

Working Papers Political Science No. 03/2002
ISSN 1569-3546
Amsterdam, November 2002

Networks Versus Networks:
A Critical Appraisal of Post-National Governance Approaches with
a Focus on International Organisations

Andreas Nölke
e-mail: a.nolke@scw.vu.nl

Vrije Universiteit Amsterdam
Department of Political Science
De Boelelaan 1081c – DBL 859
1081 HV Amsterdam
The Netherlands
Internet: www.politicologie.vu
Email: info@politicologie.vu

Phone +31 20 444 6852
Fax +31 20 444 6820

Abstract

Transnational policy networks appear to be an attractive common subject for both Comparative Politics and International Relations, if we are interested into the consequences of globalisation on public policy-making capacities. This paper focuses on the confrontation between approaches which propose these networks as a new (global) governance instrument and a more critical analytical perspective. Departing from a theoretical model which analyses transnational policy networks as inter-organisational resource exchanges, empirical illustrations focus on international organisations such as the World Bank, the International Monetary Fund and the European Commission, since these organisations play a core role within most transnational (or: global) policy networks. The article concludes that transnational policy networks are only relevant under very specific empirical conditions, depending on their embeddedness in different institutional and structural contexts. Furthermore, transnational policy networks raise important questions of democratic legitimacy and accountability.

An earlier version of this paper was presented at the panel "IOs as Learning Organisations? IR Meets Organisational Sociology" at the International Studies Association 43rd Annual Convention, New Orleans, LA, March 24-28, 2002: "Dissolving Boundaries: The Nexus between Comparative Politics and International Relations". I wish to thank all participants, in particular George Thomas, for their helpful comments.

1. Transnational policy networks as a common ground for international relations and comparative politics

Transnational policy networks mark the intersection of current discourses within several subdisciplines of political science. Within public policy and comparative politics, the state is predominantly being perceived as an internally fragmented actor who also has to co-operate with a number of societal actors in order to fulfil its functions. A frequent version of this perspective is the model of policy networks, where policy is not being created by a central authority (government or parliament), but by the interplay of a number of public and private organisations, mainly on the sector level (Mayntz 1993: 40). While these subdisciplines have been able to analyse the functioning of these networks as a domestic matter for some time, this perception has increasingly been cast into doubt during the 1990s. Especially in border regions, but also in case of the Europeanization of an increasing number of policy issues, these networks now frequently have a transnational character. Thus, students of public policy broadened their subject and now analyse policy networks on the European level (cf., e.g., Hérítier 1993b, Schumann 1993), whereas specialists on local/regional governments have begun to study cross-border networks as a new object of inquiry (cf., e.g., Beck 1997, Blatter 2000).

At the same time, the state-centric heuristic which dominated international relations (IR) during the 1980s, has also increasingly been criticised, although it allows for a rather parsimonious modelling of political processes.¹ More precisely, this approach has to be called “government-centric” or “nation-centric”. If mainstream IR authors talk of international relations, they usually mean intergovernmental relations. Furthermore, it is assumed that governments represent the “national interest” within international relations and that they act as a unitary actor, representing not only the state apparatus, but also civil society. Finally, the state-centric heuristic assumes that states are the only important actors within international politics, thus discounting the role of societal actors (Halliday 1991: 197, Willets 1997: 290f.). During the 1990s, however, not only the activities of transnational non-governmental organisations (NGOs), but also the “foreign policy” of (sub)state governments and the autonomous role played by international secretariats such as the European Commission and the World Bank, increasingly demand a more complex approach towards the analysis of international relations.²

The developments within the domestically and internationally oriented subdisciplines indicate an increasing convergence of analytical instruments within political science, with a prominent role for a transnational version of the policy network approach. More recently, however, transnational policy networks have also become an attractive approach for solving a number of public policy problems in the context of globalisation. This is a rather obvious consideration, given the important role policy networks play for the process of public policy-making on the national level. A number of authors assume that transnational policy networks range among the most attractive options to compensate for the (assumed) loss of governmental problem-solving capacity – or even allow for a better way of policy making in the future.³ Thus James Rosenau, one of the few North American IR specialists who resists the state-centric dominance, assumes in his study of transnational sectoral governance that “[...] transnational rule systems tend to evolve in a context of hope and progress, a sense of breakthrough, an appreciation that old problems can be circumvented and moved toward either the verge of resolution or the edge of obsolescence” (Rosenau 1997: 158).

The most comprehensive treatment of this idea, however, stems from Wolfgang Reinicke and his collaborators within the “Global Public Policy”-Project, which, inter alia, has been sponsored by the World Bank and the United Nations Development Program (UNDP). Reinicke assumes that transgovernmental networks, transnational public-private partnerships and international organisations are the most important elements of those “global public policy networks” which are assumed to effectively counter the challenge of economic globalisation (Reinicke 1998: 219f, 228f). “Global Public Policy” is proposed as an alternative to more traditional national or inter-governmental action, given that Reinicke does not assume a world government to be a realistic alternative (1998: 87). Thus, Reinicke takes the core idea of the policy network concept – co-operation of a number of public and private corporate actors during policy-making and implementation on a sector level – and transfers it to the global level, assuming that it will lead to legitimate and efficient policies (1998: 89f). Reinicke is rather optimistic regarding the possibility of network management – departing from a “global governance audit”, he intends to fill in the holes in the comprehensive “global public policy network”. In the context of the “UN Vision Project on Global Public Policy”, Reinicke and his numerous collaborators have identified an impressive range of these networks, including a number of principles for network management (cf. Reinicke/Deng et al. 2000).

This paper intends to conduct a more sober investigation into these rather euphoric assumptions, by analysing transnational policy networks in a number of regions, policy areas and on different levels. It focuses on the confrontation between the approaches described above, which propose these networks as a new, rather universal governance instruments and a more critical analytical perspective. The latter departs from a theoretical model which analyses transnational policy networks as inter-organisational resource exchanges. Central to this model – and its empirical illustration – is the question, under which conditions transnational policy networks are relevant at all. Relevance means that a given political decision-making approach may be better explained by referring to resource exchanges between corporate actors, than to negotiations between governments (or purely domestic politics). The most important reason for this specific perspective on transnational policy networks is the experience with the earlier discussion on transnational relations, where a too general, too optimistic assessment of non-governmental actors in world politics has finally led to a major backlash of state-centric approaches (cf. Risse-Kappen 1995b: 7f, 14f). Thus, it is necessary to come to a rather careful assessment of transnational policy networks, based on comprehensive empirical evidence. Still, I agree with Reinicke/Deng et al. (2000) that transnational policy networks are a rather important and innovative topic of research.⁴ My scepticism, however, relates to the overly optimistic representation of these networks as rather universally useful instruments of political steering. Transnational policy networks are only relevant under certain, rather restrictive, empirical conditions. Furthermore, the normative assessment of these networks has to be conducted in a more nuanced manner.⁵ As a point of departure for the latter, I choose the differentiation between input and output legitimacy by Fritz Scharpf, assuming that both criteria have to be met in order to allow for a legitimate rule within transnational policy networks:

“Democracy aims at collective self-determination. It must thus be understood as a two-dimensional concept, relating to the *inputs* and to the *outputs* of the political system at the same time. On the input side, self-determination requires that political choices should be derived, directly or indirectly, from the *authentic preferences* of citizens and that, for that reason, governments must be held accountable to the governed. On the output side, however, self-determination implies *effective fate control*.

Democracy would be an empty ritual if the political choices of governments would not be able to achieve a high degree of effectiveness in achieving the goals, and avoiding the dangers, that citizens collectively care about. Thus, input-oriented authenticity, and output-oriented effectiveness are equally essential elements of democratic self-determination” (Scharpf 1997:19, emphasis in original).⁶

In order to operationalize these rather abstract concepts, I focus, regarding input-legitimacy, on the nature of interests, which are able to influence policy-making within transnational policy networks. Regarding output-legitimacy, the question whether these networks contribute to an effective problem solving will be paramount.⁷ Before I analyse policy networks within a number of empirical settings regarding these criteria, I develop a model which explains under which circumstances transnational policy networks will be relevant at all and how policy-making within these networks works. Before we can make a comprehensive judgement regarding the desirability of these networks, however, we first have to systematically identify them.

2. With a little help from organisational sociology: The embedded resource-dependency theory of transnational policy networks

2.1 The dependent variable: (Inter-) Governmental decision-making or resource exchanges between transnational corporate actors

The most sophisticated treatment of policy networks within domestic settings is based on categories of (inter-) organisational sociology, which assume that political decision-making and implementation is mainly based on the exchange of material and immaterial resources between mutually – but frequently asymmetrically – dependent organisations.⁸ Sociological inter-organisation theories are based on an organisation-environment perspective, where the most important features of this environment are other organisations (cf. Jansen 1995). Advantages of this model include the possibility to fall back upon an extensive range of concepts and methods within organisational sociology and its relatively neutral assumptions regarding the steering capacity of these networks – both properties which should allow for a sober and systematic assessment of the assumptions outlined above. For the application in political science research, however, concepts from (inter-) organisational sociology have to be embedded into the institutional and – as constructivists sometimes tend to forget – structural features of the political arena.

Given the confrontation of traditional state-centric approaches within international relations and the equally classical domestic bias of comparative politics and policy analysis on the one side, with more recent transnational approaches on the other side, I choose the dichotomy of government-centric politics and transnational resource exchanges between corporate actors⁹ as the dependent variable of my study. Thus, empirical studies will first focus on the question whether the political decision-making process under review may better be explained as a transnational resource exchange process between public and private organisations or as an intergovernmental negotiation (or purely domestic) process. In a second step, the activities of transnational policy networks will be briefly analysed according to the dual criteria of legitimacy as outlined above.

My definition of transnational policy networks thus combines elements of the resource dependency school within organisational sociology with the concept of transnationalism as

outlined by Risse-Kappen (1995b: 3): transnational policy networks are defined as a group of public and/or private organisations where at least one organisation does not operate on behalf of a national government or an intergovernmental entity. These organisations are connected by a significant level of interactions (at least partially) across national boundaries and participate in policy making and implementation through an exchange of resources. Typical resources to be exchanged in transnational policy networks include finance, information, legitimacy and the offer of participation in policy design. Actors within transnational policy networks include all types of public and private organisations, including interest groups, subnational governments, state agencies, and international secretariats. Networks generally are grouped for a certain issue area but may vary in their saliency during different phases of the policy process. Actors within these networks are to a varying degree dependent on resources which other actors control. Thus, the European Commission, for example, allows an interest group a role in policy design or in the allocation of funds during implementation, while at the same time the interest group provides the Commission with information and legitimacy. Whereas the interest group may largely rely on the Commission for political influence, the Commission may choose among a number of competing interests.

Other forms of transnational interactions such as investment, communication and data flows as well as the diffusion of cultural norms are excluded by this definition.¹⁰ Similarly, my model differs from alternative models of post-national politics by its focus on organisations and resource dependencies. More recently, a number of authors have highlighted the relevance of “epistemic communities” (Haas 1992), “transnational human rights networks” (Forschungsgruppe Menschenrechte 1998), or of “transnational advocacy coalitions” (Keck/Sikkink 1998). These concepts share some parallels with the model of “advocacy coalitions” (Sabatier 1987) within public policy and highlight the power of persuasion within the political process. While these constructivist approaches towards transnational networks focus on interpersonal networks based on shared ideas and on long-term socialisation and institutionalisation processes, my network model departs from relatively stable interests of corporate actors and existing institutions, thereby providing a snapshot on a higher level of abstraction. I justify my concentration by referring to the need of complexity reduction. Furthermore, I doubt that persuasion processes may erase fundamental societal conflicts of interest and considerable differences of power as assumed by some of the constructivist approaches.

