Small is Beautiful:
The Perils of Gigantism and the Pay-offs of Studying Small International Organisations

Jason Sharman
Griffith University
j.sharman@griffith.edu.au

Abstract:
This paper calls for a move away from the study of a few large, unrepresentative international organisations (IOs) towards the small inter- and non-governmental bodies that comprise the vast majority of this kind of institution. Aside from their sheer size, the usual suspects of the EU, UN, WTO and Bretton Woods institutions have state-like powers that confound attempts to study new modes of governance. To show that the study of small IOs is no obstacle to big conclusions, the paper considers three bodies of literature that put such bodies at the centre of their attention: that on transnational and transgovernmental networks, the Stanford school of ‘world society’ sociology, and work based on Foucault’s idea of ‘governmentality’. The means by which small IOs can exercise substantial influence are illustrated with reference to the Financial Action Task Force on money laundering, the Davos-based World Economic Forum, and the American Psychiatric Association. If global governance, and international relations more generally, are the kind of politics practiced in non-hierarchic environments using modes of governance distinct from legal authority and a monopoly on violence, then the study of small IOs offers one of the most promising routes for theoretical advancement.
The field of International Relations is afflicted with gigantism: a fixation on the big, such as great powers and superpowers. This orientation is in line with Waltz’s famous dictum that we should concern ourselves with a ‘small number of big and important things’ (1986: 329). Such gigantism extends to the study of international organisations also. Although there are over 5000 inter-governmental organisations and more than 25,000 international NGOs, IO scholars disproportionately concentrate on just five: the European Union, the United Nations, the World Bank, the International Monetary Fund, and the World Trade Organisation. This paper argues that such a skewed focus inhibits theoretical progress in the field, and that balancing our attention by paying more regard to small IOs (governmental and non) would be a better use of time and attention. International Relations more generally should be re-oriented towards the study of a large number of small and collectively important things. Contra Waltz, even as far as states are concerned, the fixation on big units is unhelpful. The main thesis of this paper, however, is that the disproportionate attention on the ‘big five’ distorts our understanding of international organisations and global governance more generally. The Bretton Woods institutions, UN, EU and WTO are incredibly unrepresentative of typical IOs, on both quantitative and qualitative measures. Because they are so atypical, knowledge about these institutions does not really tell us much about international organisations, and as such as it fails to provide grounds for either generalisation or cumulation of knowledge on the subject.

For example, take the statement ‘international organisations function like Weberian bureaucracies’ (Barnett and Finnemore 1999, 2004). If the typical IO had thousands, or even hundreds, of staff, this might make good sense. But since the average staff size is closer to a
dozen, it is almost impossible for the typical IO to function like a bureaucracy. There are simply
too few staff for extensive functional differentiation, specialisation, hierarchy, and impersonality.
Thus a more empirically accurate rendering of the statement would be ‘while a tiny insignificant
fraction of international organisations function like Weberian bureaucracies, the vast majority do
not’. Most IOs might function like a small family business, or a niche local club. Case studies of
the IMF or the United Nations may tell us a great deal about these particular bodies, and perhaps
even provide some valuable insights on other members of the big five, but they tell us very little
about international organisations as such.

But rather than the preoccupation with the big five being primarily a quantitative problem
of studying outliers, it is more a conceptual issue. Over the years, many prominent scholars have
issued a rallying cry to make the field less state-centric (e.g. Keohane and Nye 1972; Higgott,
Underhill and Bieler 1999; Slaughter 2004; Barnett and Finnemore 2004; Avant, Finnemore and
Sell 2010). Broadening our outlook is especially important for the study of global governance,
loosely defined as modes of cross-border rule-making and enforcement carried out by a variety
of actors in a manner distinct from the that traditionally exercised by sovereign states. Yet the
particular problem with the big five is that they are defined by their state-like prerogatives,
prerogatives that are almost never shared by any other IOs. The EU and the WTO can issue
binding legal judgments. The Bretton Woods institutions can exert power through making or
withholding multi-billion dollar loans (and do so, unlike other development banks). The UN can
authorise military force, as well as employ such force by using blue helmets. While global
governance is about new forms of governance distinct from those traditionally employed by
states, the big five are notable because of their atypical state-like means of government (binding
legal decisions, and economic and military coercion). These state-like powers are an important confound in trying to get to grips with the key features of global governance as a mode distinct from states’ traditional exercise of authority within their own borders.

Moving on from the critique of the field as it is, the positive aim of this paper is to argue that a shift of focus to small (i.e. typical and representative) IOs means that we are more likely to be able to make valid generalisations about this type of entity, and generate a much better understanding of the new modes of global governance. To provide some evidence of the potential here, the paper considers three bodies of literature. The first is loosely grouped as those scholars interested in transnational or transgovernmental networks (Keohane and Nye 1972; Slaughter 2004). The second is the ‘world society’ literature, also known as the Stanford school of sociology (Meyer et al. 1997; Krucken and Drori 2009; Drori, Meyer and Hwang 2004). The last is work based on Foucault’s notion of ‘governmentality’ (Dean 1999; Neumann and Sending 2004; Lowenheim 2008; de Goede 2009; Joseph 2010). These works advance different but often complementary arguments about why small IOs (including NGOs) are collectively fundamental to the nature of the international system. They exercise influence via agenda-setting, problem definition, classification and categorisation, diffusing technical models and guidelines, monitoring, measuring and benchmarking, and shifting preferences and identities.

