brings into force may choose to largely ignore them. Such an example could be seen in certain Middle Eastern countries, where many rankings are dismissed as a case of Western bias against their governments. This could therefore weaken the positive effect as described in the theory.

For the ranking mechanism to work at its full potential, then, the indicators need to be both accurate and authoritative – qualities that are hard to achieve in practice. Rotberg (2004: 84), for example, calls for the setting up of an independent NGO to collect and draw up reliable measures of good governance. Although this could potentially solve some of the above-mentioned problems, it is not certain that the normative pressure of government rankings will be as effective as envisaged in theory.

The second form of ratings that can give rise to inter state competition is credit rating systems and other measures that guide investors. Studies on foreign direct investment (FDI) argue that government quality is important in attracting investors to a country. The World Bank has produced research that points at investment benefits in countries with high

QoG⁹. Furthermore, Blanton & Blanton (2007) argue that respect for human rights is positively related to increased FDI inflows, and Busse (2004) finds that democratic rights and FDI have a positive correlation. Thus, in theory, if the World Bank predominantly invested in developing countries that have taken steps toward improving their governments and reducing corruption, the rate of return on those investments would be greater. Such a strategy would hence discipline countries into improving their governments so as to attract investment.

In practice, however, the Bank has a mandate that precludes it from taking political considerations into account when making investment decisions. This may explain why World Bank investments also go to countries with a very bad government record. As the redefinition of the term corruption from being a political issue to being an economic issue showed, however, the Bank has scope to direct its lending as it sees fit¹⁰.

The actual problem may be that QoG variables play a lesser role in investment decisions than some research has suggested. Bénassy-Quéré et al (2005) have for example shown that while government quality matters, investments are predominately directed by economic factors such as market size. Similarly, an UNCTAD report on what governments can do to attract FDI mentions things like improving infrastructure and skills, but does not propose that countries increase accountability or strengthen anti-corruption work (UNCTAD 2008).

The most obvious cases when QoG and profitable investments clash are in many resource-rich countries. When natural resources are involved, the positive link between quality of government and profitable investments often break down. The World Bank has made some attempts to reconcile this conflict by agreeing with the resource rich country that some of the profits will be used to improve governments and reduce corruption in the country. An example of this is the Chad-Cameroon oil pipeline, where the World Bank employed this innovative approach in an attempt to break the resource curse¹¹. The idea was that with World Bank assistance, the oil venture would result in reducing poverty and improving governance in Chad. However, the result of this project has shown that once contracts have been signed, the country has little incentive to comply with this agreement (Pegg 2006).

These problems thus once again highlight that the disciplining effects of interstate competitive pressure can be hard to obtain in practice. As will be shown below, these

⁹ See for example Isham, Kaufmann & Pritchett 1997: p. 237.

¹⁰ This will be discussed further in the next section.

¹¹ The resource curse refers to the apparent paradox of resource rich countries having lower levels of economic development than countries where natural resources are less abundant. (Ross 2003)

internal contradictions also exist in the three other mechanisms for international norm diffusion.

Conditions on Economic Assistance

The second mechanism that will be discussed can be described as strategies involving conditions placed on economic assistance. These include structural adjustment programs, conditionality schemes and other types of financial assistance with strings attached. These strategies have frequently been practiced by both states (i.e. the Millennium Challenge Account¹²) and by international organizations such as the World Bank and the IMF. They are similar to the last approach in that they add pressure on states to enact institutional reform. The difference, however, is that lending and aid are used as tools with a more direct approach taken to provide technical advice to bring about reform. As will be shown below, it is the contested nature of this policy advice that can reduce the effectiveness of this strategy.

The objective of conditionality and structural adjustment programs is to “enable donors to question aid-recipient countries’ policy structures and processes and to get them to alter them according to universal criteria and conditions established by the donors” (Doornbos 2003: 11). Key reform areas include public sector budgets, the legal system, civil service reform, and civil society support. The idea is thus that objective advice is given to governments who wish to receive foreign aid or borrow from international financial institutions. These financial carrots consequently hinge on good performance, so as to ensure that the disbursed resources come to best use (IMF 1997: 8-9).

In practice, however, “good performance” is hard to achieve. The main problem is similar to the difficulties involved in producing objective indicators for which governments are good, and which ones are bad. The theory on which this mechanism builds assumes that objective advice is unproblematic. For instance, there is not even agreement on whether corruption is a cultural or a structural problem; little less is there agreement on what anti-corruption measures are most effective (Doig & Riley 2002). What is attempted in placing conditions on economic assistance is in fact a form of social engineering that is difficult to

¹² The Millennium Challenge Account is a bilateral aid program created by the Bush administration in 2004. It works according to the principle that developing countries with good governance are able to make better use of the funds received. Countries that are eligible for development aid through the Millennium Challenge Account are therefore selected according to a number of criteria, including Civil Liberties, Voice and Accountability, and Rule of Law (<http://www.mcc.gov/selection/index.php>).

achieve in practice. Grindle (2004), for example, argues that the governance advice offered to developing states often is built on a weak theoretical framework that lacks contextual clarity. Other critics argue that IOs too often focus on policies that are based in a particular ideology that aims at “rightsizing the state”, including trade liberalization and privatization, over other institutional factors (Khan 2002; Campbell 2001).