The following investigation will thus focus on the question under which conditions transnational policy networks are relevant empirically. A high number of international interactions may basically be modelled as transnational resource exchanges, e.g. by disaggregating the participating governments into a number of ministries. Similarly, most domestic political processes may contain some participation by a transnational actor. Given the need for theoretical parsimony, however, it does not make sense to prematurely give up the more simple state-centric or domestic models (cf. Risse-Kappen 1995b: 9). Under which conditions does it now pay to think in transnational rather than in the established inter-governmental or domestic categories? The concept of policy network alone is not able to provide for an answer to these questions. Given its open character, it may, however, be combined with assumptions stemming from other theoretical contexts. Thus, it has to be embedded into more comprehensive theoretical discussions, both regarding causal hypotheses and normative standards. My approach combines the resource exchange approach from organisational sociology with

political science concepts of different origins. I will demonstrate how different aspects of the national and international, as well as the public and private context lead to specific divisions of resources between corporate actors, thus leading to more or less favourable conditions for the relevance of transnational policy networks.

2.2 Independent variables from international relations, comparative politics and public policy

First assumptions regarding the relevance of transnational policy networks are to be found within Thomas Risse's studies on transnational relations. Risse argues that the importance of transnational relations depends, on the one side, on institutional features of the "target states" of transnational actors, and, on the other side, on the degree of international institutionalisation of the policy sector concerned (cf. Risse-Kappen 1995b, 1995c). In contrast to Risse, who – based on a constructivist understanding – highlights the importance of variable preferences and processes of persuasion, I will complement these arguments with a more interest-based approach. Again, I avoid rediscovering the wheel and trying to build upon established theories within several subdisciplines of political science. Based on an iterative process between theoretical deduction and empirical induction, my research has identified eight factors that determine whether a certain decision-making process is better analysed from an intergovernmental or a transnational policy network perspective. Four of these factors relate to the national level, four to the international level; similarly four are based on an interest-based background and four on an institutional background:

<i>Independent variables</i>	Interest-based	Institutional
National background	Homogeneity of societal interests Policy type	National institutionalisation of societal interests Institutional fragmentation of the nation state
International background	Functional interdependence Rent-seeking	International institutionalisation Institutional interdependence

2.2.1 Interest-based explanations

A classical observation of research on interest groups in domestic politics is that not all societal interests are equally well organised and powerful. Homogeneous interests are much easier to organise than heterogeneous ones (cf. Kohler-Koch 1996: 194). The same applies to the transnational level – or even more so, given the larger number of actors involved. It is much easier to form a powerful interest association that is able to mobilise resources and to influence policies on the transnational level, if this association is based on a limited number of rather homogeneous interests, than in case of a large number of divergent interests. Thus, a business sector, which is dominated by a few large multinational companies, tends to a more transnational type of interest representation than a sector where small- and medium scale

companies from a number of states are dominant.¹¹ Other societal interests, being even more heterogeneous and diffuse, such as consumers or women, also face considerable restrictions for a powerful association on the transnational level. Sectors with powerful transnational interest groups are more probable to be characterised by transnational policy networks than sectors with weak transnational groups or predominantly national groups.

An equally classical assumption of public policy studies is that distributive, redistributive and regulative policies matter. This distinction is based on the old – and not uncontroversial – assumption of Theodore Lowi (1972) that “policies determine politics”. If funds are redistributed, financial consequences are obvious, and winners and losers are easily identified, intergovernmental decision-making will prevail. National governments (and parliaments) are not willing to give up their predominant role in redistributive spending. On the other side, the transnational tendency of distributive policies is supported by the need to develop exchange relationships between donor (e.g. the European Commission or the World Bank) and recipient of funds (e.g. a subnational government or a business enterprise), where the latter provides the former with legitimacy and information regarding the efficient allocation of funds.¹²

If theories of international relations are the point of departure, it seems reasonable to suppose that there is a close correlation between functional interdependence and transnational politics, given that those concepts have been so closely related during the classical discussion of the early 1970s; in fact, they are being treated as synonymous by some authors today (cf., e.g., Viotti/Kauppi 1993: 239-245). It may be assumed that a strong interdependence between territorial units for solving functional problems (e.g. environmental degradation or volatility of financial markets) may contribute to an increased relevance of transnational policy networks, by providing substate actors with incentives to pool resources for common cross-border solutions.

Theorists working in the field of development and transformation studies frequently argue that it is hardly possible to apply Western concepts of political science outside of the OECD-world (cf. Schlichte/Wilke 2000). The same consideration holds for the concept of policy networks. Taking Hartmut Elsenhans' (1985: 143-151) concept of rent-seeking societies as my point of departure, I assume that political processes within Third World countries do hardly follow the pattern of resource exchanges between formal organisations in policy networks. Within rent-seeking societies, the business sector is less focused on gaining its income through market competition, but receiving its resources mainly in the form of rents, which have been siphoned off by administrative means. Since most societal groups are supported by clientelistic relationships with factions of the state apparatus, the prospects for the development of a resource-rich civil society independent of the state are dim. The central political dynamics of rent-seeking societies are rivalries between segments of the dominant state class, which hardly take the form of inter-organisational resource exchanges between formally organised interest groups, but rather follow the familiar pattern of patronage and clientelism.¹³ Thus, I assume that a high degree of rent seeking is detrimental to the relevance of transnational policy networks.

2.2.2 Institutional explanations

Exchange processes in transnational policy networks are embedded in national and international institutions. Again, institutions determine whether these exchanges become central to political processes at all. The relevance of policy networks by definition arises in situations in which mutual resource dependencies and the dispersion of political capacities among actors are perceived to exist. These dependencies and this dispersion of resources, however, cannot be taken for granted (Conzelmann 1995: 140f.). Thus, studies which applied the policy network approach to domestic politics conclude that

“[...] policy networks are not useful tools for analysing all political systems. The approach assumes a degree of pluralism, the relative separation of public and private actors, and complex policies needing many resources, which are not concentrated in the state. For example, if resources are concentrated in a strong national gatekeeper, policy networks are less likely to emerge and, where they do exist, will be less important for explaining policy outcomes” (Rhodes/Bache/George 1996: 382f).

This account highlights two main factors, the relationships between public and private actors and the unitarian character of the state apparatus. There are obvious parallels between this characterisation of the state and Thomas Risse’s reformulation of the concept of transnationalism, highlighting the importance of domestic structures. The first element of domestic structures that determines the influence of transnational actors according to Risse is the degree to which the state is characterised by fragmentation or centralisation (cf. Risse-Kappen 1995b). In case of a unitary or centralised state, it is less probable that subnational governments or single ministries will conduct their own “foreign policy” than in a federal or fragmented state with much more dispersed resources. Similarly, transnationally operating interest groups find highly centralised states more difficult to access than fragmented ones. This assumption relates both to the difference between federal and unitary states (i.e. different degrees of vertical fragmentation), and to different degrees of centralisation of decision-making on the national level, e.g., within a chancellery instead of a division of decision-making between a number of ministries, parliament etc. (horizontal fragmentation).

Regarding the degree of national institutionalisation of the dominant societal interest, my assumption again is based on the research on interest intermediation on the domestic level. One of the core concepts of this research is the distinction between plural, society-centred and corporatist, state-centred forms of interest intermediation. If interest groups traditionally co-operate very closely with the state – especially in corporatist arrangements – they have considerable difficulties to further their cause on the transnational level and, therefore, continue to utilise national avenues for interest representation (cf. Streeck 1998: 177). Thus, unions will find national channels for interest representation more attractive than transnational ones. Other interests that have grown largely independent of state support (e.g. multinational enterprises in some sectors), or have developed in opposition to the state (e.g. certain social movements), find it much easier to mobilize the necessary exchange resources on the transnational level.

Turning to theories of international relations, we may again draw from Thomas Risse’s reformulation of transnationalism. One of the core causes for the varying influence of transnational actors according to Risse stems from the different degree of international institutionalisation of policy areas. Thus, the legitimacy of a transnational actor’s issue may

be enhanced by an appeal to a generally accepted international norm (Risse-Kappen 1995b: 29-32). I may add that not only the structural role of international norms, but also the agency of an international secretariat may support the development of a transnational policy network.

A more specific case of international institutionalisation may be described as institutional interdependence. Institutional interdependence is being created by legal requirements for a public actor to co-operate on a transnational level with other corporate actors, somehow comparable to the concept of “Politikverflechtung” (Scharpf /Reissert/Schnabel 1976) in federal state systems. In the EU multi-level system, the most well-known case of these regulations is the so-called “partnership principle” which requires member state governments and the Commission to co-operate with subnational governments – and societal actors – in order to receive EU structural funds. Legal requirements of institutional interdependence so conceived lead to the development of transnational policy networks.

3. Empirical illustration of transnational policy networks with a special focus on international organisations

3.1 Case selection: International secretariats as actors in and addressees of transnational policy networks

I have provided a number of hypotheses which specify under which conditions we may assume a strong relevance of resource exchange processes in transnational policy networks. At the same time, these hypotheses have made clear how aspects of the national and international environment influence the distribution of resources between corporate actors on the transnational level and thus provide for the basis of these exchange networks. Based on these assumptions I will now turn to the investigation of transnational policy networks in a number of empirical settings. These empirical studies focus on two questions, namely the relevance of transnational policy networks vis-à-vis the state-centric model and the ability of these networks to accord to both the input and output criteria of democratic legitimacy. My empirical studies are based on a comparable cases strategy (Lijphart 1975) that is common practice in a situation where a relatively large number of variables are to be tested by a small number of cases. Still, we may considerably enlarge the number of cases by making precise distinctions between policy areas, regional units and periods of time (including different phases of the policy process), whereas the number of variables will be limited by a rather general dichotomy of the dependent variable (transnational policy network or state-centric decision-making). The main criterion for case selection is then whether the cases under review differ regarding this dependent variable and, if at all possible, only one independent variable. In the following, I will briefly scrutinise a number of comparisons as an illustration of my research design.¹⁴

The focus of the empirical evidence contained in this paper is on international organisations (IOs) more specifically: on international secretariats. This is a core distinction for any study of transnational policy networks. Most international organisations are mainly fora for intergovernmental negotiations. Examples include the general UN system, most regional integration schemes in the ‘South’ and even the World Trade Organisation. In terms of transnational policy networks (and of organisational sociology more generally), international

organisations are relevant as corporate actors to the extent that they contain a bureaucracy which is capable of autonomous action.¹⁵ Otherwise, international organisations may well be analysed through a state-centric approach (such as classical regime theory), as a venue for negotiations and decision-making among national governments. In order to distinguish transnational acting bureaucracies from whole international organisations as intergovernmental arenas, I call them ‘international secretariats’. Of course, each IO contains a bureaucracy, even if this frequently is only a very tiny one. In order to operationalise this distinction, two features of international secretariats become important, namely the volume of resources (finance and staff) at their disposal and the range as well as the political significance of the tasks given to them by their member states. The three most important international secretariats are the Bretton Woods Institutions (BWI) – more specifically: the core organisation¹⁶ – and the European Commission.¹⁷ These three secretariats have not only a large number of staff at their disposal, but also the most impressive range of political competencies.¹⁸ Although there is considerable discussion on national entanglements in the decision-making of these secretariats, one may conclude that in most cases they are able to autonomously decide upon their day-to-day operations. Thus, any study of the respective international organisations through a purely intergovernmental approach would surely miss its mark.