Empirically, the paper provides three examples of new and consequential forms of governance exercised by small IOs: the Financial Action Task Force on money laundering, the World Economic Forum, and the American Psychiatric Association. The first of these evaluates countries on their compliance with global anti-money laundering standards. These evaluations are then used by private actors as a proxy for underlying risk, influencing the difficulty and
expense with which evaluated countries can access international financial networks. The section on the World Economic Forum concentrates on its annual *Global Competitiveness Report* country rankings. Aside from entrenching the analogy that states compete with each other in the same way as firms, the league table is even more important in providing a high-profile measure against which governmental officials can measure their commitments to the ideal of the ‘competition state’ (Cerny 1997). Furthest removed from the traditional purview of International Relations, the American Psychiatric Association and its Diagnostic and Statistical Manual of Mental Disorders represent key sources of authority in this discipline. More broadly, they help to structure the international pharmaceutical industry, governments’ health policies around the world, NGO disaster relief procedures, and even the sense of what it means to be a ‘normal’ individual.

IS BIGGER BETTER?

The scholarly focus on big units in the international system did not start with Kenneth Waltz, but he issues the most explicit defence of this bias. He notes: ‘The theory of international politics is written in terms of the great power of an era. It would be ridiculous to construct a theory of international politics based on Malaysia and Cost Rica’ (1979: 73). This position is premised on two points. The first is that all states are fundamentally the same, like units, and thus knowing the nature of great powers will by definition mean knowing the nature of every other sovereign state. The second reason is that great powers set the politics in the system and affect small powers, whereas small powers do not significantly affect great powers. This rationale both
summarised and justified the field’s existing proclivities, then and now. But even just restricting the scope of the enquiry to sovereign states, there are good reasons to think that ignoring all bar the great powers is a poor strategy for best advancing our knowledge of world politics.

For example, realism is premised on the idea that the Hobbesian nature of the international system leads to pervasive insecurity and fear of conquest (e.g. Grieco 1993: 126; Walt 2002: 200). Those states that are militarily weak must either find powerful protectors or risk being eliminated from the system (Waltz 1979: 77). It is fairly clear from this specification that it is the experiences of small, weak states, not big powerful ones, that are most relevant to test the accuracy of this claim. Are small states actually eliminated from the system more often than large ones? Yet with a few exceptions (Resende-Santos 2007; Fazal 2007), realists have ignored the empirical logic of this fundamental claim in continuing a myopic focus on great powers. In a rare test, Fazal finds that there is no relationship between a country’s size, military power or alliances and its likelihood of being conquered (2007: 4). While quantitative studies by definition include a wider variety of states, even here the same bias can be seen. Although the conventional definition of statehood relates to diplomatic recognition and membership of the United Nations, the Correlates of War database arbitrarily excludes all states with a population of under 500,000 (currently around 20 states). The implicit logic at work is that small states are irrelevant.

How might Waltz’s logic apply to the study of IOs? Those working on large IOs rarely justify their choice to focus on a few outliers in the same explicit manner. Would it be ridiculous to construct a theory of international organisations based on the World Tourism Organization and the African Groundnut Council? Returning to Waltz’s logic, international organisations are
not all like units. Apart from huge differences in staff and budgets, and ignoring NGOs for the moment, some inter-governmental organisations have legal personality and treaty making powers, many do not. Some are entitled to command, and others obliged to obey (e.g. that FATF and the regional anti-money laundering bodies). And, crucially, a very few have state-like powers of coercion and law-making, but the vast majority do not, as noted above. IOs are thus not like units. While great powers are in some sense small states writ large, the same cannot be said of large IOs. What about the second point, that big IOs influence small ones, but not vice versa? Even if this were taken in terms of individual organisations there are counter-examples (e.g. Transparency International in the mid-1990s, the Financial Stability Board since 2009, the Financial Action Task Force as discussed below). But it makes much more sense to examine the collective influence of small organisations, which is prodigious. Alternative takes on how such minnows may have important influence is gleaned from the literatures on transnational networks, world society, and governmentality, discussed below.

Before launching into the treatments of each, however, it is worth briefly noting how IR’s gigantism puts it radically out of step with other fields, and even most of the rest of political science. In economics, advances in micro-economics are said to have far outstripped those in macro-economics, even before the Great Recession exposed the shortcomings of the latter. Anthropology is almost by definition the study of small units, while history has moved away from Great Men and kings, treaties and battles towards a history of the everyday. Some of the most important debates in political science are based on the study of small units, for example that over power in New Haven (Dahl 1961) and Baltimore (Bachrach and Baratz 1962; more recently, see Scott’s anthropologically-inspired work, such as Scott 1985). Contemporary work
in American politics is most commonly premised on methodological individualism. All of these fields concentrate on small units, and are apparently none the worse for it; indeed, IR probably runs an intellectual deficit with each.

EVIDENCE OF GIGANTISM IN THE IO LITERATURE

The first table below presents some evidence for the disproportionate concentration on a few big IOs. It tabulates those IOs noted in the abstracts of papers in the International Organization and International Political Economy streams of the 2010 International Studies Association conference. As can be seen, there are more papers dealing with the WTO than all NGOs combined (whether particular NGOs or some general reference to NGOs is included in the abstract). The same pattern is observed even more strongly in the equivalent data from the abstracts of *International Organization* articles, where NGOs receive only one mention 2001-2010. A caveat is that most references to the OECD were ambiguous in using this term as a general descriptor for rich countries, rather than studying the institution itself. As Webb and Porter (2004) remark in a review of the literature, there is little written on the OECD as such, which is said to be regarded by the field as ‘big and boring’.