Thus an extensive body of literature contends that inappropriate policy recommendations have made these measures ineffective, and at worst even counter-productive. Three examples of counter-productive use of economic incentives have been pointed out as being particularly significant. First, structural adjustment programs can undermine democratic accountability as governments have to conform to the demands of the creditors (Ksenia 2008; Whitfield 2005). Second, to the extent that structural adjustment programs require reductions in national budgets, corruption could increase due to lower wages for civil servants (Ksenia 2008: 223-233). Third, privatization undertaken in areas with weak institutions can increase corruption by increasing the opportunities of rent-seeking (Ksenia 2008: 223-233).¹³

One solution to these problems that is often recited in the literature is to increase country “ownership”, so as to give greater voice to domestic stakeholders. However, as Kapur and Naim (2005, 91) point out, “in a country where democratic checks and balances are weak, ‘ownership’ may be little more than a sign of the stranglehold that vested interests have on national policy”. In other words, ownership does not guarantee better policies. If governments are corrupt or captured by vested interests, ownership may neither make policies better nor more legitimate.

So there do not appear to be any quick fixes to the problems that hamper this mechanism from bringing about the desired institutional development. Perhaps when the theoretical foundations of policy advice have been strengthened will the strategy of placing conditions on economic assistance work more like the theory posits.

¹³ See also Rose-Ackerman (1996): “Although privatizing state-owned enterprises reduces opportunities for corruption, the privatization process itself can create corrupt incentives. A firm may pay to be included in the list of qualified bidders or to restrict their number. It may pay to obtain a low assessment of the public property to be leased or sold off, or to be favored in the selection process. Before reforms to the process in Argentina, for example, privatizations allegedly favored those with inside information and connections, as have some privatizations in the former Eastern bloc”.

Interaction with Transnational Actors

The third mechanism – interaction with transnational actors – involves social learning. This mechanism works through the agency of “norm entrepreneurs” (Finnemore and Sikkink 1998) who seek to propagate norms internationally. The mechanism works by introducing international norms, such as transparency and anticorruption, to domestic audiences and elites through IO-led interactions such as workshops, capacity building, and knowledge-sharing¹⁴. The idea is that countries will emulate behaviours that they view as internationally respectable in order to fit into the community of nations (Landolt 2004: 582). However, as the analysis below will show, this strategy struggles to have the intended effects because of the lack of mainstreaming of norms within international organizations.

According to the theory, agents can form new identities and shape alternative attitudes through interaction with transnational actors. Examples of this are the change in attitudes in many parts of the world after the negotiations of the Anti-Corruption Convention, capacity building in the field of human rights, and knowledge-sharing about increasing transparency in budget processes. One of the mechanisms through which these kinds of international interactions can result in norm diffusion is for example individual attitude change as a result of persuasion and political pressure (Alderson 2001: 420).

However, the implementation of governance reforms has neither been universal nor complete. The lack of resonance with domestic understandings is usually given as one factor for why this mechanism may fail to influence norms (Acharya 2004). What is less frequently discussed, however, is the internal contradictions of this mechanism. They can be viewed as stemming from a fundamental flaw in the literature, namely a “selection bias [that suggests] that the West promotes only liberal or progressive norms” (Landolt 2004: 581). The implication of this is that the literature omits the possibility that international organizations project conflicting norms. Such a possibility arises not least when international organizations engage in transnational interactions that do not explicitly have an objective of quality of government promotion.

International organizations perform a wide number of tasks in which they engage member countries. These interactions could lead to the promotion of sometimes conflicting norms (Bauhr 2009). The international climate change regime can be used to

¹⁴ Another form of interaction with transnational actors is direct intervention in a country to promote specific reforms (Jacoby 2006). Such an example is the intervention in Kosovo and the subsequent set-up of an international authority. However, these efforts are more directly led by certain countries, i.e. they are not initiated by international organizations themselves.

illustrate this point. International organizations, such as UN agencies and the World Bank, play a central role in promoting measures against climate change in developing countries, either through market mechanisms or more traditional aid. The system that has attracted the greatest international attention so far is perhaps the Clean Development Mechanism (CDM), the first global market mechanism in international environmental law and the largest market for offsets. The system allows developed countries to invest in developing countries in order to comply with their internationally agreed emission reduction targets. Thus, the CDM has no primary or explicit objective of transferring quality of government norms. Nevertheless, through the number of interactions during the project processes, participants' attitudes and norms may shift as a result of the new influences. Unfortunately, the accounts of the institutional set-up of the CDM have not been very positive. Critics argue that the CDM rules are such that they create perverse incentives and that the mechanism promotes corruption and outright fraud (McCully 2008; Davies 2007)¹⁵.