International secretariats play two important, but very different, roles in transnational policy networks.¹⁹ On the one hand, international secretariats are important actors in these networks, very often with a large share of responsibility for the outcome of these interactions. Thus, the European Commission plays an important role in European policy networks leading to regulations of the Common Market, whereas the BWI staff uses its resources to thoroughly influence economic policy-making in developing and transformation countries. On the other hand, international secretariats may be perceived as political decision-makers, thereby frequently turning into the targets of the lobbying efforts of other transnational actors. Thus, the Commission is surrounded by hundreds of interest associations, whereas the BWI have become the prime (IO) targets of transnational advocacy NGOs.²⁰ Through the first role the second becomes politically important: Given the political weight of these international secretariats, other transnational actors may exercise political influence through changing the organisational routines of Commission, International Monetary Fund or the World Bank (e.g. project selection procedures in case of the latter). I use this distinction of the roles of international secretariats within transnational policy networks to structure my empirical illustration. Together with the two main organisational cases we receive four empirical settings in which my theoretical approach may be illustrated. In the following, I will use each of the four cells to briefly illustrate the working of two of my variables.²¹

<i>Structure of empirical illustration</i>	European Commission	BWI secretariats
Change by international Secretariats (exogenous)	Multilevel governance in the European Union (3.1)	Transgovernmental co-ordination: the case of foreign assistance (3.3)
Change within international Secretariats (endogenous)	Interest intermediation in the European Union (3.2)	Contesting global governance: NGOs and the BWI (3.4)

3.2 The European Commission as an actor: Multilevel governance in the European Union²²

3.2.1 Institutional interdependence: The 1988 reform of the regional development funds

My first example demonstrates the role of institutional interdependence for the increased relevance of transnational policy networks in general and of the European Commission in particular by comparing regional development policy before and after the major reform of 1988. Before 1988, structural policy was an obvious case of intergovernmentalism, where funding decisions were made in closed-door negotiations between national administrations, with a very limited influence by the Commission. The only major issue was the division of national shares of the overall volume of funds, which obviously lent itself to an intergovernmental perspective. Regional development policy was mainly used for side payments between member states' governments (Ansell/Parsons/Darden 1997: 351). The 1988 reforms, however, introduced the partnership principle for the third phase of the multiannual funding cycle. Basically, there are now three main phases within the five-year regional development funding cycle (cf. Marks 1996: 314, Ansell/Parsons/Darden 1997: 363f.):

1. Negotiations on the financial volume of EU regional development policy.
2. Creation of the institutional framework (e.g., eligibility criteria).
3. Planning of specific programs (Regional Development Plans, Community Support Frameworks, Operational Programs) and implementation of projects.

These three phases differ significantly regarding the relevance of transnational policy networks – or multi-level governance more generally. The first phase is firmly intergovernmental. The second phase still is rather intergovernmental, however, with a prominent and independent role for the European Commission.²³ During the third phase, then, transnational policy networks become central, especially for the selection and implementation of specific projects, where coalitions between the Commission and subnational actors play a major role (cf. Marks 1996: 315-398, Ansell/Parsons/Darden 1997: 364-368). In order to explain this variation, we have to study the perception of different policy types during those three phases: especially during the first phase, structural policy is perceived as a redistributive policy, a 'zero-sum game', where member state governments closely watch their gains and losses. Thus, they are not willing to delegate decision-making to other actors. However, during the second phase, this state-centric logic is already being reduced, because redistributive consequences become less obvious. Consequently, autonomous policy-making by the Commission becomes more relevant. Multi-level governance between regions, national ministries and the Commission, however, is an adequate description of EU regional development policy only during the programming and implementation of single projects. Now, regional development funding is being perceived as a distributive policy, thereby allowing corporate actors to focus on their organisational motives, especially in case of the Commission and subnational state actors (cf. Marks 1996: 317f.).

At the core of the 1988 reform, however, is the introduction of the partnership principle into the third phase of the funding cycle. The Commission now asks member states for detailed, comprehensive plans for the utilisation of regional development funds. Furthermore, these plans have to be designed with the active support of national governments ('vertical partnership') and private actors ('horizontal partnership') on the regional level. The consequences for the pattern of EU decision-making are as follows:

“[...] as the Commission now asks for co-ordinated, long-term policy schemes, more information is required and the level of complexity increases. More actors have to be taken on board in order to channel additional information resources into the procedure. Networks between all territorial levels – supranational, national, regional, and local – have to be installed in order to keep the process manageable and efficient.

[...] the ‘partnership’ principle seeks to install the institutional framework within which consultation and networking between all levels involved can be organised. The political logic behind it is to break up the orbit of closed-door negotiations between supranational and national administrations. Instead, the ‘partnership’ principle seeks to generate ‘open’ networks, through which a permanent exchange of ideas, data and influence can take place [...] The inclusion of more actors, however, also threatens national control over the management of funds. Furthermore, the status of sub national actors may be enhanced” (Conzelmann 1995: 139).

While the original idea of (rich) EU member states was to introduce a mechanism for the enhanced control of regional development funding (in poor member states), given the strongly increased level of funding in preparation of “1992”, the more specific Commission proposal in effect introduced a considerable degree of institutional interdependence in EU regional development decision making. In effect, the 1988 reforms not only generated more open, transnational policy networks, but also enhanced the status of subnational actors as well as the Commission and limited national government control over the management of funds, thereby affecting the relationship between national governments and the regional level in a number of EU member states (cf. Marks 1996: 336-338, Smyrl 1995). At the core of this exercise in network creation are increased inter-organisational resource dependencies:

“For the Commission, regional connections bring new sources of information and political support for its programmes. Information flowing from regions, particularly on the workings of SF (Structural Funds, A.N.) programmes, makes the Commission less directly dependent on national government sources [...] Politically, Commission officials do little to disguise their attempts to cultivate potential allies in sub national government (who may ultimately pressure the Commission’s main interlocutors at the national level).

Regional actors, in turn, may be willing to lend this political support for several reasons. From the Commission they too obtain useful information – not just on SF policy-making, but also on other EU policies from which they are generally excluded. Politically, while the Commission is usually careful not to intrude into general national-sub national conflicts, many regional officials see partnership with the Commission as prestigious and legitimating sub national power [...] More directly, [...] regions may profit from the support the Commission lends to regional priorities which diverge from national priorities in regional development” (Ansell/Parsons/Darden 1997: 359).

In conclusion, it did not make sense to speak of multi-level governance in the case of EU regional development funding before 1988. Afterwards, it does – but only in selected phases of the program cycle and in certain member states (cf. 3.2.2). Furthermore, it may be assumed that this case of network creation by design contributes to a higher quality of problem solving if we assume that financial support programs which are based on the analytical and legitimacy resources of a number of societal and substate actors, are more effective than centrally planned ones (cf. Marks 1996: 325f). This network management, however, has detrimental effects on the freedom of manoeuvre of national governments, which, consistently, have tried to reduce the degree of institutional interdependence during the 1993 reform of the regional development funds (cf. Hooghe 1996: 117). Correspondingly, the democratic legitimacy of the reformed fund management is somehow limited when the weakening of the veto position of national parliaments is being taken into account, hardly being compensated for by an increasing role

of parliaments on the European or regional level; also the social partnership principle is only being applied selectively (cf. Benz 1998: 575).

3.2.2 (Vertical) Administrative fragmentation: Comparing transnational co-operation in the INTERREG program in the Lake Constance and the Upper Rhine Valley regions

Transnational co-operation in border regions has been portrayed for some time as a prime example of the “debordering of the world of states” (Brock/Albert 1995). Especially in the context of the study of European border regions, the potential contribution towards problem-solving and international understanding has been highlighted (cf. Malchus 1975 as the classical contribution). A more detailed treatment of cross-border co-operation initiatives demonstrates, however, the great variety of undertakings, including purely private initiatives, several forms of symbolic politics, but also cross-border political coalitions and formal intergovernmental organisations (cf. Blatter 1998: 21-40). Given our preoccupation with the relevance and normative assessment of transnational policy networks, only a small fraction of these co-operative undertakings becomes relevant, namely those cases where a number of societal and substate actors exchange resources in order to influence the political decision of at least one (sub)state actor.

Both the Lake Constance region and the Upper Rhine Valley thrive by a great variety of trans-border co-operation arrangements. A closer look on the nature of the co-operation arrangements demonstrates that the Constance region is much more characterised by transnational policy networks than the Upper Rhine region, which still very frequently is being dominated by a state-centric logic. The latter specifically takes the shape of intergovernmental commissions and regimes, such as the “Oberrhein-Ausbaukommission” or the “Internationale Kommission zum Schutz des Rheins gegen Verunreinigung” (cf. Beck 1997: 101f; Blatter 1998: 227-230). Even on a highly decentralised level of co-operation such as the “Oberrheinkonferenz”, where German state governments, French regions and Swiss cantons are being represented, the national logic of representation rules supreme (Blatter 1998: 232). Around Lake Constance, in contrast, corporate actors assume cross-border, functional definitions of interest such as environmental protection or support of small enterprises, whereas at least on the German side the national perspective is hardly relevant anymore (Blatter 1998: 234).

A more detailed study of the concrete transnational resource exchanges demonstrates that these exchanges in both regions have, *inter alia*, been motivated by an increase in institutional interdependence, especially in the form of supporting programs by the European Union such as INTERREG. The INTERREG-program is part of the structural policy of the European Union. Its main purpose is to promote cross-border co-operation on the local and regional level. As a “Community Initiative”, it is programmed and administered by the Commission, with only very limited oversight by the member states. Funds from this Community initiative become only available, however, if projects are planned and executed by local and regional partners from both sides of the borders. Thus the INTERREG-program induces in both regions a number of corporate actors from both sides of the border to pool their analytical and financial resources as well as their legitimacy as transnational partners for projects mobilising additional funding by the Commission (Blatter 1998: 231). In the accompanying committees of the INTERREG-program the higher degree of transnationalisation in the Lake Constance region again becomes obvious, whereas the co-operation in the Upper Rhine Valley is marked (and restricted) by the

traditional state-centric pattern. Whereas the formal standing orders of both accompanying committees were practically identical, the practice of co-operation demonstrates significant differences. Co-operation around the Upper Rhine has been hampered by distributive conflicts along national lines, whereas this type of problem has not affected the Lake Constance co-operation pattern – in spite of very unbalanced contributions by Swiss actors and those from Baden-Wuerttemberg.

In a comparative perspective, the differences between both border regions may best be explained by the different state structures of the participating countries. The rather unitarian French structure explains a large share of the rather state-centric co-operation in the Upper Rhine Valley. The federal character of the three states around Lake Constance, in contrast, allows for the easy development of transnational policy networks (cf. Blatter 1998: 278-282). The importance of a high degree of vertical fragmentation for the relevance of transnational policy networks is not limited to cross-border co-operation, but also relates to the EU regional development policy in general. Again, the study by Gary Marks (1996) is instructive. Marks does not only compare different phases of EU regional development policy regarding their relevance for multi-level governance, but also EU member states regarding their implementation of the partnership principle. His study demonstrates that not all substate actors are able to seize the opportunity provided by the high degree of institutional interdependence (and distributive policy perception) in the third phase of regional development policy programming (after 1988). The extent to which transnational policy networks between the Commission, the national government and substate actors evolve, varies considerably from country to country. In countries with a high degree of institutional fragmentation – especially in terms of a federal state structure – regions are able to engage in multi-level governance. Otherwise, the central government is also forced to consult regional actors regarding certain information for regional planning, but firmly retains control of the overall planning exercise. Thus we find meaningful transnational policy networks in case of Belgium, Germany, and certain regions in Spain, but not in case of France, Great Britain, Greece, or Ireland (Marks 1996: 326, Ansell/Parsons/Darden 1997: 364f.).

Coming back to cross-border co-operation, the inclusion of resources stemming from both public and societal actors and actors of both sides of the border within these networks, allow for a rather successful problem solution, e.g., regarding water quality or the selection of regional development projects (cf. Blatter 1998: 122-125, 157f). There is, however, a certain tension between problem-solving capacity and the freedom of manoeuvre of national governments, especially in the French case. There is, furthermore, no automatism between cross-border co-operation and democratic governance. Not only the cross-border collaboration of parliamentary groupings proves to be rather awkward (cf. Blatter 1998: 116-119, 151f), but also societal groups differ considerably regarding the degree of their transnational co-operation, with obvious advantages for economic interests, and to a lesser degree, environmental protection groups (but not unions, consumers etc.). Finally, the problems associated with the unitarian French state structure point towards a major limitation of the relevance of transnational policy networks based on vertical institutional fragmentation, given the large number of unitarian states on a world-wide scale and the complexity of decentralisation reforms.