**Organisations mentioned in the Abstract of ISA 2010 papers, IO and IPE Streams**

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union</td>
<td>66</td>
</tr>
<tr>
<td>United Nations</td>
<td>36</td>
</tr>
<tr>
<td>Organisation</td>
<td>Count</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>WTO</td>
<td>21</td>
</tr>
<tr>
<td>NGO (combined)</td>
<td>16</td>
</tr>
<tr>
<td>World Bank</td>
<td>8</td>
</tr>
<tr>
<td>OECD</td>
<td>5</td>
</tr>
<tr>
<td>IMF</td>
<td>4</td>
</tr>
<tr>
<td>NATO</td>
<td>4</td>
</tr>
<tr>
<td>World Health Organisation</td>
<td>4</td>
</tr>
</tbody>
</table>

Organisations mentioned in the Abstract of *International Organization* articles 2001-2010

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union</td>
<td>31</td>
</tr>
<tr>
<td>United Nations</td>
<td>10</td>
</tr>
<tr>
<td>OECD</td>
<td>10</td>
</tr>
<tr>
<td>WTO</td>
<td>8</td>
</tr>
<tr>
<td>IMF</td>
<td>6</td>
</tr>
<tr>
<td>NATO</td>
<td>4</td>
</tr>
<tr>
<td>World Bank</td>
<td>4</td>
</tr>
</tbody>
</table>
GLOBAL GOVERNANCE THROUGH THREE LENSES

Global governance is about practices and processes performed by a complex range of actors that are defined by their not having the traditional tools of governments. Thus they do not have legal authority (unlike WTO and EU), cannot use force (unlike the UN) or economic sanctions (unlike the UN, IMF, World Bank). And yet in looking at those actors involved in global governance currently the field has chosen to focus on the least representative instances, thereby distracting us from what is new, distinct and puzzling about global governance. After all, if IR is all about anarchy, we need to move as far away as possible from state-like authoritative exercises of power. The potential of global governance for rule-making and enforcement is the potential of such when state-like powers are absent. The difficulty is that ‘The connection between governance and the state is very deep in our collective subconscious’ (Avant, Finnemore and Sell 2010: 356). Even studies of the big five that do emphasise new modes of governance (e.g. the influence of the ‘Knowledge Bank’ as opposed to conditional lending) are hamstrung by the confound of these bodies’ state like powers. Do developing countries adopt World Bank policy templates because of the Bank’s bureaucratic authority and expertise, or because they fear that the failure to do so will imperil future borrowing? In practice it is often very hard to distinguish these two factors. Developing country officials may mistakenly believe that one or both of the Bretton Woods institutions will limit future lending if they fail to introduce a certain reform, even though these institutions make no explicit or implicit effort to make such reform a loan condition.

A similar situation arises in trying to assess the utility of the Open Method of Co-
ordination in the EU, the practice of using common standards, benchmarks and peer pressure to regulate rather than binding directives (Buchs 2007). The problem is, member states may well know (or mistakenly believe) that the failure of such soft strategies now may lead to either a directive, or binding decision of the European Court of Justice, in the future. Compliance with such soft measures may reflect anticipation of harder ones in the future rather than anything about the Open Method of Co-ordination as such. Empirically, how can we tell what kind of influence is at work in these situations where soft tools of governance are used by organisations that also have state-like prerogatives in their armoury? The presence of state-like prerogatives confounds the ability to get at the impact of other means of influence. But when countries adopt standards set by the International Electrotechnical Commission we do not have to ask whether their governments feared sanctions, adverse legal judgments or the disruption of borrowing facilities (Buthe 2010).

If much of the above has been a critique of the status quo, the sections below aim to outline the promise of a re-orientation towards the study of small IOs. Though the approaches outlined below are different and not necessarily compatible, they do share some important similarities and linkages. Thus in their Foucauldian take on global governance, for example, Neumann and Sending acknowledge the inspiration of Keohane and Nye’s work on governing through transnational networks. Though they differ on their views on power, Stanford school sociologists and those employing the concept of governmentality share the idea of deep-seated cultural changes rooted in the modern condition feeding through into institutions and governance practices. All three streams focus on the exercise of governance by small organisations that lack any state-like powers.
Keohane and Nye’s 1972 volume *Transnational Actors and World Politics* is a valuable corrective to the presumption that scholars’ interest in moving away from a state-centric view is only a post-Cold War ambition. The volume references work by Raymond Aron, Arnold Wolfers and others from the 1950s and 1960s arguing for the importance of various transnational phenomena. The various chapters cover actors ranging from professional scientific organisations, to multinational corporations, to the International Civil Airline Organization, to the Catholic church and revolutionary networks. The project grew out of a dissatisfaction with a trend to the application of more formal methods to narrow questions (like analyses of roll-call voting in the UN), and drew on earlier work on small states (1972: vii). Transnational relations are defined as ‘contacts, coalitions, and interactions across state boundaries that are not controlled by the central foreign policy organs of governments’. These include cross-border links, collaboration and collusion between government sub-units. Thus the authors note that every US cabinet office acquired international responsibilities by the 1970s, and that at the time in some US embassies as little as a fifth of the staff were with the State Department (with the embassy in Moscow being a notable exception) (Keohane and Nye 1972: 392).

