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Reframing knowledge: A comparison of OECD and World Bank discourse on public governance reform

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ABSTRACT

As knowledge producers and transfer agents, the Organisation for Economic Cooperation and Development (OECD) and the World Bank (WB) rely on their own research infrastructures to promote the dissemination public governance reform. To enhance their authority and legitimacy, they frame their economic knowledge through prominent documents that set the agenda for policy advisory activities and practices. This paper suggests that the influence of epistemic communities on the extent of change in these international organisations' agenda-setting depends on their institutional determinants, namely mandate, knowledge production processes and knowledge validation procedures. Both IOs strategically select their preferred sources of expert knowledge. The OECD refers to technical expertise to enhance its new public management agenda through adjustments. The WB is attuned to economic expertise, resulting in transformations of knowledge frames.

KEYWORDS

International agenda-setting; good governance; international knowledge institution; epistemic communities

1. Introduction

Good governance and public management reform constitute a considerable proportion of the operational activity of the Organisation for Economic Cooperation and Development (OECD) (Pal, 2012; Sahlin-Andersson, 2001) and the World Bank (WB) (Bunse & Fritz, 2012; Thomas, 2007). As knowledge banks (Kramarz & Momani, 2013; Stone, 2003) and transfer agents (De Francesco, 2016; Stone, 2004), both international organisations (IOs) have pursued their mission to produce and disseminate knowledge for 'better policies' (OECD, 2011), 'modernising government' (OECD, 2005a) and 'reforming public institutions and strengthening governance' (World Bank, 2003). With large research infrastructures, both IOs are analytical institutions capable of creating knowledge and policy prescriptions for public governance reform in their member states (Miller, 2007; Asuncion Lera, 2006; Broome and Seabrooke, 2012; Mahon, 2019). This analytical capacity allows them to set new policy agendas that 'normally [take] place within their already established knowledge frame' (Bøås & McNeill, 2003, p. 92).

The IOs' analytical capacity is interdependent with global epistemic communities and transnational policy networks. Focusing on the role of expertise on international

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policymaking (Littoz-Monnet, 2017), this article compares patterns of adjustments and transformations of knowledge as reflected in changes in public governance reform agendas. While there is a consolidated agreement that the OECD and the WB acquire credibility and authority from external expertise (Kramarz & Momani, 2013), it is not yet clear which factors mediate the influence of epistemic communities on IO agenda-setting.

We contribute to the literature of expert knowledge and international policy-making by putting forward the following propositions. First, in the context of public governance reform, the influence stemming from epistemic communities is punctuated by new causal claims and technical expertise on the (positive or negative) role of public governance on economic growth. Advancements in economic knowledge and public management technical expertise influence the IO's agenda regarding public governance. We assume that epistemic communities promote their claims and innovations to any IO interested in their expertise (Haas, 1990). The second proposition qualifies that IOs' internal institutions mediate the influence of epistemic communities. A given IO is more likely to strategically select a specific source of knowledge and expertise that is attuned to its legal mandate and modes of knowledge production and validation.

A matched comparison of the evolution of the public governance agenda allows us to have a more nuanced assessment of the IOs' strategic capacity' to select expert knowledge. This qualitative assessment is guided by the following question: To what extent do the OECD and the WB differ in reframing their knowledge as reflected in changes in public governance agendas? We show that mandate, knowledge production and validation procedures matter for the extent of changes in public governance agendas. The OECD adjusts its (new public management) agenda by relying on public management expertise, while the WB transforms its knowledge frame and sets new agendas according to the new causal claims of economists.

The remainder of the paper is structured as follows. Focusing on the literature on IOs as knowledge institutions, [Section 2](#) discerns the institutional determinants of their strategic selection of epistemic communities. [Section 3](#) proposes the analytical framework for discerning two modes of knowledge reframing and agenda-setting and defines the methodology of this qualitative matched comparison. [Sections 4](#) and [5](#) trace the institutional evolution of public governance reform strategy in the WB and the OECD, respectively. [Section 6](#) concludes by proposing a future research agenda.