3.3 The European Commission as an addressee: Interest intermediation in the European Union

3.3.1 International institutionalisation: Different degrees of “greening” of structural policy instruments

The “transnationalisation” of structural policy is not only limited to certain time periods (after 1988), phases of the project cycle (planning/implementation) and countries (federal ones), but also to certain structural policy instruments. The most important difference is between the main Structural Funds and the Cohesion Fund, introduced in 1993. Whereas the “partnership principle” has induced a selective transnationalisation of the Structural Funds, the Cohesion Fund remains firmly intergovernmental. Thus, regional actors have few options to be involved in programming of the Cohesion Fund and to play any independent role in transnational politics. Similarly, the ability of the Commission to decide upon the design and management of the Cohesion Fund remains limited. The firm control of member state governments over the Cohesion Fund also limits the ability of transnationally acting environmental NGOs to enhance the attention given to environmental concerns within the management of this fund – in sharp contrast to the “greening” of the Structural Funds. Although these funds – the first one, the European Regional Development Fund has been established in 1975 – did not have any ecological orientation for a number of years, they have become considerably “greener” during the 1993 reform of structural funding. Lenschow (1995: 9f) summarises the legal changes (proposed by the Commission), which have been accompanied by procedural changes, as follows:

“Among the new elements to be included in the development plans was an evaluation of the environmental impact of the strategy and operations proposed in terms of sustainable development principles. This requirement was intended to contribute to the prevention of environmental harm; it also added an environmental criterion that can be monitored.

Secondly, the new regulations reinforce the principle of compatibility with other Community policies in the area of environmental policy [...]. Aside from providing a framework for sustainable planning in general, this article was important from an institutional point of view. National governments were now obliged to integrate environmental authorities in the preparation phase of regional programs. This requirement constitutes a potential substitute for the politically unlikely alternative of strengthening the Commission’s powers to monitor environmental compliance on the ground”.

The Cohesion Fund, in contrast, does not contain any comparable ecological safeguards (cf. Lenschow 1995: 11-16). The contrast to the Cohesion Fund is the more striking, as it has been established during the same 1993 reform of regional development policy. Furthermore, both the Structural Funds and the Cohesion Fund have been at the centre of comprehensive campaigns by environmental NGOs. Most of the environmental changes within the Structural Funds match the demands of the NGOs. Thus, it has to be explained why transnational NGOs have been able to influence the regulations (proposed by the Commission) in case of the Structural Funds, but not of the Cohesion Fund (cf. Lenschow 1995: 23-33, Mazey/Richardson 1994: 32-40).

For a more detailed study of decision-making on the European level, we have to disaggregate the institutions of the Union, with special attention being devoted to the different degrees of international institutionalisation. Firstly, the role of the European Parliament (EP) varies

widely regarding different pieces of regulation: some need its assent, others do not. The degree of international institutionalisation is much higher in the first case. Secondly, decisions in the Council of Ministers may require unanimity or only a (qualified) majority. Given the strong role of each member state in the first case, international institutionalisation is much higher in the latter. Thirdly, the role and responsibility of the Commission (and, correspondingly, the degree of international institutionalisation) differs widely between issues, as demonstrated above. Given the huge size of the Commission and its internal sectoral fragmentation, for certain issues it finally does not make sense to treat the Commission as one single organisation. Thus, for the purposes of this study I consider single Directorates General (DGs) as corporate actors of their own right.²⁴ In the cases under review, DG XI (environment), DG XVI (administration of structural funds) and DG XIX (budget) are the most relevant. Different standings of these DGs in terms of prestige within the Commission also contribute to the explanation of the puzzle outlined above.

Point of departure of the NGO campaigns were experiences with environmental destructions caused by Structural Funds' projects (e.g. dams, road, and tourism) during the late 1980s. Based on a comprehensive survey of the ecological effects of recent reforms of the EU's structural policy, NGOs started a major campaign to influence the 1993 reform. Their demands have been rather easily accepted in case of the Structural Funds, both by the Commission and, later, by the Council. Lenschow gives a detailed account of the resource interdependencies which led to these political decisions:

“The responsiveness of the Commission to the proposals of the NGO alliance was not due to the alliance's successes in mass mobilization and salience creation alone, though. More importantly, in my view, the NGOs succeeded in building close ties with ‘inside actors’, i.e. actors that influence the decision making in the Community. These ties persisted due to the creation of resource interdependencies between the inside actors and the NGOs. In other words, NGOs became participants in a policy network close to the decision making centre of the Community.

Arguably the closest relationship developed between the NGOs and the European Parliament. In its vocalisation function the EP proved a valuable instrument for the environmental groups to effectively communicate their concerns about specific projects and programs to the Commission and the Council. Considering the budgetary powers of the EP, i.e. the need for the Council to ensure Parliament's assent prior to changes in the Structural Fund framework regulations, the institution was a particularly valuable mouthpiece for the green lobby. The EP, on the other hand, benefited from the information and policy analyses prepared by the NGOs. In other words, the effective collaboration between NGOs and MEPs (Member of European Parliament, A.N.) resulted from the complimentary nature of their resources, information and access.

Resource interdependencies also developed between NGOs and DGXI. DGXI had been pushing DGXVI for better environmental integration and for becoming closer involved in the approval process. Armed with the support of a respected lobby, information and sound policy advice, DG XI succeeded in deepening its regional knowledge and in becoming more practical in its policy input, eventually gaining the acceptance of DGXVI officials as a valuable policy partner. In this position, DGXI could effectively argue for its own cause and the one of NGO's.

Finally the campaign benefited from a report by the Court of Auditors that was highly critical of the Structural Funds' impact on the environment. NGOs and EP had provoked that commissioning of this report through their public campaigns, their official questions directed at the Commission and a number of Court cases challenging the administrators of the Funds (the Commission and the Member States). In addition, NGOs and MEPs provided empirical data for the auditors. The resulting case references added not only to the content but also to the rhetorical value of the report, hence became a tremendous asset for subsequent environmental campaigning. NGOs acknowledged that they were assisted by the Court of Auditor's report, and the threat to the image and legitimacy of the

Commission it represented, in getting their ‘wishlist for reform’ [...] largely incorporated into the Commission proposal in early 1993” (Lenschow 1995: 26-28).

In case of the Cohesion Fund, however, the Commission turned down NGO demands. The resource dependencies, which allowed for the NGO influences on the Commission in case of the Structural Funds, were absent in case of the Cohesion Fund (cf. Lenschow 1995: 34-36). Due to the choice of a different legal procedure, the EP did not have a major say in decision-making. The unanimity rule regulated decision-making in the Council, thus shifting the core of the political process to national governments. Within the Commission, the Secretariat General and DG XIX (budget) were charged with the administration of the Cohesion Fund; due to their predominant orientation upon macroeconomic criteria and their high standing within the informal Commission hierarchy, these actors were not in need for the legitimacy and information resources of the environmental DG and its NGO coalition partners as was DG XVI. Finally, the small amount of responsibility the Commission was having for the management of the Cohesion Fund minimised the danger of major trouble with the Court of Auditors or the Court of Justice. Taken in perspective, this case demonstrates that transnational policy networks may contribute to effective (environmental) problem solving – but at the same time these network are only relevant under very specific conditions.

3.3.2 National institutionalisation of societal interests: Comparison of EU science and technology programmes regarding the pattern of interest intermediation

Different degrees of transnationalisation of cross-border co-operation on the regional level have already demonstrated that recipient features may influence the relevance of transnational resource dependencies. Other EU policies address themselves to more or less private actors. Science and Technology (S&T) programs, e.g., are suited for private firms as well as for public research institutes and universities, with different programs frequently having different target groups. Target groups, however, are not always passive recipients of EU programs. In most cases, they also try to influence the design and the allocation mechanisms of distributive programs or lobby for the establishment of new programs. The European Commission and the Council of Ministers are the prime addressees of these lobbying activities. Whether societal interests choose to organise transnationally and try to exchange resources with the Commission (transnational policy networks), or largely use their established national channels of interest intermediation and work through the Council of Ministers (inter-governmental policy-making), inter alia depends on the degree to which these societal interests are used to further their interests through close collaboration with their national governments.

Since the mid-1980s, the European Union has received a considerable increase of competencies in the field of science and technology promotion. Within the subsequent Framework Programs, a number of separate sectoral and cross-sectoral research programs have been set up. Given the technical character and the speed of decision-making in S&T, the beneficiaries have a larger say on the allocation of funds than in most other policy sectors (Peterson/Bomberg 1999: 216). The pattern of interest intermediation within these programs, however, varies considerably regarding its degree of transnationalisation. The most striking differences are to be found between applied, industry-oriented programs and basic, science-oriented programs. Whereas the former may be characterised by numerous resource dependencies between transnational interest associations

and the Commission, the latter very much follow the traditional intergovernmental pattern of decision-making. Furthermore, even within the subsector of industry-related programs, considerable differences regarding the degree of transnationalisation of interest intermediation may be observed. Thus, within the large programs for the promotion of information technology (IT) such as, e.g., the European Strategic Programme for Research in Information Technologies (ESPRIT), the Commission co-operates closely with transnational interest groups, especially with the European Information Technology Industry Round Table (EITIRT). Decision-making on programs designed for small and medium sized firms, such as, e.g., Basic Research for Industrial Technologies in Europe (BRITE), in contrast, is more dominated by national representations (Grande/Peschke 1997: 20). Thus, we find transnational policy networks as an adequate analytical perspective for some subsectors, but intergovernmental decision-making for others.²⁵

These heterogeneous patterns may be explained by taking into account the different ability of societal interests in different subsectors to organise them in a powerful manner on the European level. A small number of big multinational companies in the information technology subsector – EITIRT originally had 12 members and now has 14 (Grande/Peschke 1997: 22) – is predestined to form a powerful association, whereas thousands of small-scale enterprises, due to their more heterogeneous character face insurmountable differences to organise on the transnational level. Thus, these firms may prefer to utilise national channels of interest representation. National channels look even more attractive to public research institutes and research associations, with their close and long-standing relationship to the nation state. If, however, the focus is on the famous collaboration between the Commission and EITIRT during the early years of EU S&T policy, it is most appropriately analysed as a resource exchange in a transnational policy network. These resource dependencies were most important during the process of enlargement of EU competencies, thus leading to the typical “co-evolution” (Eichener/Voelzkow 1994) of European integration and European level interest formation. A more detailed study demonstrates that the Commission is not only a passive addressee in European interest intermediation, but also an active manipulator in its strife for additional tasks and resources :

“Established in 1980, on invitation from Count Davignon, the Commissioner for Industry, the Round Table should serve several purposes. First of all, it should provide the expert knowledge to the Commission necessary to the formation of new programmes targeted at the needs of European IT industry. In addition, the Round Table was expected to assist the Commission in its political battles with the member states over new legal competencies, new programmes and new fiscal resources for research and technology. In this respect, the Round Table worked as a “lobbying group” to support the process of European integration in S&T policy” (Grande/Peschke 1997: 9).²⁶

It has to be noted, however, that the strong role of the Round Table in EU S&T policy making has not remained without criticism. Companies excluded from the EITIRT and member states without a Round Table-member, but also trade unions and consumer representations repeatedly criticised this arrangement for its lack of representativeness (Grande/Peschke 1997: 23, Peterson/Bomberg 1999: 222). Taking a broader perspective, the problem-solving contribution by transnational policy networks also becomes questionable. Policy networks by definition carry a tendency towards fragmentation. The close collaboration between private and public actors within a network is at the cost of a lack of co-ordination between networks. In terms

of innovation policy, however, a lack of integration between academic and applied research policy networks may become a major setback, given the need for effective linkages between the two within a successful innovation policy:

“If the patterns of interest representation in European S&T (Science & Technology, A.N.) policy are looked at from the perspective of the German research system, two features are apparent. Firstly, it can be seen that the system of interest representation is also highly differentiated. There are special organisations for every major type of research: for applied industrial research, for contract research, for basic research, etc. Secondly, it can be seen that the pattern of interest intermediation is rather segmented [...] universities and research organisations are organised within separate institutions and, even more striking, there are no organisational links between industry, academic research and public research organisations. In organisational terms at least, industry leads a life of its own; ‘theory’ and ‘practice’ are not connected nor integrated on this level of institutionalisation” (Grande/Peschke 1997: 11).