What is added by including interactions beyond just state-to-state contacts? In arguing for a ‘world politics paradigm’, Keohane and Nye maintain that transnational actors alter the pay-offs for state leaders as they raise the cost of certain options. They do so by changing the distribution of knowledge, changing attitudes, and particularly by forming coalitions and
alliances with government sub-units. Rather than being a zero-sum relationship, the increasing significance of these actors proceeds in tandem with the increasing ambitions of state. Indeed, the more governments seek to exercise control, the more they enmesh themselves within transnational networks. Similarly, rather than redistributing power internationally, the authors argue the net effect of such networks is probably to strengthen the core, particularly the United States, at the expense of developing countries. Many of these themes, particularly relating transgovernmental networks, are then reprised under the label of ‘complex interdependence’ five years later (Keohane and Nye 1977), before the authors return to a more traditional state-centric orientation in the 1980s.

Slaughter takes up many of themes raised by Keohane and Nye, focusing specifically on transgovernmental networks. She sees such a network as ‘a pattern of regular and purposive relations among like government units working across the borders ’ (2004: 14). Most of these are groupings of functionally specialised government officials, regulators and even legislators and judges from different countries. Transgovernmental networks are held to have become increasingly important since the 1970s. Examples of such are the International Organisation of Security Commissioners, the Parliamentary Confederation of the Americas, the Financial Action Task Force and International Network for Environment Compliance and Enforcement, while the Commonwealth and Asia-Pacific Economic Co-operation are ‘networks of networks’. Networks are said to be inherently unable to exercise coercion (2004: 11). Instead, they exercise influence through means including the transmission of information, distilling and disseminating best practices, capacity building, establishing and transmitting reputations, and socialising network members. For the United States, networks are a means for the application of soft power which
facilitate policy diffusion, thanks to American regulators’ ‘expertise, integrity, competence, creativity, and generosity’ (2004: 5). Other governments come to see US policy templates as inherently desirable and efficient solutions to local policy problems. Rather than altering pay-offs, networks are effective in solving global problems because they change actors’ self-perceptions, preferences and capabilities.

In both volumes, transgovernmental networks are said to be becoming more and more important. This distinctive focus reflects a growing dissatisfaction with the unitary state assumption, but also with the focus on ‘the usual suspects’ among international organisations. Another common element for Keohane and Nye and Slaughter is that, rather than supplanting the state, networks provide the means through which to manage cross-border problems that threaten to frustrate states’ ambitions to control their societies and economies. However, networks are not instruments of unitary states, as they are relatively autonomous, and both reflect and contribute to the fraying of the state. While Keohane and Nye see networks as consequential in changing the pay-offs for statesmen, Slaughter takes the view that their effect is deeper in changing identity and capacity. Conversely, while Keohane and Nye are sensitive to the issues of winners and losers created by the rise of networks, Slaughter is a very much a cheer-leader in this regard (e.g. 2004: 261). It seems that the ‘world politics paradigm’ failed to displace the state-centred approach in the 1980s thanks to its rather unruly and unparsimonious character, as well as the impact of Waltz’s appeal for simple, powerful theory. It is too soon to tell if Slaughter’s variation will prove any more durable.

WORLD SOCIETY
Though the world society literature argues for a focus on small IOs, especially NGOs, it is based on grand theory. For these Stanford school sociologists, modernity has been defined by the rise of a culture of Weberian rationality privileging means-ends problem-solving, and comprised of scripts that construct purposive actors and valorise and legitimate education and professional expertise (Meyer et al. 1997). In a notion that is heretical for IR scholars, there simply is no agency. The very notions of agency and actor are said to be products of the prevailing cultural scripts. Rather than meeting technical or functional requirements, organisations, including states, are constituted and propelled by conceptions of legitimacy, pursued via ceremony and rituals (Meyer and Rowan 1977; Meyer et al. 1997).

Governance since 1945 is said to have seen a shift away from centralised states to border-spanning NGOs, especially scientific and other professional organisations, as well as consultants. Each of these are seen as more consequential than inter-governmental organisations. These networks embody and reinforce shared understandings of legitimacy which jointly constitute the world society (Drori, Hwang and Meyer 2004). Through a process of ‘theorization’ these organisations propound generalised models of how states and other organisations should be structured and behave in order to be regarded as legitimate. The result is ‘mimetic isomorphism’: remarkably similar institutions and policies diffuse to radically different states, seemingly irrespective of local needs or problems (DiMaggio and Powell 1983). This occurs particularly when the measures of organisational success are unclear, or when the personnel in one sector come to define themselves and take on the trappings of a professional community. The upshot is that developing countries subscribe to a long list of unrealistic goals that are said to characterise
all modern, progressive, rational states. Thus thanks to consultants and NGOs, East Timor’s 2002 constitution guarantees among other things the rights to adequate housing, education and health care, the right to work, ‘the development of the economy and the progress of science and technology’, the rights of children, youth and the disabled, and the right of the elderly to ‘opportunities for personal achievement through active and dignified participation in the community’. It is a faithful, correct and uncoerced statement of world society values, completely regardless of the inability of the East Timorese state to actually deliver on any of these commitments. The design of ministries and the government apparatus is just as generic, again being based on the idealised version of the rational state.

The prime target of this school is so-called realists, which in their expansive terms includes scholars like Barnett and Finnemore just as much as Waltz:

Typically, the realist idea is that national societies incorporate world models because “the World Bank made them do it,” or “powerful states made them do it.” These arguments completely fail empirically much of the time... countries dependent on the World Bank adopt fashionable policies at rates no different than autonomous countries (Meyer 2009: 49).