2. International organisations as strategic knowledge institutions

IOs produce, select and mobilise knowledge to strategically expand their institutional missions and policy goals (Littoz-Monnet, 2017). This assumption is generally accepted by scholars who have analysed the role of international bureaucracies in framing the construction of knowledge to set new policy agendas (Dostal, 2004). Within IOs the line between knowledge and policy process is blurred (Erkkilä & Piironen, 2014). IOs are arenas in which experts and policymakers interact to establish the cause-effect links between policy issues, and designing and editing policy standards (Haas & Haas, 2002; Sahlin-Andersson, 2000). These arenas are where external knowledge meets internal advocacy, resulting in policy changes (Vetterlein, 2007a, 2007b).

In these arenas, knowledge become consensual when its transfer from epistemic communities encounters no opposition from experts and policymakers within IOs (Haas, 1990; Haas & Haas, 2002). We maintain that, as powerful expert authorities (Miller, 2007), IOs maximise consensual knowledge by selecting the epistemic community that shares its way of 'seeing' their member states through a simplified cognitive framework as reflected in documents and indicators (Broome & Seabrooke, 2012). This strategic choice of selecting a specific epistemic community is due to the institutional determinants – namely mandate, knowledge production processes and social validation procedures – established within IOs and explains how IOs change their knowledge frame and agenda-setting. In other words, 'the extent of response to new issues ... is influenced by the consistency of the new issues with an IO's goals and procedures' (Kardam, 1993, p. 1774).

The first institutional determinant is the mandate of an IO. IOs as analytical institutions use a cognitive frame and formal methodological technique to understand and make their member states legible. We agree with international policy economists such as Broome and Seabrooke (2012, p. 7) who argue that the way IOs do policy and see their member states as objects is a 'cognitive impulse [that] is often built into an IO's mandate'. The impact of the institutional mandate on knowledge is also recognised by Vetterlein (2007a, 2007b, 2012). She observes that the dominance of economic knowledge and quantification goes hand in hand with the causal relationship between economic growth and poverty reduction that is established in the WB's mandate (Vetterlein, 2012, p. 52). In a similar vein, the OECD's mandate is to promote best practices among its member states. The OECD invests vast resources in coherently editing and packaging the knowledge of public governance reform (De Francesco, 2013; Sahlin & Wedlin, 2010; Sahlin-Andersson, 2001). However, it is aware that 'some ideas or frames could become popular and powerful not because of their intrinsic properties but because of the ways in which they have been formulated and packaged and because of who transports and champions them' (Djelic & Sahlin-Andersson, 2006, p. 17). Scholars agree that the OECD is also a successful mediator and translator of policy innovations and norms because it involves non-member states and civil society organisation (Woodward, 2004). It often has the competitive advantage of being a first-mover (Dostal, 2004) and seeking 'common sense' among the member states (Theodore & Peck, 2012).

The second institutional determinant involves methods: '[t]he methods through which an IO tries to establish what is going on in the economic affairs of a particular country necessarily shapes the picture that emerges' (Broome & Seabrooke, 2012, p. 8). Methods of data collection and analysis, discussions, decisions and evaluations of policies shape the way IOs appraise the appropriateness of expert knowledge (Allan, 2019 ; Martens & Jakobi, 2010). IOs' knowledge production practice and tools are linked to the form and content of policy shifts. For instance, as a critical element of knowledge production, governance indicators are set within an institutional context (Allan, 2019 ; Best, 2014; Broome, Homolar, & Kranke, 2018; De Francesco, 2016; Erkkilä & Piironen, 2014).

Until recently, the literature has also focused on the knowledge authority of IOs by examining their procedures of social validation, the third institutional determinant. Institutional competitiveness, information technology capacity, internal bureaucratic culture and professional specialisation shape the way the WB chooses to legitimise its knowledge (Kramarz & Momani, 2013). Organisational processes of knowledge validation explain the difference between the EU and the OECD in pushing the better regulation agenda through the use of regulatory governance indicators (Radaelli, 2018).

3. Analysing changes in frames of knowledge and agenda

We advance the argument that these three institutional determinants mediate how international knowledge institutions such as the OECD and the WB strategically redefine their knowledge and their agendas on public governance reform. The analytical framework summarised in [Table 1](#) allows us to comparatively assess the evolution of policy agenda. Specifically, the configuration of these three institutional elements (see also [Allan, 2019](#)) leads to two different processes of how IOs redefine policy issues.