3.4 The World Bank as an actor: Transgovernmental co-ordination of foreign assistance to Eastern Europe

3.4.1 Rent-seeking: A comparison of assistance co-ordination for Poland and Ukraine

The World Bank multiplies its policy influence in developing and transformation countries by its ability to co-ordinate economic assistance by other bi- and multilateral donor agencies.²⁷ Bank projects alone are of a too limited (financial) weight in order to exercise enough influence on the recipient governments’ economic and sectoral policies. If the contributions by other donors can be brought in line with those of the Bank, it can multiply its influence upon recipient governments as well as increase the effectiveness of the overall assistance effort. As in other regions of the world, co-ordination of assistance to Eastern Europe is far from being perfect. Both countries and sectors vary in their quality of co-ordination. The effectiveness of co-ordination very much depends on transgovernmental networks between donor and recipient organisations and/or between donor organisations.²⁸ In this study, I will briefly demonstrate that during the mid-1990s the good quality of assistance co-ordination for Poland very much relied on a very dense network centered around the Polish recipient organisation Bureau for Foreign Assistance/BFA, the European Commission and the World Bank, whereas the bad quality of donor-recipient co-ordination for Ukraine reflected a network which was fragmented in a number of quasi-clientelistic donor-recipient dyads.²⁹ The different network structures for Poland and the Ukraine can be explained by pointing to the much higher degree of rent seeking in the latter. In 1995/1996, Poland was one of the most advanced transition economies, as measured, for example, by the European Bank for Reconstruction and Development/EBRD (EBRD 1995, 1996). State and economy had already been separated to a large degree. An independent civil society tried to control the spending of public funds, including foreign assistance. Given the huge range of alternative sources of income, the incentive to use foreign assistance for rent-seeking activities was rather low. Ukraine, in contrast, was among the least advanced transition economies. Not only was the transition to a market economy rather slow, but also Ukraine developed a political economy where economic wellbeing very much depended upon good connections into the state apparatus. In contrast to Poland, state and economy remained closely interwoven. Although there were struggles within the political-economic elite, the old nomenclature, based on the public service and public enterprises, clearly remained in power. The control over the allocation of foreign assistance is an important

asset in this clientelistic political system. Informal, personalised power structures makes any analysis of decision-making based on inter-organisational resource exchange futile. In this political-economic environment, the World Bank is severely limited to exercise its lead role in donor-recipient co-ordination.

In 1995/1996, the Polish government already was able to fairly effectively co-ordinate external assistance, although some bilateral donors still circumvented the BFA and dealt directly with Polish sector ministries (cf. Bastian 1997: 64f). Compared to other recipient countries, however, the BFA was better able to set priorities of assistance, even against the intentions of some donor agencies (cf. Bastian 1997: 65, 66f). The European Commission and the World Bank, as the lead agencies on the donor side supported the BFA in its co-ordination function. Although the strong co-ordination effort by the BFA somewhat limited the ability of the Commission and the Bank to conduct a policy dialogue based on the backing of the Western donor community, a strong transgovernmental co-ordination network contributed to the effectiveness of foreign assistance to Poland.

Ukraine, however, was a different story. In a six country comparison (including also Kazakhstan, Kyrgyzstan, Estonia and Romania), Ukraine is “[...] by far the worst example of recipient co-ordination (Bastian 1997: 133). This was on the one side due to the absence of any meaningful co-ordination between Ukrainian ministries:

“[...] interministerial co-ordination has never been a topic of discussion in the context of assistance co-ordination. There is no mutual interest for contacts on the side of the Ukrainian ministries although all assistance-related communication was supposed to go through NAURD (the then co-ordinating agency of the Ukrainian government, A.N.) or the respective predecessor agencies, which were meant to be in the centre of the co-ordination process” (Bastian 1997: 109).

Correspondingly, central co-ordinating agencies proliferated – at times there were four of them – and were reorganised in an almost yearly rhythm, based on a continuing struggle for the control of assistance rents. On the other side, single donor agencies and recipient ministries found it very convenient to exchange their resources without any interference by central recipient or donor co-ordinating agencies. Thus, the donor agency provided financial means whereas the recipient ministry allowed the donor to implement a project according to his own priorities. Furthermore, the absence of strong central co-ordination allowed for recipient ministries to go “project shopping”, confronting as many donors as possible with a long list of projects. In this context, it was very difficult for the Bank to conduct a “policy dialogue” with the Ukrainian government, based on the comprehensive support of the whole Western assistance package. In more general, the effectiveness of external assistance to Ukraine remained low, inter alia due to limited over-all co-ordination.

In conclusion, operating in a societal environment, which is characterised by a high degree of rent seeking, may considerably weaken the World Bank’s co-ordination efforts. If recipient ministries focus their activities on playing off donors against each other, it is very difficult for Bank staff to assemble a coherent program of assistance. Thus, the economic and political impact of foreign assistance is being reduced. In heavy rent-seeking societies, policy networks are not only absent on the recipient side, but also rather weak – as transnational policy networks – in donor-recipient interactions. Although transnational interactions do exist in case

of the latter, they frequently have the character of isolated dyads between one donor and one recipient ministry. While this may be a rational behaviour for these ministries, comprehensive and effective co-ordination is impossible. Given the limits to the democratic character of the Ukrainian state and its economic crisis (in 1995/1996), a higher relevance of transnational policy networks, centred around a strong and responsible recipient agency as in Poland, might, however, be preferable from both input and output-criteria of legitimate democratic rule.

3.4.2 Functional interdependence: A comparison of donor co-ordination for mass privatisation and agriculture

There are not only differences between the effectiveness of transgovernmental co-ordination network between countries, but also between sectors. At least for big recipient countries, there are separate co-ordination arrangements for most important sectors. During the mid-1990s, donor agencies dominated this co-ordination process, whereas sectoral ministries frequently were rather weak. Whereas some sectoral donor co-ordination arrangements were barely existing, others were rather comprehensive, sometimes even complemented by a cross-country mechanism for a whole region.³⁰ One key to the explanation of the differences between sectoral co-ordination mechanisms are different degrees of functional interdependencies (economic linkages, migration movements, ecological spill-overs etc.) between Eastern Europe and Western donor countries. The most elaborate co-ordination mechanisms thus are found in case of the environment, whereas the education sector, e.g., is hardly being co-ordinated at all. Good cases for a direct comparison are the sectors of mass privatisation and agriculture. Both are cases of economic restructuring, in both cases enterprises have to be privatised. Whereas an effective mass privatisation, however, is a cornerstone of the transformation strategy for Eastern Europe, agriculture is of comparatively limited importance (cf. Stratmann 2000: 73).³¹

Given the Western interest in working markets and profitable private enterprises in Eastern Europe, most donors were willing to subordinate their assistance efforts to a World Bank-led privatisation strategy. Although some bilateral donor agencies, such as the United States Agency for International Development/USAID and the British Know How Fund/KHF, as well as multilateral programs such as the Commission's PHARE and TACIS developed massive assistance packages on their own, they were willing to accept the lead role of the World Bank in shaping the design of privatisation policies in Eastern Europe. At the core of sectoral assistance co-ordination networks was the exchange of influence over the design of (and the legitimacy conferred with the participation within) the comprehensive sectoral adjustment programs of the Bank (e.g. Financial and Enterprise Sector Adjustment Loan/FESAL in Romania or the Enterprise Development Adjustment Loan/EDAL in Ukraine) and the analytical resources of the Bank on the one side, against the legitimacy (political support for the World Bank program) and financial resources of other donors, especially to finance technical assistance on a grant basis, on the other side:

“While the World Bank commands abundant analytical and programmatic resources and has been in a position to influence recipient governments, it nonetheless needed grant funding to complement its projects with technical assistance. In contrast, PHARE, TACIS and, to a lesser degree, some bilaterals have often had plenty of funds at their disposal but no coherent program of their own; moreover, they have relied on the World Bank in leveraging policy change. Thus large World Bank loans have

constituted the single most important co-operation mechanism. They have helped to translate the universal agreement on the need to privatize quickly into a joint effort to co-ordinate policies on a working level” (Stratmann 2000:69).

The political importance of transgovernmental networks becomes obvious, if their role in the struggle between privatisation agencies and more conservative recipient ministries is taken into account (cf. Meaney 1995: 280-302). Furthermore, the weight and the rather autonomous role of the World Bank may be derived from its ability to prevent an alternative privatisation strategy which was based on investor-led restructuring (“Treuhand-Modell”), although this strategy was firmly propagated by Germany as the most important donor of financial assistance to Eastern Europe (cf. Stratmann 2000: 59-61). The utilisation of transgovernmental coalitions to further a specific privatisation strategy (and discount the alternative), however, indicates that the problem-solving capacity of these networks may be judged differently from different standpoints. And from the perspective of input legitimacy, the great political weight these networks give to the World Bank staff, and their use against a number of domestic privatisation opponents – including factions within the recipients’ parliaments – , is also not without problems.

Sectoral co-ordination for agriculture, in contrast, was rather weak. The World Bank’s sectoral specialists do not hide their disappointment:

“There has been relatively little co-ordination of assistance in the area of agriculture, however. The different focus of the bilateral and multilateral programs and inability of any of the bilaterals to lead financially has precluded strong co-ordination” (Petit/Brooks 1994: 487).

As in mass privatisation, the World Bank had tried to assemble comprehensive sectoral packages, offering other donor agencies the same resource exchanges as in case of privatisation. This time, however, they were less successful. The other donor agencies were much less concerned – or pressed from the outside – to come up with their participation in a well-structured reform package. They also had less need for the analytical resources of the Bank, since the risks entailed with ineffective projects in the agricultural sector were judged less severe than in privatisation. In effect, assistance to agricultural restructuring was limited in its effectiveness by inconclusive policy advice from Western donors (e.g., regarding export-oriented or subsidised agriculture) and was unable to overcome reform blockades within recipient political economies through a concerted donor effort (cf. Stratmann 2000: 78-82). In an over-all perspective, assistance to agriculture in Eastern Europe resembles more the traditional, state-centric picture of foreign assistance, where each donor nation uses its assistance for its own mercantilist purposes.

3.5 The Bretton Woods Institutions as addressees: Contesting Global Governance³²

3.5.1 Homogeneity of societal interests: A comparison of different advocacy NGO networks and their success in lobbying the World Bank

Numerous advocacy NGO networks mobilise against certain features of World Bank operations or the World Bank in general. A comparison of the success of different networks, however, demonstrates that there are major differences in success of these networks (cf. O’Brien et al.

2000: 222f, 225). Whereas environmental NGOs have been relatively successful, women's issues have been taken up by the Bank to very different degrees and labour unions did hardly have any success at all. Robert Wade (1997: 611f) has comprehensively summarised the impressive success of environmental NGOs during the last decade in his contribution to a recent historical account of the Bank:

“No other field of Bank operations has grown as fast as its environmental activities. Starting with just five environmental specialists in the mid-1990s, the Bank employed three hundred a decade later, complete with a vice presidency for ‘environmentally sustainable development.’

In the same period the budgetary resources devoted to explicitly designated environmental work (including project preparation and research) grew at 90 percent a year from a very low base, while agriculture and forestry resources shrank at 1 percent a year from a high base.