With few exceptions (DiMaggio and Powell 1991: 68), world society scholars have little or any room for power or coercion in their explanations, a point of criticism for even sympathetic political scientists (Finnemore 1996). Unlike IR scholars, there is effectively no distinction between the domestic and international levels, with concepts originally developed to explain domestic processes later deployed to the analysis of international diffusion and globalisation (Meyer and Rowan 1977).
GOVERNMENTALITY

The last body of work considered is that inspired by the work of Michel Foucault and centred on the concept of governmentality. Governmentality is a technique of governance that relies on self-regulation of autonomous and responsible individuals, working through the freedom of those governed, rather than against it (Dean 1999; Porter and Webb 2004). Taken-for-granted identities and roles specify that individuals and actors are responsible for actively promoting and enforcing rules, both in relation to themselves and others, so as to pursue socially valued ends. This is in contrast to exercises of sovereignty or discipline, according to which actors are merely expected to follow the rules in a passive manner so as to avoid punishment. Though governmentality is a manifestation of power, it is a highly decentralised, diffuse and indirect form. It is often focused on the construction of problems and accompanying problem-solving techniques. Also important are measurement, categorisation and quantification. For Foucault the rise of these techniques signified the rise of the modern state in the sixteenth century, where as for some IR scholars the deployment of similar techniques at the international level presages a new era of global government. A variety of indicators, benchmarks and ranking systems lead responsible states to ‘do the right thing’, that is engage in competitive self-improvement to get better grades and ratings.

One example of governmentality on the global scale provided by Sending and Neumann is the role of NGOs in the international campaign to ban landmines. Rather than just acting as advocates for the ban, NGOs became intimately involved with all stages of the policy process:
from agenda-setting, to providing expertise, monitoring parties’ compliance, and even defusing and removing the mines. Rather than being captured by states, or taking power from states, NGOs and governments became active, though sometimes uneasy, partners in a joint governance project. It is the very autonomy and activism of NGOs that makes their contribution so effective.

Sympathetic critics of applying governmentality in international relations like Joseph (2009, 2010) have cautioned about the challenges of scaling up a concept designed to explained national development to the global level. In France and other countries the exercise of governmentality as an indirect form of power was matched with more direct forms of state authority and coercion (discipline and sovereignty). It is much less clear that there is any analogue to these direct forms of power in global governance. Furthermore, if power is everywhere, as Foucauldians often seem to suggest, there may be the danger of explaining everything, and therefore nothing, with reference to power. Is there ever such a thing is freedom, or the absence of power, for Foucauldians? With reference to Joseph’s caveat, however, just because governmentality has operated in tandem with other forms of power at the within states, this would not necessarily seem to limit the application of the concept beyond states. The possibility of scaling up from the national to the international is clearly inherent in the very notion of global governance itself.

COMMON THEMES AMONG THE THREE PERSPECTIVES

It might seem that pillars of the IR establishment like Keohane and Nye would have very little to do with the self-styled subversives on the Foucauldian fringes of the discipline. But there
are important commonalities between all three perspectives. Most obvious is the dissatisfaction with the status quo defined as a focus on unitary states as the only worthwhile subject of attention. This extends to an impatience with the way the field studies international organisations, particularly the focus on big organisations (though Keohane and Nye and Slaughter’s interest in the EEC/EU is an exception). Conceptually, there is a strong desire to move away from the view of power as a deliberate, intentional exercise whereby A causes B to do something B would not otherwise do, usually involving material means and stakes. Yet if it were just a matter of shared dislikes there would be little point grouping these perspectives together. In fact there are strong positive similarities between them.

The most of important of these similarities relate to what sort of actors are important, and the means by which these actors practice governance and exercise influence. All three schools argue that the kind of specialised transgovernmental networks, professional associations, and issue-based NGOs that have generally been marginalised among those in IR should be brought to the forefront. In combination, these organisations are said to be much more important than large, traditional inter-governmental institutions. These small IOs are vital for an understanding of the most important trends in world politics, but it is not a matter of these new actors siphoning power away from states. Almost without exception there is no scope for the traditional means of state influence: military force, economic sanctions, or binding legal decisions. Instead, small IOs exercise influence by changing identities, attitudes and preferences. For example, they construct and diffuse models of what states should aspire to as ‘responsible stakeholders’ in the ‘international community’ in terms of their institutions and policies. These actors then provide the impetus to attempt to live up to such idealisations through the provision of benchmarks,
ratings and ranking systems against which states and others can publicly monitor progress relative to their peers. Though states may often set the broad agenda, these actors tend to define and bound problems requiring action. They also have a disproportionate role in implementation, whether it is harmonising standards, evaluating human rights protection, or delivering disaster relief. These methods comprise the essence of global governance: the exercise of influence in an anarchical environment in a manner that is conceptually distinct from the traditional conduct of government by states within their borders. They show the potential (but also the limits) of rule-making and enforcement when there is no recourse to the means said to be fundamental to state power, most notably violence.

The sections below provide three brief empirical illustrations of the means by which such organisations have successfully wielded influence. The first body considered, the Financial Action Task Force on money laundering, is a classic transgovernmental network of regulators, a body without any formal legal standing that has nevertheless proved very powerful. The second, the World Economic Forum, is a private NGO based in Switzerland known best for its Davos forum of political and business leaders, but also its national competitiveness ranking. The last example is furthest removed from conventional picture of international organisations: the American Psychiatric Association, the professional association for 38,000 American and international psychiatrists.