Thus, interaction with international organizations does not necessarily promote better government institutions. The influence of international organizations may be determined by important conditions including the effect of IO reforms on the impartiality and predictability of the international system (Bauhr & Nasiritousi, forthcoming). Furthermore, when international organizations do not consequently act according to the norms they officially promote when engaging in transnational interactions, mixed signals may be sent that reduce social learning on quality of government norms. This conclusion was echoed in an independent review of the World Bank's anti-corruption efforts. The study identified several shortcomings in the Bank's efforts to fight corruption around the world. One of the key findings was the lack of mainstreaming and leadership on the issue:

A lack of common purpose, distrust, and uncertainty has enveloped the anticorruption work of the Bank. What is important in that effort is achieving a clear sense of direction, bringing into concert the disparate units of the Bank, some of which have failed to recognize the importance of anticorruption and governance efforts in working with client nations. (Volcker 2007: 9-10)¹⁶

Thus the report recommends that the Bank integrates the good governance paradigm into its own programs in order to ensure the integrity of its projects. With better mainstreaming of

¹⁵ Also "C is for Unclean", Down To Earth Magazine, VOL 16 ,NO 14, December 2007, http://www.downtoearth.org.in/cover.asp?foldername=20071215&filename=news&sid=41&sec_id=9; "What's CDM about?", Down to Earth Magazine, VOL 14 ,NO 12 Monday, November 07, 2005, http://www.downtoearth.org.in/cover.asp?foldername=20051115&filename=anal&sid=4&page=7&sec_id=7&p=1

¹⁶ For a similar analysis, see Woods (2000).

quality of government norms within international organizations, therefore, the interaction with transnational actors mechanism may become more successful in diffusing these norms.

The Enlargement of International Communities

The final mechanism that will be discussed is the membership process of certain international organizations. This strategy has frequently been studied within the context of EU accession conditions, which have proven effective in bringing about the requested reforms in aspiring member states (Jacoby 2006: 646). In fact, this mechanism – also called political conditionality – has empirically been shown to be the most effective in spreading quality of government (Kelley 2004; Schimmelfennig 2005). However, even this mechanism suffers from shortcomings that may impede its effectiveness. The discussion below identifies two factors that reduce the chances for successful diffusion of quality of government through this method: incomplete internalization of norms by member states and low priority bestowed to certain QoG issues.

The enlargement of international communities is a method that uses carrots and sticks to motivate countries to undertake government reform. Countries wishing to join the European Union must for example comply with a set of political and economic conditions – known as the Copenhagen Criteria. The political conditions include provisions about such issues as human rights, democracy, the rule of law, and minority rights¹⁷. Because of the significant benefits associated with EU membership, an accession country faces both political and economic incentives to fulfill the membership criteria.

Nevertheless, even this tool faces a number of limitations. Except for the fact that only a limited number of international organizations (can) employ such rigorous conditions for membership (for example because they already have universal membership or lack the means to impose conditions¹⁸) – thus reducing the applicability of this tool – two other issues can lessen its effectiveness. First, international organizations vary in the degree of authority and capabilities that are required to succeed in promoting quality of government. Ambrosio (2008: 1324) argues that there is a positive correlation between what he calls

¹⁷ See Presidency Conclusions, Copenhagen European Council, 21-22 June 1993, http://www.europarl.europa.eu/enlargement/ec/pdf/cop_en.pdf

¹⁸ The Council of Europe could be given as an example, where countries are rather accepted than rejected even if their human rights standards are not adequate.

international organizations with high “democratic density” – i.e. where most members¹⁹ are democracies – and the success rate of spreading these norms. Analogous to this is that member states as well as the international organizations that place conditions on new members must themselves have embodied the required norms. Studying the example of the EU’s effort to spread the norm of transparency to accession countries, Grigorescu (2002) shows that it is more difficult for IOs to spread norms that existing member states have themselves not fully internalized: “This lack of a commonly accepted transparency norm in member states has led to difficulties in the adoption of mechanisms through which IOs can promote such a norm.” (p. 482).