Before 1987 project officers had wide discretion as to how much attention they paid to environmental aspects of their projects, and the Bank's work on countrywide policies made only occasional reference to environmental problems. After 1987, the Bank established mandatory procedures for subjecting projects to environmental review and clearance and began a portfolio of “environmental” projects, the primary objective of which was to improve or rehabilitate parts of the environment. That portfolio grew by twelve to twenty-five new projects a year over the first half of the 1990s and amounted to \$ 1 billion to \$ 2 billion in new lending commitments.

At the macro level, the Bank by the mid-1990s had helped virtually all its borrowers prepare National Environmental Action Plans (NEAPs), and it began integrating environmental criteria into countrywide policies as to link advice about instruments of economic policy such as exchange rates, subsidies, and taxes to their effects on environmental sustainability. At least in principle, environmental sustainability joined economic growth and poverty reduction to form the core objectives for Bank work.

All this activity was accompanied by an outpouring of high-quality research reports on environment-development interactions, making the Bank arguably the largest center for such research in the world” (Wade 1997: 611f).

Environmental NGOs have played a core role in the “greening” of the Bank. One may even call this development one of the most important achievements of the global environmental movement (Wade 1997: 613). Especially US-based NGOs led by the National Wildlife Federation, the Environmental Policy Institute and the National Resources Defence Council have conducted some very successful campaigns, inter alia leading to the establishment of the Bank's Environmental Department in 1987 (cf. Wade 1997: 657-673). At the core of their strategy was the Bank's need for additional financial resources, especially in the aftermath of the debt crisis. US environmental NGOs – based on information and legitimacy stemming from a close collaboration with Southern NGOs representing victims of Bank projects (the most famous was those of Polonoreste/Brazil) – successfully lobbied members of the US Congress as well as the US Treasury to threaten the Bank with a veto to the expansion of its capital base, if it doesn't change its environmental policy (cf. Wade 1997: 613, O'Brien et al. 2000: 127f). One of the keys to the success of the transnational environmental movement was the clear dominance of rather moderate Northern NGOs and the very limited degree of North-South conflicts within the movement. The obvious ecological damage caused by big Bank project allowed for a good rallying point for NGOs from the North and the South. A broad NGO-coalition would have hardly taken up more radical concerns.

The transnational feminist movement has also been able to institutionalise some of its issues within the Bank, e.g. through the establishment of the Gender Sector Board and the External Gender Consultative Group. Similarly to environmental NGOs, women NGOs were able

to provide Bank staff with valuable analytical resources for a change of Bank policies. In comparison with environmental NGOs, however, the organisational changes caused by women's NGOs rather pale, leading to only a small fraction of the staff that is charged with environmental issues (cf. O'Brien et al. 2000: 8). Women NGOs were most successful if they could exchange analytical resources for influence on bank policies, e.g. by proving that "women projects" are more profitable than "conventional" projects (O'Brien et al. 2000: 48-50). Other women's issues, however, were hardly accepted by Bank staff at all. This relates first and foremost to more radical feminist economics. These economics differ very much from neo-classical models favoured by most Bank staff:

"The two policy discourses could not be more different. Neoliberal economics pitches its analyses at the level of the macro economy, whereas feminist economics begins in the microeconomics and politics of decision making between women and men in the household. The driving concern of neoliberal economics is to improve market efficiency [...] In contrast, the driving concern of feminist economics is gender justice, righting the wrongs experienced by women because of their sex [...] This approach relies upon interventions to assign value to women's work and to mitigate distortions caused by gendered ideologies in institutions such as households, markets and state bureaucracies [...]. Neoliberal economists base their predictions of people's responses to economic signals on assumptions about the rationality of individuals [...] Feminist economics are trying to find ways of working the politics of gender relations into economics so as to acknowledge the constraints on individual choices created by social structure, belief systems and ideologies" (O'Brien et al. 2000: 47f).

The concern with feminist economics, however, is not shared by all women's NGOs. While it is very popular with southern-dominated NGOs such as Development Alternatives with Women for a New Era (DAWN), it is much less popular with moderate northern NGOs, including the very well organised and powerful US women's NGOs (cf. O'Brien et al. 2000: 35-38). Conflicts between different parts of the women's movement within the USA, but also between women's movement from North and South (i.e. a higher degree of societal heterogeneity) limit the amount of resources to be mobilised by women's NGOs for putting pressure on the Bank (cf. O'Brien et al. 2000: 38-40). This has severely limited the range of strategies available to influence the Bank:

"Women's movements have not attempted the most powerful lobbying manoeuvre in relation to the governance and the financing of the World Bank, which is to lobby the more wealthy countries' Treasuries to withhold replenishment funding for the IDA in the way the environmental movement has done. Women's movements tend to have a much narrower base of support than environmental movements and hence cannot exercise the same degree of political leverage. Most importantly, the gender and development concern has not been taken up by the US women's movement in a strong enough way to support an assault on the Bank's funds through Congress" (O'Brien et al. 2000: 52).

As a result, transnational women's NGOs have been much less successful than environmental NGOs to change the policies and operations of the Bank. Internal fragmentation has weakened their resource mobilisation in general, while a predominance of US NGOs has limited their legitimacy resources in particular. The higher degree of homogeneity of the environmental NGOs has led to a better resource mobilisation and, thus, to the development of meaningful transnational policy networks between NGOs and the Bank, whereas in case of the women's NGOs these networks have been limited to a few issues. Seen in perspective, transnational policy networks allow transnational NGOs to exercise some influence on the Bank. But the need to assemble sufficient resources and to weigh them in where the Bank is dependent

upon them – predominantly in Washington and other Western capitals – limits the range of NGOs being able to meaningfully participate within these networks. NGO movements, which represent rather heterogeneous interests – especially including an internal North-South conflict – have difficulties to successfully participate in these networks. Whereas moderate, northern NGOs are favoured, more radical issues are less probable to be taken up by the Bank, especially if these issues are hardly reconcilable with the Bank’s basic economic strategy.

3.5.2 Policy type: A comparison of World Bank and International Monetary Fund regarding their openness to the demands of transnational advocacy NGOs

Differences of the ability of transnational NGOs to influence international secretariats do not only stem from features of the NGOs themselves, but also from those of the secretariats. This becomes obvious if we compare the different degrees of success of the same environmental social movement on the World Bank and the International Monetary Fund.³³ The International Monetary Fund has also encountered a broad spectrum of NGOs regarding its stabilisation programs, inter alia demanding a better protection of workers; less harmful effects on the poor in the East and the South; more ecological sustainability; more sensitivity for gender issues; greater attention to good governance activities; a major debt relief; and the democratisation of the Fund itself (cf. O’Brien et al. 2000: 164-171). NGOs used the same tactics on the Fund as on the Bank, also threatening its resource base in terms of legitimacy and finance:

“Fund management and staff have become convinced that overtures to trade unions, religious groups and NGOs can help construct a – possibly indispensable – popular base for economic restructuring on neoliberal lines. In addition, the IMF has been concerned to counter the threat that social movements can pose to its financial positions. In particular, critics have repeatedly complicated the approval of quota increases and other monies for the IMF on Capitol Hill” (O’Brien et al. 2000: 203).

Although NGOs were able to temporarily block the contributions by the USA and Ireland to the Fund’s Enhanced Structural Adjustment Facility/ESAF (cf. Scholte 1998: 13), it is very difficult to prove any causal role between Fund-NGO exchanges and changes within the decision-making of the Fund. True, the Fund has slightly modified his conditionalities and initiated a debt-relief program for Highly Indebted Poor Countries/HIPC together with the Bank (cf. O’Brien et al. 2000: 177-189), but compared with the Bank, the NGO influence on the IMF remained marginal. Thus, O’Brien et al. (2000: 179) conclude for the case of the environment: “In short, the Fund has responded to pressure from environmental NGOs (and in particular the large environmentalist lobby in Washington) by acknowledging the existence of links between economic policy and ecological change. However, this recognition has not, to date, translated into a major reformulation of IMF prescriptions.” Similarly, the Fund has not developed “advocacy” departments for the concerns of women, the environment etc., as did the Bank. Thus, we may conclude that there is a strong relevance of transnational policy networks between the Bank and NGOs, but not between the Bank and the Fund. Although World Bank and International Monetary Fund became known as the “Bretton Woods Twins” they are, at least by now, two very different organisations, with the Fund being much more closed to inter-organisational resource exchanges as the Bank:

“As an organisation, the Fund has been highly monolithic: more so than most global governance agencies, or indeed most formal institutions in general [...]. Several contrasts between the Fund and the World Bank are striking in this respect. For one thing, the

IMF's Bretton Woods twin has housed greater diversity of approaches to 'development' amongst its personnel, including some pockets of major internal dissent. Certain Bank officials have even tried to use connections with social movements to promote alternative viewpoints within the organisation. The World Bank has also had considerable staff turnover [...]. Indeed there has been some two-way flow of personnel between the World Bank and reformist organisations such as development studies institutes and development NGOs.

In contrast to the Bank, the Fund has had little division on the inside and porosity toward the outside. The institution has sooner resembled a 'family business'. Traditionally, most officials have joined the IMF relatively early in their careers and have then often stayed with the organisation until retirement. The agency has tended as a result to be rather insular. No staff mobility has transpired between the Fund and social movements. In management style, the Fund has maintained tight central direction and rigorous internal discipline" (2000: 191f).

O'Brien et al. (2000: 213-216) explain the differences between Bank and Fund by referring to three factors: "subject matter", "organisational structure" and "vulnerability to social movement action". In terms of the embedded resource dependency approach to transnational policy networks, these three factors all boil down to the different policy types which dominate the work of these two organisations. "Subject matter" directly refers to the differences between policies perceived as redistributive and distributive. Distributive policies as those of the World Bank carry a strong incentive to gather the information and legitimacy resources of the target population, given the need to implement projects successfully:

"[...] the World Bank has been and remains the most sensitive of the institutions toward social movements [...] the World Bank runs particular development projects which are more vulnerable to disruption by social movements. People can organise against, and possibly prevent, the building of a dam more easily than they can affect the decision of the WTO's dispute settlement mechanism, for example. In a more cooperative vein, social movements can assist in reaching the poor and facilitate grass-roots participation" (O'Brien et al. 2000: 217).

In terms of "organisational structure" distributive policies give a strong incentive to set up "advocacy-" or "alternative cultures-" departments which are less focused on the pure and narrow efficiency criteria of neo-classical economics, but rather on the specific concerns of single target groups and sectors. Given their need for external information and legitimacy resources, advocacy departments after their establishment become the most important exchange partners for transnational NGOs. Finally, in terms of "vulnerability to social movement action", the World Bank frequently has to legitimate its operations vis-à-vis its shareholders – including US Congress – in order to refill its IDA-funds for distributive policies; this exercise is an excellent occasion for the mobilisation of information and legitimacy resources by transnational NGOs.

The issue area of the IMF, finance, is not only traditionally more closed to the public, but also does hardly require the co-operation with large groups of the population: "Negotiations over debt repayment take place with the elites of countries, not with those who bear the brunt of repayment" (O'Brien et al. 2000: 215). The considerable redistributive effects of IMF programs lead to negotiations between Fund and governments, which are largely conducted without any public. This "culture of secrecy", however, is diametrically opposed to the transparency transnational NGOs need in order to build up their pressure. The Fund's unwillingness to establish advocacy departments leaves NGOs without exchange partners. Finally, the Fund is less frequently forced to refill its funds as the IDA, thus reducing its exposure to NGO pressure.