THREE EXAMPLES

1. THE FINANCIAL ACTION TASK FORCE
The Financial Action Task Force (FATF) is the standard-setter and enforcer for rules designed to prevent money laundering and the financing of terrorism. Founded by the G7 on the initiative of the United States and France in 1989 as part of the ‘War on Drugs’, the FATF has expanded beyond its original OECD country membership to include states like Russia, China, India, Brazil, Saudi Arabia and South Africa. The FATF does not have any legal personality, is not based on a treaty, and cannot create international or domestic law. Its secretariat has expanded from 3 to 18 members, working with a budget of around $4 million. Its primary output and raison d’etre are the 40+9 Recommendations, which set down standards for countering money laundering and the financing of terrorism, respectively. These Recommendations also define the purpose of eight regional anti-money laundering organisations that are formally subordinated to the FATF. The FATF holds three plenaries a year, attended by officials from member states’ finance and justice departments. There is no role for ministers or diplomats. Its main business is evaluating both members’ and non-members’ compliance against the 40+9 Recommendations.

The FATF has been spectacularly successful in diffusing its Recommendations, with more than 170 countries committing to their adoption. Rather than just being empty declarations, these commitments have involved setting up institutions and enforcing highly intrusive financial regulations (though whether this has been effective in reducing illicit financial flows is an open question) (Hulsse 2007). One of the main means by which the FATF has exercised influence are its evaluations. States are evaluated according to a common procedure by a visiting team of experts, and are given a score of Compliant, Largely Compliant, Partially Compliant or Non-Compliant for each Recommendation. Poorer states (Low Capacity Countries in FATF-speak)
routinely get bad report cards of up to 30 or 35 Non-Compliant rankings. Why do these matter, why would states be motivated to make changes to improve their scores? The first reason is because states and their leaders are often sensitive to perceived slights and adverse publicity (Johnston 2005: 1021-22). To take an extreme example, the satirical film *Borat: Cultural Learnings of America for Make Benefit Glorious Nation Kazakhstan* led to official protests from the Kazakh government, a four-page response in the *New York Times*, the commissioning of public relations firms to repair the country’s image, and pressure to remove Borat’s .kz spoof website (in turn provoking a US State Department rebuke). As discussed further in the context of the World Economic Forum, FATF ratings engender a particular sensitivity because they allow public comparison relative to peer countries and engender a desire for national self-improvement (Heng and McDonagh 2008; de Goede 2009).

However, it is more than just pride that is at stake in these evaluations. As part of the anti-money laundering regime, private firms, particularly banks, have been pressed into service in the hunt for dirty money (de Goede 2009). Those firms that fail in this duty are liable for civil and criminal legal penalties. But it is difficult to distinguish clean from dirty money. More broadly, international financial firms have looked to manage risk by subscribing to a variety of political risk products and consultants. As least as far as money laundering is concerned, this seems to be less a matter of preventing things going wrong than having an excuse when they do; firms can say they were doing their best in exercising proper due diligence. In turn, measures of money laundering risk tend to rely on the scores in evaluation reports. Countries that get bad grades get a higher risk rating, and thus face additional obstacles and expense in accessing international banking networks (e.g. correspondent banking links), as firms pass on the costs of
extra due diligence. At the end of this chain (the FATF, risk raters, financial firms) are developing countries, often with only tenuous links to the international financial system even absent money laundering concerns. As a result of this concatenation, developing country governments are under considerable pressure to adopt the relevant policies and institutions, and to strive to improve their ratings (Sharman 2008). Adopting this policy is a ‘rational fiction’, a symbolic effort to communicate modernity and propriety, rather than a functional response to a local problem (McNamara 2002). This is all the more so as similarly situated states improve their rankings, creating a competitive dynamic and a fear of falling behind. It is a very indirect, but also very effective, form of power, which is not the result of deliberate calculation of any one actor. The private firms have no particular agenda to diffuse AML standards, while the FATF did not intend its evaluations to be used in this way (though it may be pleased with this turn of events).

2. THE WORLD ECONOMIC FORUM

Unlike the transgovernmental FATF, the World Economic Forum is a private body, a foundation resident in Switzerland. Originally formed as the European Management Forum in 1971, the body successively broadened its scope and geographic coverage, adopting its current name in 1987. Its managerial lineage is demonstrated as much by the phrasing of its mission statement as the content:

In a world characterized by complexity, fragility and ever greater synchronicity, strategic insights cannot be passively acquired. They are best developed through
continuous interaction with peers and with the most knowledgeable people in the field. To carry out its mission, the World Economic Forum has developed an integrated value chain by involving world leaders in communities, inspiring them with strategic insights and enabling them through initiatives (http://www.weforum.org/en/about/Our%20Organization/index.htm).

The Forum’s documents and initiatives are replete with the language of corporate social responsibility, though there are also working groups on health, poverty and anti-corruption. It is best known for its annual summit in Davos, where the great and the good from corporate and political life congregate to discuss challenges associated with globalisation. The small scholarly literature on the WEF has focused on the Davos meeting (Pigman 2007; Fougner 2008), identified by Marxist-inspired scholars as a central co-ordinating point for that most hateful bogeyman—the neoliberal project (Rupert 2005). Thus van der Pijl refers to Davos as ‘a true International of capital, the first identifiable forum in which concepts of control are debated and if need by, adjusted, on a world scale’ (1998: 98; for a skeptical view, see Graz 2003).