Extending Haas's (1990, p. 3) typologies of problem-definition process, we argue that the institutional dimensions of the OECD are consistent with changes by adaptation. This process is characterised by incremental changes in policy agenda since the OECD is not required to specify the means and ends of its policies. Its mandate and knowledge production and validation processes revolve around the identification of best practice, peer review and policy benchmarking ([Martens & Jakobi, 2010](#); [Marcussen, 2004](#)). Based on managerial techniques, these governance methods can be applied to diverse policy sectors. New public management is the OECD's preferred source of knowledge, as its practices are consistent with best practice, peer review and performance benchmarking. Further, this choice is also consistent with the image of the OECD as the largest consultancy in the world in which 'the basic profile of the existing OECD civil servants would have to be changed gradually. From identifying primarily with epistemic features, the OECD civil servants would have to identify with bureaucratic features highlighting regular service to the member states' ([Marcussen and Trondal, 2011](#): 616). To prove this mode of change in agenda-setting, evidence is required of the marginal role of the epistemic community in creating new knowledge frames. The OECD autonomously determines the policy ends and commissions expert knowledge to strengthen its adjustments to NPM agenda (see [Dunlop, 2009](#), p. 298).

In contrast, the WB's mandate, knowledge production process and social validation procedure revolve around the causes of poverty. In the WB, policy means and ends have to be specified and legitimated by theories of economic development. This means that economic knowledge (on the causal relationship between public governance and economic development) is transferred to and strengthened by the WB as an analytical institution. This results in systematic patterns of transformation and innovation into the policy agenda ([Haas, 1990](#)). Within the learning typology, the problem-definition process is led by the epistemic community of economists that is also predominant within the WB ([Broad, 2006](#); [Mahon, 2019](#)), shaping its bureaucratic culture ([Nielson, Tierney, & Weaver, 2006](#); [Weaver, 2008](#)). This professional affinity makes it natural for economists working within the WB to be influenced by the new claims produced by economist communities. Evidence of this (formal) learning model of knowledge transfer is the references to economists' knowledge shifts in the understanding of the role of public governance in economic development (see [Dunlop, 2009](#), p. 298). These shifts in knowledge frames are internalised and reflected in a change to the public governance reform agenda.

Our empirical goal is to demonstrate that the institutional configurations summarised in [Table 1](#) lead to different modes of change in knowledge framing and agenda-setting. Methodologically, framing is an optimal unit of analysis in ideas-based policy research ([Koon, Hawkins, & Mayhew, 2016](#)). Although framing can be understood in many ways

Table 1. Type of change in international knowledge institutions: Mandate and organisational processes of knowledge production and validation as configurational factors.

| | OECD | WB |
|---|--|--|
| Mandate | <ul style="list-style-type: none"> - To promote policies by providing a forum in which governments can work together by sharing experiences and seeking solutions to common problems. - To work with governments (that share commitment to market economies backed by democratic institutions) in order to understand what drives economic, social and environmental change. - To analyse and compare data in order to predict future trends and to set international policy standards. | <ul style="list-style-type: none"> - The WB Group has set two goals for the world to achieve by 2030: <ul style="list-style-type: none"> i) End extreme poverty by decreasing the percentage of people living on less than \$1.90 a day to no more than 3%; ii) Promote shared prosperity by fostering the income growth of the bottom 40% for every country. - To support developing countries through policy advice, research and analysis, and technical assistance. |
| Processes of knowledge production | <ul style="list-style-type: none"> - Continued monitoring of events in member countries through regular projections of short and medium-term economic developments. - Data collection and analysis of member states' compliance with recommendations. - Compliance is ensured through mutual examination, multilateral surveillance and a peer review process. - Publications are a prime vehicle for disseminating the OECD's intellectual output. | <ul style="list-style-type: none"> - To sponsor, host, or participate in conferences and forums on issues of development, often in collaboration with external partners. - To help generate cutting-edge knowledge and to ensure that countries can access the best global expertise. - To assist developing countries in delivering measurable results (as required by the two institutional goals). - To improve the design of projects, the access to information and how to bring operations closer to governments and communities. - To provide free, easy-to-access research and knowledge tools for addressing the world's development challenges. |
| Procedure of knowledge validation | <ul style="list-style-type: none"> - Production of knowledge with and through member states. - The OECD is mainly accountable to its member states and large civil society organisations. - The OECD seeks to set international best practice and standard through analysis and prediction of general trends among member states. | <ul style="list-style-type: none"> - To produce the best scientific knowledge to causally link public governance and economic. - The WB has a broader set of stakeholders such as the scientific communities as well as the general public. - The role of governments is neglected in the validation of knowledge that revolves performance measurement system (as required by the two quantitative institutional goals). |
| Mode of policy agenda change (Haas, 1990) | Change by adaptation | Change by learning |
| Preferred expert knowledge | New public management | Scientific (economic) knowledge |