Second, and related to the first point, is that when international organizations prioritize some membership conditions over others, the less-prioritized reforms may not be implemented. Sandholtz & Gray (2003: 793) suggest that anti-corruption reform was not a prioritized area in the enlargement process involving the Eastern European accession countries. Although anti-corruption was a condition for membership, pre-accession reports about prospective members rarely dwelled on the topic. Instead, Sandholtz and Gray (2003: 794) argue that the EU prioritized economic reforms and compliance with EU regulations over other reforms. Consequently, the EU had to deal with corruption problems in new member states after accession. It found the level of corruption in Bulgaria so alarming in 2008 as to warrant the withholding of some EU funds²⁰.

The reason for why corruption issues were not prioritized in the accession process may have been due to the thorny nature of the issue and the fact that corruption problems within the EU’s own institutions are perceived as being widespread. Alternatively, it is conceivable that organizations have to prioritize certain conditions for membership when there are numerous reform areas that are considered important. Not giving equal attention to all conditions for accession in turn creates the problem of assessing when the membership conditions have in fact been fulfilled. Of particular importance for this mechanism to work effectively is that the granting of membership does not become a matter of diplomatic decision-making where some countries get accepted based on political considerations without having fulfilled the conditions. Otherwise, if certain countries get accepted as a matter of political expediency rather than because they fulfil the accession criteria, the incentive to improve governments are weakened. This is particularly true if potential member countries

¹⁹ Or member states with the greatest influence in the organization.

²⁰ Elitsa Vucheva, Bulgaria under fire for corruption levels, EUobserver, 17.07.2008, <http://euobserver.com/9/26504>

come to view that the membership criteria do not in fact matter. Thus what is important for this mechanism to work effectively is that international organizations and their member states internalize the norms that they put out as conditions for membership and that the conditions are assessed consistently and even-handedly.

Conclusion

This paper poses the difficult question of how bad governments become better. In particular, it analyzes the role of international organizations in promoting better governments. The analysis shows that even if international organizations have powerful tools to influence quality of government, the mechanisms and strategies that they employ suffer from internal shortcomings that significantly limit their influence. The paper defines four main strategies for IO influence: Inter-state competitive pressures, conditions on economic assistance, interaction with transnational actors and the enlargement of international communities. Our analysis of case studies and comparative studies show that these mechanisms suffer from a number of specific internal shortcomings that hamper their effectiveness: Imprecise data, market pressures, contested policy advice, lack of mainstreaming of norms within international organizations, incomplete internalization of norms by member states, and low priority of QoG-issues.

While case studies abound, few studies attempt to develop a comprehensive theoretical framework for the influence of international organizations on quality of government. The framework developed in this paper is an attempt to bring much needed conceptual clarity to the discussion on how international organizations reduce corruption and promote better government institutions. It also contributes to explaining the dissonance between the strong theoretical tenets for IO influence and the numerous case studies that fail to find a link between international integration and quality of government reform.

Moreover, in contrast to much of the literature that attributes shortcomings or failures to country specific particularities, such as the amount of domestic resistance to reforms, the framework focuses on weaknesses that are internal to the mechanisms that the international organizations employ. This is important since reforms focusing on internal weaknesses could potentially have an effect across different contexts. In other words, holding the external factors that can weaken the effects of IO work in promoting quality of government constant, this paper suggests that substantial benefits can be reaped by also looking into problems internal to the mechanisms of norm diffusion.

A better theoretical and practical understanding of how international organizations can promote quality of government is of fundamental importance to deal with some of the central challenges that face the world today. Such challenging problems as reducing poverty and greenhouse gas emissions are dependent upon functioning and effective government institutions. While international organizations may well hold the key to the direction that these global developments will take, the effectiveness of international organizations in this area may depend on how they refine their strategies to promote change in member countries. A challenge for scholars is to offer theories and assessments of how the internal limits of strategies aimed at promoting government quality identified in this paper interact with domestic and other external factors. This would further contribute to determining the role that international organizations will play in meeting future global challenges.

Figure 1. How International Organizations Promote Quality of Government (QoG)

| Mechanism | Examples | Intended Effects | Hampering Factors |
|--|---|--|--|
| Inter-state competitive pressures | a) Governance rankings | a) Governments enact reforms to improve country image | a) Lack of objective data |
| | b) Competition for foreign direct investment | b) Governments enact reforms to attract investments | b) Investments in low-QoG states, for example in resource rich countries |
| Conditions on economic assistance | Structural adjustment and aid conditionality | Governments enact reforms to receive aid or loans | Some IO advice undermines QoG |
| Interaction with International Organizations | IO-led workshops, capacity building, knowledge-sharing, meetings etc. | Socialization | Lack of mainstreaming of QoG norms in IOs |
| The enlargement of international communities | The membership process of certain IOs | Prospective members enact government reform in order to increase their chances of membership | a) Lack of QoG in member states and IOs. |
| | | | b) Low priority of QoG issues |

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