In perspective, the limited relevance of transnational policy networks in case of redistributive policies argues for a considerable limitation of the general relevance of these networks. Thus, the most important policies and institutions remain outside their reach. Furthermore, transnational distributive policies are rare, with the most prominent being foreign and humanitarian assistance and some policies (agriculture, cohesion, research& technology) of the European Union.³⁴

4. Conclusion: Water in the “new governance” wine

4.1 Conditions for the relevance of transnational policy networks

Given that the empirical evidence presented in this paper is only based on a number of brief illustrations, conclusions regarding the relevance and the normative dimension of transnational policy networks should be made with some care. Still, based on the comparisons outlined above, we may expect to find transnational policy networks in situations marked by the following features:

- A high degree of international institutionalisation by international organisations and regimes, with the highest degree of institutionalisation to be found within the (first pillar of the) European Union;
- policies which are perceived to be distributive;
- a high degree of homogeneity of the dominant societal interest in a given sector;
- a low degree of national institutionalisation of this societal interest;
- state structures marked by a high degree of institutional fragmentation;
- existence of a high degree of institutional interdependence between corporate actors on different levels of decision-making;
- a certain level of functional interdependence between territorial units;
- and a low level of rent seeking.

Although it may be too early to appraise the relevance of these factors definitively, the special importance of the factor ‘international institutionalisation’ has to be emphasised. Thus, I assume that transnational policy networks, for the foreseeable future, are primarily a phenomenon of the highly institutionalised “OECD-World”, with its numerous and powerful international organisations and regimes.³⁵ Even within the OECD-World, transnational policy networks will not be an ubiquitous phenomenon, but will only be relevant under certain circumstances, however. In spite of the implicit modernisation perspective of the first debate on transnationalisation – and of large parts of the current discourse on globalisation in general and global public policy networks in particular – it is obvious that the factors which are conducive to the relevance of transnational policy networks, will not necessarily be more frequent in the foreseeable future. Thus, there is not necessarily a general transnationalisation of policy-making. In contrast, it is also conceivable that the past process, which has led to an increasing importance of transnational policy networks in a number of empirical settings, may also be reversed. To sum up, the rather enthusiastic perspective on transnational policy networks should be tempered down a bit, due to the limited empirical relevance of these networks.

4.2 Normative perspectives on transnational policy networks

My studies have indicated that transnational policy networks may contribute to sectoral problem solving in a number of empirical settings, especially by incorporating the resources

of a number of societal, substate and supranational actors into (inter-) governmental decision-making. Whereas these networks generally appear to be a promising perspective from an output-perspective on democratic legitimacy, the assessment from an input-perspective will be more sceptical. Compared to decision-making within transnational policy-networks, the traditional model of state-centric politics has the advantage that the foreign policies of most national governments at least in their general direction are controlled by parliaments. This control is lacking in transnational policy networks. Furthermore, we may illustrate the limited democratic character of decision-making in transnational policy networks by drawing on the more comprehensive experience with policy networks in national settings. Decisions in these networks are not made based on votes within democratically legitimised assemblies, but in negotiations between the interested corporate actors, under exclusion of the public. Furthermore, these decision-making processes are hardly being recorded in reports or other documents and are, thus, hardly tangible for outsiders, an obvious contradiction to the democratic criteria of transparency and responsibility. In addition, policy networks are not open to all societal interests, but only to those which own appropriate resources for an exchange with governmental actors. Finally, due to the constitution of policy networks on a sectoral, policy-oriented level (“Fachbruderschaften”), these networks are lacking the ability for cross-sectoral co-ordination (Benz 1998: 575) – an ability that is an important property of parties, parliamentary coalitions and governmental programs. Thus, the contribution of policy networks in terms of problem solving has to be specified more clearly; otherwise, policy networks may also exclude superior, inter-sectorally co-ordinated solutions to policy problems (Mürle 1998: 31).

In addition to these general problems of policy networks, my studies point towards a number of specific shortcomings of transnational policy networks. First, these networks frequently are dominated by corporate actors with a rather limited democratic legitimacy, especially in the form of international secretariats such as the World Bank and the European Commission. Second, the role of NGOs as the universal solution towards problems of legitimacy on the transnational level has to be cast into doubt, taking into account the selective representation of societal interests on the transnational level, favouring homogeneous interests, which do not traditionally rely on the state to favour their interests. Correspondingly, not only unions and consumer groups are being restrained in the exercise of influence on the transnational level (whereas big multinational enterprises are being favoured), but also within the “NGO community” considerable differences of power are obvious, favouring Northern interests. Finally, the range of issues which may successfully be addressed by NGOs, will be severely limited, given limited exchange resources of most advocacy organisations.

In conclusion, my study indicates the limited suitability of transnational policy networks as the new symbol of hope in order to compensate for the restrictions of problem-solving capacity of national governments in a democratically legitimate manner. Although these new structures of governance provide for an interesting new common subject of study for a number of traditionally separate subdisciplines of political science such as International Relations and Comparative Politics, a broad-based and legitimate “governing in networks” will be hampered – at least in the short term – by the limited empirical relevance and the problematic democratic character of these networks. Again, optimistic liberal expectations of a harmonious character of future ways of governing appear to be at odds with the reality of postnational politics.

Notes

1. During the 1980s, the main representatives of this heuristic have been neorealist and neoliberal approaches, whereas the main topics have been international regimes.

2. Willets (1997) provides for an overview of the activities of diverse non-governmental actors in international affairs, whereas Michelmann/Soldatos (1990) discuss the “para-diplomacy” of sub-state actors. On the autonomous role of international secretariats cf. Reinalda/Verbeek (1998).

3. Cf., e.g., Hillebrand (1999) or Messner (1998) and for the specific case of transgovernmental networks Slaughter (2000).

4. Although Reinicke/Deng et al. (2000) treat policy networks as a management instrument, whereas I consider them as an analytical perspective, the difference is less grave as may be assumed *prima facie*. Consider, e.g., the close relationship between regime theory and international regimes as instruments for the regulation of world affairs. As international regimes, (global) transnational policy networks largely became known as such through the classification of external observers, although their existence has a much longer history.

5. A third, minor difference relates to the fact that I assume that there are numerous transnational policy networks on different levels of policy-making, including also the local and the macroregional (e.g. NAFTA, EU) ones, whereas Reinicke/Deng et al. (2000) limit their studies to networks with a potentially global reach. My empirical observations, however, indicate strong parallels between transnational policy networks on different levels (cf. Nölke 2002).

6. Although I take here a more “academic” approach to the normative assessments of policy networks, there is considerably similarity in substance, given that Reinicke/Deng et al. (2000) assume that global policy networks are effective problem solvers as well as an instrument to close the “participatory gap” in international policy making.

7. In my main study (Nölke 2002), I add a third normative criterium, based on a political economy perspective (neoliberalism vs. regulated capitalism). For reasons of brevity, it is left out in this paper.

8. For a brief introduction into the so-called “Rhodes Approach” to policy networks cf. Rhodes/Bache/George (1996).

9. For a more detailed discussion of the concept of corporate actors cf. Flam 1990.

10. But see the concept of “functional interdependence” in section 2.2.1 below.

11. In a more detailed discussion (Nölke 2002), the concept of the homogeneity of societal interests is two-dimensional: homogeneity thus not only relates to the general “organizability” of different interests, but also to the degree of interest convergence between the different national sections of a transnational interest group.

12. Compared to these interdependencies, the ones created by regulatory policies are rather weak, thus leading to less stable policy networks, cf. Heritier (1993b: 436).

13. Although we find patronage, corruption and other rent-seeking related phenomena also in the countries of the West, the degree of rent-seeking in the South and (parts of) the East is substantially higher.

14. The main study (Nölke 2002) is based on studies of four empirical settings. Each setting has been chosen in order to focus on one particular type of transnational actor: Autonomously acting ministries and international secretariats in the co-ordination of economic assistance to Eastern Europe; local and regional governments in cross-border microregionalism; societal groups in the discussion on “international civil society”; and the EU system of multi-level governance as a combination of the above, including an important role for business and its associations. In each of these setting the applicability of each of the hypotheses outlined above is being demonstrated by focused comparisons.

15. This distinction appears to be related to Mattias Albert’s/Lena Hilkermeier’s (2002:17) differentiation between (regional) international organisations as organisations or as mere inter-organisational networks/simple interaction systems, although in my case it carries much less theoretical weight. For a more detailed discussion of autonomous policy-making by international organisations cf. Reinalda/Verbeek (1998).

16. The focus of my study is on the working-level of these organisations (e.g. Directorates-General of the Commission, organisational units of the BWI), thereby excluding the political level (e.g. Commissioners and their Cabinets in case of the Commission, Executive Directors in case of the BWI).

17. In marked difference to most Europeanists, I do not treat the European Union as a separate, incomparable phenomenon. Instead, I assume that we can learn a lot from the study of European level policy networks for the study of transnational policy networks in more general, given the very high degree of international institutionalization within the Union.

18. In terms of number of staff alone, both the FAO and the UN headquarter in New York are bigger than the

World Bank or the International Monetary Fund (cf. Rittberger 1995: 15). But their financial resources and their political influence pale against those of the Commission and the BWI.

19. With very few exceptions, international organisations also play core roles in each of the global public policy networks identified by Reinicke/Deng et al. (2000).

20. Again borrowing from Albert/Hilkermeier (2002: 15f) – and loosely referring to the panel title – , the first role may be described with change by (exogeneous effects of) international secretariats, whereas the latter as change within (endogeneous change of) international secretariats.

21. These four empirical settings have the added value that they allow for a discussion of the most important transnational actors. Besides international secretariats, these actors include local and regional governments (3.1), societal groups such as NGOs and business interests (3.2/3.4) and autonomously acting national ministries (3.3).

22. The title refers to the original formulation of the concept which focused very much on the influence of the European Commission in the relationships between local/regional authorities and national governments, cf. Marks et al. 1996.

23. The role of the European Parliament remains limited throughout all three phases.

24. The same applies for the advocacy departments within the World Bank, cf. chapter 3.5 below.

25. Similarly to regional development policy, the budgetary phase for all EU S&T subsectors remains firmly intergovernmental, cf. Peterson/Bomberg (1999: 209-213).

26. For a more detailed account of the EITIRT/ESPRIT-story cf. Peterson/Bomberg (1999: 203-206).

27. Given the large degree of operational autonomy enjoyed by Bank staff in day-to-day operations, I will use World Bank and World Bank staff synonymously, even if only the latter forms the international secretariate as such.

28. Transgovernmental networks differ from intergovernmental co-operation in that at least some ministries do not represent their national/governmental interest, but follow their own organisational resource dependencies. Furthermore, international secretariates play an important role in transgovernmental networks, whereas the conventional picture of international organisations is more appropriate for intergovernmental co-ordination.

29. This study is based on a survey of assistance co-ordination during the mid-1990s.

30. For the latter, the “Environment for Europe”-process is a good case in point, cf. Connelly et al. (1993: 313-318).

31. This study is based on sector studies in Poland, Romania and Ukraine.

32. Title borrowed from O’Brien et al. (2000).

33. Since I’ve discussed World Bank-NGO relations in chapter 3.5.1, I now focus on the IMF.

34. Correspondingly, most studies within Reinicke/Deng et al. (2000) relate to issues of foreign assistance.

35. Additional support for this conclusion is provided by the factor rent-seeking. Given the detrimental affect of extensive rent-seeking to the relevance of transnational policy networks and the higher degree of rent-seeking within the former “Second” and “Third World”, the restriction of transnational policy networks to the “First World” (and the first world-dominated global level) is further being reinforced.