and from the perspective of different traditions and disciplines (Borah, 2011), we maintain that there is a clear link between changes in the knowledge frame and agenda-setting. As Entman (1993) puts it, the purpose of framing is to 'select some aspects of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation'. Consequently, this process of selection is reflected and magnified in policy agendas. With the aim of 'organising' and 'structuring' activities, policy agendas are the means through which some issues (in this case, of public governance reform) are emphasised to the detriment of other knowledge aspects (Reese, 2007). As documents, policy agendas enable organisations to codify and legitimate the evolving nature of knowledge on public

governance, setting the general strategy (Prévost & Rivaud, 2018), and providing direction for policy reform (Theodore & Peck, 2012). By translating economic theory into policy advisory activity and practice, these documents magnify the coherence of organisational discourse (Dostal, 2004).

Since the emergence of public governance reform agenda in the 1980s, we trace changes in the agendas of OECD Public Governance directorate and the WB Public Sector group. We consider these internal specialist units as analytical institutions that ‘develop the cognitive framework for understanding and solving policy problems’ (Broome & Seabrooke, 2012, p. 3). Although it is undeniable that diverging schools of thought are present in such complex institutions, subunits dedicated to specific policy issues tend to have a common epistemological and professional background inducing a coherent organisational discourse (Dostal, 2004) and administrative style (Knill, Bayerlein, Enkler, & Grohs, 2019). Changes in knowledge frame are reflected in prominent documents (De Francesco, 2013; Enns, 2014; Pal, 2012; Theodore & Peck, 2012), such as the WB’s *Annual Development Reports* and the OECD’s evaluation studies. These documents provide discursive evidence of how epistemic knowledge shapes not only the public governance agenda but also the policy advisory activities, practices, and benchmarking indicators. Our document analysis is complemented by academic literature and secondary accounts.

4. Reducing poverty: the world bank’s alignment with economic knowledge shifts

The WB’s focus on public governance reform emerged in the 1983 World Development Report (World Bank, 1983), *The Role of the State*, and successive publications that acknowledged failures of developmental aid projects based on the state development model. Based on public choice theory, there was a broad consensus within the WB in favour of ‘smaller and better government’. The theoretical assumption was that policies are made by self-interested and individualistic agents, ergo the conventional recommendation was to avoid rent-seeking through a consistent reduction in state intervention and the consequent shift of responsibility to the market (Best, 2012). The prescription for minimal state intervention did not require the framing of a new agenda. Structural adjustment programmes (pursuing privatisation and market liberalisation) were flexible enough to accommodate conditions of public governance reform. This accommodation of the public governance reform to structural adjustment was necessary because of the Legal Department’s objections against any political intervention by the Bank (Shihata, 1990). The WB’s involvement in public sector reform was legally justified on the basis of economic and technical considerations. Although the WB could not lend on the basis of political criteria, an evident, direct and preponderant impact of the quality of institutions on economic development ‘may properly be taken into consideration in the Bank’s decisions’ (Shihata, 1990, Sec. III (3)).¹ As a result, interventions for promoting civil service reform, legal reform, accountability for public funds and budget discipline were deemed to be within the WB’s legal mandate (Shihata,

¹In other words, ‘[i]t was legitimate to gather information on the political situation to enable the Bank to give good policy advice and make good assessments of the feasibility and effects of proposed reforms, or to judge creditworthiness or project implementation capacity’ (Thomas, 2007, p. 733).

1990, Sec. IV (3); Thomas 2007, p. 733). The concepts of the ‘good order’ of the political system and rule of law ensure market functionality and are compatible with the public choice theory that emphasises the incentives at the individual actor level (Best, 2014).