Rather than concentrating on the Davos meetings, however, this section looks at the annual Global Competitiveness Reports. The Reports are best known for including a national ranking of competitiveness, most recently including 139 countries. Such international rankings are a growth industry, with dozens created just in the last decade (Lowenheim 2008). The rankings are based on a survey of business executives and data gathered by other international organisations and reported by national authorities. Jeffery Sachs and Michael Porter led the initial construction of the index. Questions focus on ‘pillars of competitiveness’: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and
training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. Each of the pillars is itself a composite of underlying measures. The report goes into some detail about the methodology employed and has individual country profiles, but as the accompanying press releases indicate, it is the overall league table that draws most of the attention (in 2010-11 Switzerland, Sweden, Singapore and the United States were the top four countries and Zimbabwe, Burundi, Angola and Chad the bottom four, see http://www.weforum.org/documents/GCR10/Full%20rankings.pdf).

Again, we may ask why countries care about their ranking, especially as the WEF is a private NGO. Certainly countries do seem to attach an importance to the ranking in its own right, not just as an indicator of the features being measured. A straightforward answer for this concern might be that countries want more foreign investment, those with higher rankings are more likely to get foreign investment, and thus countries value their rankings. But why would firms investing millions of dollars or more base their decisions on scanning a league table? The bigger the investor, presumably the less they would care, as decisions would be informed by in-house or specially commissioned research. Of course a highly generic aggregate indicator like this one is likely to be quite misleading in terms of the industry-specific concerns that actual investors would have. Interestingly, however, more nuanced and complex assessments like the IMF’s Financial Sector Assessment Programs have failed to attract much interest in the private sector precisely because they lack a simple, sound bite ranking or pass/fail judgments (Best 2010).

More important is the fact that bureaucrats and ministers the world over need a yardstick
against which to measure the effectiveness of their commitments to improve national competitiveness and ‘show results’. And so, for example, government officials in Malaysia explicitly operationalise their mission in terms of improving the country’s WEF competitiveness ranking, with reforms being a means to this end (Juanita Elias personal communication 2010). The ranking suggests the economically illiterate position that states are in competition with each other in the same fashion as firms within a particular industry, for example noting that various countries have dropped or risen from one year to another. Paul Krugman (1997) has brilliantly skewered the illogic of this notion, but also demonstrated what a deep and pervasive hold it has on the imaginations of both politicians and business leaders—exactly the sort of people who populate the Davos forum and are most interested in the competitiveness rankings. For example, one of the main premises of the 2011-2015 Malaysian National Development Plan is entitled ‘government as a competitive corporation’
http://www.epu.gov.my/c/document_library/get_file?p_l_id=20603&folderId=288195&name=D LFE-8204.pdf. The WEF did not coin this idea of ‘national competitiveness’, which dates from the early 1980s when it originated in US business schools and government circles (Fougner 2006). But the ranking and the associated heavy media coverage inculcate the idea that states need to take action to promote their competitiveness relative to their other state rivals, as well as suggesting what kind of action needs to be taken. While these prompts are much less uniformly ‘neoliberal’ than critics allege (Scandinavian welfare states are consistently among the best performers), there is no doubt that they favour this equation of states as corporations. Like the FATF evaluations described above, the WEF’s ranking have been taken up by outside transnational parties as a benchmark of progress and policy success. These include development
banks and private consultancies, which of course further entrenches the authority and reach of the original rankings. In sum, a private NGO has achieved a great deal of success in naturalising the notion that states are in competition with each other, that there are particular policies states should adopt to enhance their competitive position, while also providing the impetus for them to do so with its monitoring and ranking activity.

THE AMERICAN PSYCHIATRIC ASSOCIATION

The final body to be considered is the furthest from the conventional notion of international organisations: the American Psychiatric Association (APA). To tackle the most obvious objection first, how can an American association be an international body? The position of the APA in psychiatry is analogous to that of the International Studies Association in IR: something that is simultaneously a US national concern but also the world’s leading source of professional authority in a particular academic field. Waever (1998) notes how the ISA’s dual identity caused uncertainties in dealing with ‘other’ national associations. In a victory of diplomacy and tact over reality, bodies like the British International Studies Association were granted equal status with the ISA. But comparisons with IR greatly understate the influence of the APA and particularly its Diagnostic and Statistic Manual of Mental Disorders (DSM), as discussed below. The second possible objection to studying the APA as an international organisation is that academic associations aren’t ‘real’ international organisations. Up to a point, this is a matter of taste. Certainly Keohane and Nye’s volume (e.g. Crane 1972), Foucauldians, and especially those working within the world society frame regard educational and professional associations as central to world politics (as does the literature on epistemic communities, see
Haas 1992). Even beyond these schools, scientific credentials, technocratic knowledge and expertise are widely regarded as key foundations of IOs’ influence (e.g. Murphy 2000; Barnett and Finnemore 2004; Stone and Denham 2004).

The DSM is the world’s most authoritative compendium of mental disorders, and defines what counts as sane or insane (e.g. most notoriously homosexuality was classified as a mental disorder until 1973). The Manual co-exists with the World Health Organization’s International Classification of Diseases. The DSM is more influential, however, thanks to the simultaneous position of the US as hosting the largest pharmaceutical producers, being the largest market for psychiatric drugs, being governed by the most influential regulator (the Food and Drug Administration), and being the home of the most important professional journals, which require articles to use DSM classifications. In the United States the largest number of psychiatrists and the greatest consumption of psychiatric drugs co-exists with the highest incidence of mental illness: according to the National Institute of Mental Health one in four adult Americans develop a mental illness each year (Watters 2010: 251). The original impetus for the manual was the need to specify and classify mental illnesses in the US census and for the armed forces during World War II. It has gone through several revised editions, during which the number of illnesses has steadily expanded, with the next due to be released in 2013.