References

- Ansell, Christopher K./Parsons, Craig A./Darden, Keith A. 1997: Dual Networks in European Regional Development Policy, in: *Journal of Common Market Studies* 35: 3, 347-375.
- Baylis, John/Smith, Steve (Eds.) 1997: *The Globalisation of World Politics. An Introduction to International Relations*, Oxford.
- Beck, Joachim 1997: *Netzwerke in der transnationalen Regionalpolitik. Rahmenbedingungen, Funktionsweise, Folgen*, Baden-Baden.
- Bastian, Dietmar 1997: *The Case of Co-ordination of International Economic Assistance to Central-and Eastern European Countries (CEEC) and the Newly Independent States (NIS). A Cross-Country Comparison* (Universitaet Leipzig, Institut fuer Politikwissenschaft: research report).
- Benz, Arthur 1995: Politiknetzwerke in der Horizontalen Politikverflechtung, in: Jansen/Schubert 1995, 185-204.
- Benz, Arthur 1998: Politikverflechtung ohne Politikverflechtungsfalle - Koordination und Strukturpolitik im europäischen Mehrebenensystem, in: *Politische Vierteljahresschrift* 39: 3, 558-589.
- Blatter, Joachim 1998: *Entgrenzung der Staatenwelt? Politische Institutionenbildung in grenzüberschreitenden Regionen in Europa und Nordamerika* (Ph.D. dissertation), Halle-Wittenberg.
- Brock, Lothar/Albert, Mathias 1995: Entgrenzung der Staatenwelt. Zur Analyse weltgesellschaftliche Entwicklungstendenzen, in: *Zeitschrift für Internationale Beziehungen* 2: 2, 259-285.
- Connolly, Barbara/Gutner, Tamar/Bedarff, Hildegard 1993: Organisational Inertia and Environmental Assistance to Eastern Europe, in: Keohane, Robert O./Levy, Mark A. (eds): *Institutions for Environmental Aid*, Cambridge, Mass./London, England, 281-323.
- Conzelmann, Thomas 1995: Networking and the Politics of EU Regional Policy. Lessons from North Rhine-Westphalia, Nord-Pas de Calais and North West England, in: *Regional & Federal Studies* 5: 2, 134-172.
- EBRD 1995: *Transition Report 1995*. London: European Bank for Reconstruction and Development.
- EBRD 1996: *Transition Report 1996*. London: European Bank for Reconstruction and Development.
- Eichener, Volker/Voelzkow, Helmut (Eds.) 1994: *Europäische Integration und verbandliche Interessenvermittlung*, Marburg: Metropolis.
- Elsenhans, Hartmut 1985: Der periphere Staat: Zum Stand der entwicklungstheoretischen Diskussion, in: Nuscheler, Franz (Ed.): *Dritte Welt-Forschung. Entwicklungstheorie und Entwicklungspolitik* (PVS Sonderheft 16), Opladen.
- Forschungsgruppe Menschenrechte 1998: Internationale Menschenrechtsnormen, transnationale Netzwerke und politischer Wandel in den Ländern des Südens, in: *Zeitschrift für Internationale Beziehungen* 5: 1, 5-41.
- Grande, Edgar/Peschke, Anke 1997: *Missing Links. Transnational Co-operation and Policy Networks in European Science Policy-Making*, unpublished manuscript.
- Haas, Peter M. 1992: Introduction: Epistemic Communities and International Policy Co-ordination, in: *International Organisation* 46: 1, 1-35.

- Halliday, Fred 1991: State and Society in International Relations, in: Banks, Michael/Shaw, Martin (Eds.): *State and Society in International Relations*, New York, 191-209.
- Heinelt, Hubert 1996: Die Strukturfondsförderung - Politikprozesse im Mehrebenensystem der Europäischen Union, in: Heinelt, Hubert (Ed.): *Politiknetzwerke und europäische Strukturfondsförderung. Ein Vergleich zwischen EU-Mitgliedsstaaten*, Opladen, 17-32.
- Héritier, Adrienne (Ed.) 1993a: Policy-Analyse. Kritik und Neuorientierung (*PVS-Sonderheft 24*), Opladen.
- Héritier, Adrienne 1993b: Policy-Netzwerkanalyse als Untersuchungsinstrument im europäischen Kontext. Folgerungen aus einer empirischen Studie regulativer Politik, in: Héritier 1993a, 432-447
- Hillebrand, Ernst 1999: Mikro-Außenpolitik: Über die Rückgewinnung außenpolitischer Wirkungsmacht im Zeitalter der Globalisierung, in: *Aus Politik und Zeitgeschichte 49: 23*, 17-22.
- Hooghe, Liesbet 1996: Building a Europe with the Regions: The Changing Role of the European Commission, in: Hooghe, Liesbet (Ed.): *Cohesion Policy and European Integration*, Oxford, 89-126.
- Jachtenfuchs, Markus/Kohler-Koch, Beate (Ed.) 1996a: *Europäische Integration*, Opladen.
- Jachtenfuchs, Markus/Kohler-Koch, Beate 1996b: Regieren im dynamischen Mehrebenensystem, in: Jachtenfuchs/Kohler-Koch 1996a, 15-44.
- Jansen, Dorothea 1995: Interorganisationsforschung und Politiknetzwerke, in: Jansen, Dorothea/Schubert, Klaus 1995, 95-110.
- Jansen, Dorothea/Schubert, Klaus (Ed.) 1995: *Netzwerke und Politikproduktion. Konzepte, Methoden, Perspektiven*, Marburg.
- Keck, Margret/Sikkink, Kathryn 1998: *Activists Beyond Borders. Transnational Advocacy Networks in International Politics*, Ithaca, N.Y.
- Kohler-Koch, Beate 1990: "Interdependenz", in: Rittberger, Volker (Ed.): *Theorien der Internationalen Beziehungen. Bestandsaufnahme und Forschungsperspektiven* (PVS-Sonderheft 21), Opladen, 110-129.
- Kohler-Koch, Beate 1996: Die Gestaltungsmacht organisierter Interessen, in: Jachtenfuchs/Kohler-Koch 1996, 193-222.
- König, Klaus 1993: Organisation und Prozeß: Zur Internationalisierung des Regierens, in: Böhret, Karl/Wewer, Göttrik (Eds.): *Regieren im 21. Jahrhundert - zwischen Globalisierung und Regionalisierung*, Opladen, 143-163.
- Lenschow, Andrea 1995: *Environmental Policy Making in the European Community Learning in a Complex Organisation*, (paper presented to the Convention of the International Studies Association, Chicago 21.-25. Februar).
- Lijphart, Arend 1975: The Comparable Cases Strategy in Comparative Research, in: *Comparative Political Studies 8: 2*, 158-177.
- Lowi, Theodore J. 1972: Four Systems of Policy, Politics and Choice, in: *Public Administration Review 32*, 298-310.
- von Malchus, Viktor 1975: *Partnerschaft an europäischen Grenzen. Integration durch grenzüberschreitende Zusammenarbeit*, Bonn.
- Marks, Gary 1996: Politikmuster und Einflußlogik in der Strukturpolitik, in: Jachtenfuchs/Kohler-Koch 1996, 313-344.
- Marks, Gary/Hooghe, Liesbet/Blank, Kermit 1996: European Integration from the 1980s: State-Centric v. Multi-level Governance, in: *Journal of Common Market Studies 34: 3*, 341-378.

- Mayntz, Renate 1993: Policy-Netzwerke und die Logik von Verhandlungssystemen, in: Héritier 1993a, 39-56.
- Mazey, Sonia/Richardson, Jeremy 1994: Policy Co-ordination in Brussels. Environmental and Regional Policy, in: Baker, Susan/Milton, Kay/Yearly, Steven: *Protecting the Periphery. Environmental Policy in Peripheral Regions of the European Union*, Newbury Park, Portland, 22-44.
- Meaney, Constance Squires 1995: Foreign Experts, Capitalists, and Competing Agendas: Privatization in Poland, the Czech Republic, and Hungary, in: *Comparative Political Studies* 28, 2, 275-305
- Messner, Dirk 1998: Die Transformation von Staat und Politik im Globalisierungsprozeß, in: Messner, Dirk (Ed.): *Die Zukunft des Staates und der Politik: Möglichkeiten und Grenzen politischer Steuerung in der Weltgesellschaft*, Bonn, 14-43.
- Michelmann, Hans J./Soldatos, Panayotis (Ed.) 1990: *Federalism and International Relations. The Role of Subnational Units*, Oxford.
- Moravcsik, Andrew 1993: Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach, in: *Journal of Common Market Studies* 31: 4, 473-524.
- Mürle, Holger 1998: *Global Governance. Literaturbericht und Forschungsfragen*, INEF Report Heft 32, Duisburg.
- Nölke, Andreas 2002: *Transnationale Politiknetzwerke*, unpublished manuscript.
- Reinalda, Bob/Verbeek, Bertjan (eds.) 1998: *Autonomous Policy Making by International Organisations*, London/ New York.
- Reinicke, Wolfgang H. 1998: *Global Public Policy. Governing without Government?*, Washington, D.C.
- Reinicke, Wolfgang H./Deng, Francis M. mit Witte, Jan Martin, Benner, Thorsten, Whitaker, Beth und Gershman, John 2000: *Critical Choices. The United Nations, Networks and the Future of Global Governance*, Ottawa: International Development Research Centre.
- Rhodes, R.A.W./Bache, Ian/George, Stephen 1996: Policy Networks and Policy-Making in the European Union. A Critical Appraisal, in: Hooghe, Liesbet (Ed.): *Cohesion Policy and European Integration*, Oxford, 367-387.
- Risse-Kappen, Thomas (Ed.) 1995a: *Bringing Transnational Relations Back In. Non-State Actors, Domestic Structures and International Institutions*, Cambridge.
- Risse-Kappen, Thomas 1995b: Bringing Transnational Relations Back in. Introduction, in: Risse-Kappen 1995a, 3-36.
- Risse-Kappen, Thomas 1995c: Structures of Governance and Transnational Relations. What Have We Learned?, in: Risse-Kappen 1995a, 280-313.
- Rittberger, Volker 1995: *Internationale Organisationen Politik und Geschichte. Europäische und weltweite zwischenstaatliche Zusammenschlüsse*, Opladen.
- Rosenau, James N. 1997: *Along the Domestic-foreign Frontier. Exploring Governance in a Turbulent World*, Cambridge 1997.
- Sabatier, Paul 1987: Knowledge, Policy-Oriented Learning, and Policy Change. An Advocacy Coalition Framework, in: *Knowledge* 8: 4, 649-692.
- Scharpf, Fritz W./Reissert, Bernd/Schnabel, Fritz 1976: *Politikverflechtung. Theorie und Empirie des kooperativen Föderalismus in der Bundesrepublik*, Kronberg.
- Scharpf, Fritz W. 1997: Economic Integration, Democracy and the Welfare State, in: *Journal of European Public Policy* 4: 1, 18-30.

- Schlichte, Klaus/Wilke, Boris 1999: *Der Staat und einige seiner Zeitgenossen. Zur Zukunft des Regierens in der "Dritten Welt"*, unpublished manuscript.
- Schmitz, Hans Peter 1997: Nichtregierungsorganisationen (NRO) und Internationale Menschenrechtspolitik, in: *Comparativ* 7: 4, 27-67.
- Slaughter, Anne-Marie 2000: Governing the Global Economy through Government Networks, in: Byers, Michael (ed.): *The Role of Law in International Politics: Essays in International Relations and International Law*, Oxford 2000, 177-205.
- Smyrl, Marc E. 1995: *From Regional Policy Communities to European Networks. Inter-regional Divergence in the Implementation of EC Regional Policy in France* (EUI Working Paper RSC No.95/20), San Domenico.
- Schumann, Wolfgang 1993: Die EG als neuer Anwendungsfall für die Policy-Analyse. Möglichkeiten und Perspektiven der konzeptionellen Weiterentwicklung, in: Héritier 1993a, 394-431.
- Stratmann, Gerrit 2000: *Donor Co-ordination of Economic Assistance to Eastern Europe. Mechanisms and Origins of Sectoral Governance in International Relations*. With a preface by Hartmut Elsenhans, Hamburg/London.
- Viotti, Paul R./Kauppi, Mark V. 1993: *International Relations Theory. Realism, Pluralism, Globalism*, 2. Auflage, New York, N.Y.
- Willems, Peter 1997: Transnational Actors and International Organisations in Global Politics, in: Baylis/Smith, 287-310.