The mid-1990s provided a window of opportunity for framing a new ‘good governance’ agenda.² Emphasis on ‘the role and effectiveness of the state’ – as stated by President Wolfensohn in his foreword to the 1997 World Development Report – required a new conceptual frame in which issues of implementation, capability and reform effectiveness could be appropriately addressed. Because of the legal constraints of its mandate, the good governance agenda had to be framed around the (necessary) economic and technical connotations of investment and lending efficacy, minimising the political implications. New knowledge was consequently required to prove the relationship between good governance and economic development. As a consequence, a set of studies, also funded by the WB, emerged, forming the research agenda of the ‘new political economy of growth’ (Dellepiane-Avellaneda, 2010). Through the formalisation of its good governance agenda, the WB was able to sanction certain politically sensitive contents of governance, such as corruption and transparency, previously excluded from its development programmes (The Independent Evaluation Group, World Bank, 2008, p. 14). For instance, corruption is framed as a causal determinant of economic growth rather than a political issue, allowing the WB to comply with its legal mandate (The Independent Evaluation Group, World Bank, 2008; Thomas, 2007). Besides economic/technical connotations of public governance reform, the global diffusion of democracy (Simmons, Dobbin, & Garrett, 2008) facilitated the legitimacy of the new agenda and ‘brought the rhetoric of accountability, decentralisation, transparency and rule of law, all of which relaxed the inhibitions that had previously prevented the Bank from including such topics in country dialogues with a large number of borrowers – much less incorporating them as loan conditions.’ (The Independent Evaluation Group, World Bank, 2008, p. 15).

Then, the 1997 *The State in a Changing World*, the 2000/2001 *Attacking Poverty*, and the 2002 *Building Institutions for Markets* drew on this rhetoric when structuring the overall development assistance strategy on the good governance agenda. Whereas the first report spelled out the agenda for good governance, the others deepened the discussion on the necessity of good governance and effective public sector institutions for poverty reduction and market efficiency. The WB now relied on rational choice institutionalism: ‘The institutionalist economics literature, which has come to play a more important role in framing good governance policy in recent years, is somewhat more nuanced, as it focuses on institutional rather than individual dynamics and therefore pays more attention to the particularities of historical and geographical variation’ (Best, 2009, p. 10).

This institutionalist turn was attested by a two-step strategy for achieving state effectiveness: i) getting government better focused on core public activities; ii) reinvigorating public institutions and ‘mechanisms that give public officials the incentive to do their jobs between and to be more flexible, but that also provide restraints to check arbitrary and

²There is a general agreement among scholars that within the WB the notion of ‘good governance’ surfaced in the 1989 report on Sub-Saharan Africa. The report concluded that the crisis in the region was a consequence of a ‘crisis of governance’ (Santiso, 2001; Best, 2012 but cf. Thomas, 2007). The consideration of the importance of institutional quality in economic development was also due to the democratic institutional transition of former communist countries, the East Asian economic development model and the fiscal crisis of the welfare state.

corrupt behavior' (World Bank, 1997). On the basis of the principal-agency model, the 1997 report also highlighted three incentive mechanisms for state effectiveness: i) internal rules and restraints, ii) voice and partnerships and iii) competition in public service delivery. It is important to note that the first two mechanisms formed the 'voice and accountability dimension' of the Worldwide Governance indicators (Kaufmann, Kraay, & Mastruzzi, 2003). Overall, the emergence of the WB good governance agenda was accompanied by the design of a new generation of indicators to assess governance performance. During this critical juncture, the concept of good governance shifted from institutional capacity for sectoral development projects to 'core public institutions' such as civil service, legal and judicial systems, and decentralisation (The Independent Evaluation Group, World Bank, 2008, p. 16). Good governance also encompassed and redefined the role of the state vis-à-vis the civil society (Best, 2009, p. 12) to sustain an active civil society in policymaking (Williams, 2008a, p. 49).³

Although allowing for the historical and geographical context variance, there is still the attempt to discover universal application of the knowledge concerning the relationship between governance and development: 'although there is an enormous diversity of settings and contexts, effective states clearly do have some common features' (World Bank, 1997). Accordingly, the public reform agenda is framed in 'universalistic terms' (Best, 2009, p. 9). According to Best (2009, p. 10), '[t]his thicker set of universalist claims provides a more robust foundation for expanding the institutions' mandate to include increasingly contested and politically charged areas in their programs'.