Once again, what is the relevance to world politics, or any politics at all? First it is worth pointing at the connection with pharmaceutical intellectual property rights, an area that has aroused considerable political controversy in trade negotiations and NGO campaigns (Braithwaite and Drahos 2000; Sell and Prakash 2004). Critics of the DSM have noted the close relationship between those tasked with revising it and pharmaceutical industry lobby groups like
PhRMA (which lists among its ambitions to ‘make brain disease cool and sexy’—one wishes them luck). Through their membership in international organisations, in legislation, or even in their constitutions states have now taken on the obligation to promote the health of their populations (e.g. section 57 of the constitution of East Timor specifies that citizens ‘the right to health’ and universal health care with a ‘decentralised and participatory management’). This becomes one of the long list of functions to which states are expected to be committed, regardless of their complete inability to deliver in practice. Such declarations reflect the idealised template of what all modern, progressive, rational states should be and do, a template diffused above all by international organisations. The DSM operationalises this sort of commitment by specifying a problem set of new diseases that governments are committed to address. Shephard notes how the inclusion of Post-Traumatic Stress Disorder in the DSM III in 1980 caused the language and practice of ‘traumatology’ to diffuse among governments from Britain to Rwanda in their responses to disasters (2001: 386-7).

It is not just states and firms that are affected by disease classifications, however. Ethan Watters’ book Crazy Like Us notes how international NGOs involved in disaster relief in developing countries have increasingly come to adopt US templates of mental health and Post-Traumatic Stress Disorder in designing their response. According to Watters, this involves the increasing and inappropriate application of idiosyncratically American assumptions about what it means to be a healthy person in radically different cultural contexts. Public and private agencies design their policy responses in line with foreign models rather than local needs. At the deepest level, the DSM defines what it means to be a normal human being (Horowitz 2003; Horowitz et al. 2007). In The Social Construction of What? Hacking notes the importance of professional
communities in creating categories of disease: ‘If someone talks about the social construction of... anorexia, they are likely talking about the idea, the individuals falling under the idea, the interaction between the idea and the people, and the manifold social practices and institutions that these interactions involve’ (1999: 34). This kind of power resonates deeply with both Foucauldian scholars, given Foucault’s famous interests in mental health and normality, as well as world society scholars. Both schools see states and individuals as created by institutions, and not the other way around.

CONCLUSION

This paper has argued that the study of international organisations can best be advanced by focusing on the kind of small inter- and non-governmental organisations with a narrow, specialised mandate, a couple of dozen or fewer permanent staff, and no powers to make international law or employ military or economic coercion. The vast majority of IOs take this form. Such a shift would mark an important change from the field’s historical and current pre-occupation with a few big IOs, especially the EU, the WTO, the UN and the Bretton Woods institutions. Thusfar, our understanding of IOs has been retarded and warped by the gigantism that pervades IR more generally. The idea, common in IR, that studying a small unit of analysis can only yield small and hence trivial and uninteresting findings would (rightly) be regarded as ridiculous in micro-economics, the study of American politics, and many other fields. Studies of big IOs are much less likely to contribute to the cumulation or advancement of knowledge than attention devoted to their smaller and much more numerous counterparts, for two main reasons. Firstly, because the quantitative difference in staff numbers produces qualitative institutional
differences between the usual suspects and most IOs. For example, most IOs are simply too small for their internal functions to be analogous to government bureaucracies. Secondly, the fact that big IOs possess state-like prerogatives clouds and confounds efforts to assess the impact of the soft tools of influence that properly define the practice of global governance. As a result of both problems, generalisations that purport to relate to the universe of IOs really only relate to half-a-dozen or so, while being a very misleading guide to the other 99.99 per cent.

Conversely, shifting the focus to the thousands of typical IOs, individually or collectively, promises the potential of much greater theoretical advancement. The literatures on transnational networks, world society and governmentality are indicative of the power of an approach to the study of global governance centred on small IOs. Despite their differences, all three are premised on the fact that such entities increasingly instantiate and drive the most important trends in world politics. The means by which they exercise influence epitomise the practice of global governance, that is rule-making and implementation across borders distinct from the legal authority and coercive power of the state. These methods include agenda-setting, problem definition, classification and categorisation, diffusing technical models and guidelines, monitoring, measuring and benchmarking, and shifting preferences and self-conceptions. The brief illustrations presented above showed how FATF evaluations and scoring diffused to private actors and set in motion a process of competitiveness self-improvement among states, how the WEF’s competitiveness ranking fostered a similar dynamic premised on the ideal of the state as a competitive corporation, and finally how the APA diagnoses shape the international pharmaceutical trade, government health policy, NGO disaster relief strategies, and even perhaps
the sense of what it means to be a ‘normal’ person. The whole rationale for IR as a separate sub-field is that there is a special kind of politics distinct from that dependent actors who can binding laws and wield a monopoly of military force. There is no better optic through which to explore this special kind of politics than those focused on small IOs.
BIBLIOGRAPHY


Sending, Ole Jacob and Iver B. Neumann. 2006. Governance to Governmentality; Analyzing NGOs, States and Power. *International Studies Quarterly* 50 (4): 651-672.