The WB's most recent strategy for reforming public sector management has insisted on political economic factors as the theoretical framework for developing 'a pragmatic problem-solving activity' (World Bank, 2012, p. 1). The WB has recently framed its knowledge according to evidence-based and managerial terms, such as 'what works' and 'problem-solving' (The Independent Evaluation Group, World Bank, 2008; World Bank, 2012). As the political economy and rational choice theories have been absorbed and internalised by the WB (Best, 2014; World Bank, 2012), an attempt has been made to predict reform trajectories across countries and to provide contextualised diagnostic guides for informing practitioners on the design of development projects. There is an alignment with a research agenda that is 'less concerned with big, overarching analyses and universal prescriptions and more focused on identifying analytical tools' for tailoring 'better than before' solutions to the specific problems of a specific country (Grindle, 2013, p. 399–400). This 'managerialism' approach is about delivering and improving public performance by ensuring that the formal institutions and the actual policymakers' behaviours are mutually consistent (Grindle, 2013; World Bank, 2012). In other words, institutional and individual levels of analysis have been integrated, allowing the WB to go beyond the best practice method and to shift toward the concept of 'best fit' that aims to answer 'what would work here' (Manning & Willy, 2013, p. 223).

Overall, during every paradigm shift, the WB has consistently changed the knowledge discourse on public governance reform. The WB's mandate to maintain a non-political orientation has constrained its engagement in public sector reform. This impasse, however, has been overcome through technical justifications linked to the

³The realisation of its intervention failures forced the WB to search for agencies other than the state that could design and implement development projects (Williams, 2008a, p. 48).

performance of its lending programmes. The WB moved from universal prescription of privatisation and deregulation to the acknowledgement that ‘best practice’ is a weak basis for reform, as stated in the new Public Sector Management approach (Xavier, 2013). Between these extremes, the WB’s knowledge production and validation relied on the theoretical underpinning that institutions matter and economic growth depends on common historical patterns and legal origins. Finding policy solutions that fit countries’ institutional settings requires time and creativity (Grindle, 2013), and the adoption of best practices is now a legitimating practice among domestic policy-makers (Xavier, 2013). Ultimately, best practices, as the OECD experience will show, provide a coherent reform narrative. The social validation of knowledge regarding public governance revolves around the understanding of the relationship between reform and economic development to give policy advice to developing countries (Williams, 2008b, p. 42–43). To achieve this mandate, the WB has not only produced and funded research on the impact of institutional quality and good governance on economic performance, but has also developed a set of global indicators of the quality of institutions and regulation.

5. Modernising the state: OECD adjustments to common-sense management best practices

The OECD started framing the issue of public management and its relationship with economic development at an international symposium on public management held in Madrid in 1979, (Pal, 2012, p. 40). The conference generated ideas that were later formalised around horizontal themes such as human resource management, citizen-administrative relations, budgeting, regulation and public services (Pal, 2012, p. 42). Ten years passed before the establishment of the Public Management (PUMA) Committee, a network of member states’ senior officials working on public governance. PUMA marked a shift in the institutional mission from technical assistance modelled around country-specific needs to a model of knowledge exchange based on a ‘broad direction of change’ common to all OECD member states (OECD, 1995b). This shift allowed the OECD to promote models for modernising the state (De Francesco, 2013; Lodge, 2005; OECD, 1995a, 2005b; Pal, 2008, 2012; Sahlin-Andersson, 2001; Sharman, 2012). By moving the focus of its analysis ‘from the particular to the universal, from models to modalities, from reform to redemption’ (Pal, 2008, p. 61), the OECD frame knowledge about the ‘modern state’ can take into account countries’ specificities. NPM models, the OECD argued, should be adjusted to traditional public administration and principles of public law (OECD, 1995b; Pal, 2012). The endorsement of the NPM approach and the focus on quantifiable goals and performance standards became trends not only among member states, but also within the OECD, shaping its knowledge production and validation procedures.

The emergence of the public governance agenda was aligned with the political economic reform for promoting economic growth. The 1995 *Governance in Transition* was the first OECD publication to provide a synoptic review of broad governance issues among its members (Pal, 2012, p. 47). Similarly to the WB’s *The State in a Changing World*, the focus of this publication was the ineffectiveness of the state (OECD, 1995b, p. 15) in facing ‘fiscal pressure, rising public demands, falling

public trust, and increasing global economic competition' (Pal, 2008, p. 62). Despite the uncertainty faced by governments, the OECD remarked upon common reform trends and the degree of convergence between public sector and management reform (OECD, 1995b; Pal, 2008, p. 63). *Governance in Transition* and other OECD publications of that time de-emphasised the different modes of pursuing NPM style reform (De Francesco, 2013; Pal, 2008; Sahlin-Andersson, 2001). Without relying on any theory of governance, the OECD also had the tendency to label reforms as a set of NPM-style innovations for public management, such as regulatory impact analysis (De Francesco, 2013) and accrual budgeting (Christiaens & Rommel, 2008).

Unlike the WB, OECD's creation and expansion of its public governance agenda was never controversial in a legal term. The conventional OECD working method is to create knowledge through data collection and analysis of specific sectors or problems. Knowledge is shared and discussed in committees through general and thematic conferences and workshops. Thereafter, the Council of the OECD adopts recommendations and principles to be implemented at the national level. On the basis of such recommendations and principles, the member states' implementation is subjected to multilateral surveillance and peer reviews. These evaluation processes assess the performance of individual countries and 'are at the heart of [the OECD] effectiveness.'⁴ Accordingly, the public management and governance activities of the OECD are endorsed by networks of member state officials who are active and participative at all the stages of the knowledge production cycle.

During the 2000s, key OECD publications (OECD, 2003a, 2003b, 2005a) recognised the importance of the administrative and institutional contexts in which public governance reform must be implemented. However, these publications showed no self-reflection by the OECD on its own knowledge creation activities. Mistakes were made within '[t]he first-generation pioneers of public sector reform' by following the rhetoric of achieving a single goal, economic efficiency, an addressing a single generic cause, the bureaucracy. Pioneers reduced public expenditure, freed up the public sector labour market and relied on market-type mechanisms without reckoning the new and multiple issues governments face simultaneously, such as risk management and the lack of knowledge and collaborative action (OECD, 2003b, p. 2). This framing 'exculpates the OECD from its youthful enthusiasm for NPM, but it also builds a platform for departures, and indeed a wider agenda of reform that engages not simply management but governance more widely' (Pal, 2008, p. 66). The institutional complexity to achieve modernisation was now appreciated by relying on the notion of 'whole of government' that the OECD used to remark upon the importance of administrative context and culture (Pal, 2008, p. 67–70).

The whole of government approach was also adjusted through an organisational reshuffle. PUMA and the Territorial Development Service were merged together into one directorate, the so-called GOV(ernance), which also served the Regulatory Policy Committee. In contrast to the predominance economic knowledge in the WB, the OECD relied on the technical expertise and practice of public management as the 'Public Governance' label emphasised. The GOV label coherently joined PUMA's previous focus on the quality and cost-effectiveness of public management with the

⁴<http://www.oecd.org/about/whatwedoandhow/>.

expansion of the OECD mandate to focus on the elements of good governance, such as transparency, accountability, and social cohesion (Pal, 2012, p. 50). Now, the units of analysis are usually framed as emerging policy innovations, rather than specific institutions for controlling the bureaucratic agent, as in the case of the WB. This epistemological position has allowed the OECD to be instrumental in the diffusion of policy instruments (De Francesco, 2013; Porter & Webb, 2008). To establish its ideational authority as a policy innovation transfer agent (Lehtonen, 2009; Marcussen, 2004), the OECD deploys both meditative and inquisitive functions (Mahon & Stephen, 2009). The recent explosion of public governance recommendations and recent OECD activities related to regulatory reform confirm the soundness of this claim.

Overall, the OECD has strengthened the NPM movement. Through data collection, discussions, peer-review, decisions and evaluations on policy ideas, the OECD produces and disseminates knowledge and international best practices. Not only does the OECD function as a type of knowledge platform; it reframes the logic and features of regulatory reform. Regulatory policy recommendations are generalised and packaged by the OECD (Sahlin-Andersson, 2001) to accomplish its mission to transfer international best practice. Thus, the OECD has provided governments with inferential shortcuts about models they can emulate (Sahlin-Andersson, 2001; Smullen, 2010). By reframing public governance reform as a set of policy tools for enhancing the empirical evidence of the modern state decision-making, the OECD reduced the uncertainty faced by laggard countries in making the decision to adopt public sector reform.

A recent systematic analysis of OECD's documents and publications on regulatory reform attempted to assess in what manner regulatory impact analysis (RIA) has been translated, reframed and packaged as an international best practice of regulatory reform (De Francesco, 2013: Chapter, p. 4). A sequence of ideational activities was observed. The OECD first drew up a set of best practices and selected regulatory impact analysis (RIA) as the policy innovation for simplifying the policy discourse on regulatory reform. The administrative preconditions for and the political ideologies of RIA were omitted. Recommendations for regulatory reform were then approved. Although the OECD chose to label various policy appraisal methods and techniques as RIA, recommendations and regulatory reform reviews were constantly based on the principle of the maximisation of socio-economic welfare. Through this sequence of activities, the OECD made RIA more intelligible as a tool for enhancing economic rationality rather than the political control of decision-making. By fulfilling the aspiration of governments to modernise (Lodge, 2005; March & Olson, 1983), the emphasis on such an attribute promoted the adoption of RIA among the OECD and EU countries.

All in all, the OECD is an ideational agency able to frame policy innovations according to its mission to establish good-governance principles and standards which are, broadly, well-received by its member states. The OECD creates knowledge for translating and framing NPM and best practices in common-sense policy reform. In other words, the OECD's discourses are forged out of member states' knowledge and experiences and negotiated and vetted by the same members (Theodore & Peck, 2012). As a consequence, OECD knowledge discourses aim to catalyse consensus over policy innovations. Policy innovations are packaged and framed in common-sense governance standards to facilitate rapid emulation. In the last 10 years or so, the OECD has also been flexible enough to update its organisational discourse by going beyond the translation of international experience in a one-size-fits-all

approach. The OECD is now emerging as the best provider of official data about government reforms in the developed world through its periodic publication ‘Government at a Glance’ (Erkkilä & Piironen, 2014). However, hard evidence of the impact of public governance reform on economic growth remains limited (Pollitt, 2013, p. 409).

6. Discussion and conclusion

This article assesses the extent to which the OECD and the WB have reframed the common knowledge agenda of public governance reform over the years. By relying on an analytical framework composed of three institutional determinants, namely mandate, knowledge production processes and knowledge validation procedures, it focuses on reframing knowledge as a coherent representation of given claims. Constrained by its mandate and the predominance of economic knowledge, the WB has always been required to make explicit the link between public governance and development. This has forced the WB to rely on political economy theories, to generate new bodies of knowledge by designing new indicators, and to be more permeable to external sources of change stemming from economic knowledge shifts: from individual rational choice to institutionalism, and from competitive benchmarking to ‘best fit’ problem-solving and managerial approaches (Murphy, 2007). Contrarily, by relying on (public) managerial technical expertise, the OECD has changed less profoundly and has been able to adjust its knowledge production processes. It has maintained its practical organisational discourse based on meditative and socialisation processes. In other words, whereas the WB produces knowledge through a deductive epistemological approach and, recently, experimental research design, the OECD relies on an inductive approach to observing emerging common-sense policy trends. Whereas the WB focuses on institutional mechanisms of public governance, the OECD has focused on the new policy innovations. This differentiation limits the significant overlap in the production of knowledge on budget planning and performance measurement, public management and employment, corruption and accountability, and regulatory governance.

During critical junctures of scientific knowledge shifts, how effective are these two IKIs in generating new knowledge on public sector governance? The WB has so far been able to produce new knowledge for assessing the impact of good governance on economic development. The jury is still out for evaluating the last managerialism turn as a response to the perennial criticism of the lack of recipients’ ownership. The latter has never been a crucial issue for the OECD, as its knowledge production is more stable and based on consolidated internal validation procedures and shared learning approach. Because this article disregards the extent of interaction between international institutions (Gehring & Sebastian, 2009), future research should assess the extent of competition or mutual learning. By maintaining a comparative perspective, it would be interesting to evaluate which knowledge (production) system is more effective in achieving a feasible implementation of policy recommendations into domestic policies.

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