9. International relations theory

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FROM INTERNATIONAL RELATIONS TO TRANSNATIONAL GOVERNANCE

Theories of governance took shape partly in reaction to a dominant perspective in which social control was perceived as primarily mobilized by and confined to the nation-state. This perception is particularly striking in the literature of political science and international relations (Keohane 1982; Baldwin 1993). An objection to this state-centered view was raised with the catchphrase “governance without government” (Rosenau and Czempiel 1992). Theories of governance do not imply that states and governments disappear (e.g. Pierre 2000). Rather, they emphasize that the study of governance should not start from an exclusive focus on the state. Avant et al. (2010), for example, point to the multitude of actors involved in global governance, ranging from the great diversity of international organizations, multinational corporations and professional associations to advocacy groups, and these authors stress the diversity of their functions. Broadly speaking, these actors “create issues, set agendas, establish and implement rules or programs, and evaluate and/or adjudicate outcomes” (ibid.: 10).

Theories of governance have turned attention to other important global and regional actors, to world society and, increasingly, to the interplay of states with other local and global actors, such as international bodies, corporations, civil society organizations and professional networks (for an overview, see Ansell and Torfing, Introduction in this Handbook). This has led to the development of theories and empirical studies of how these many diverse actors interact, network, collaborate and sometimes compete across sectors and levels.

This chapter presents a perspective on governance in which the interplay of multiple actors is key but processes, rather than specific sets or groupings of actors, form the primary units of analysis. This framework has been developed to capture the organizational and institutional dynamics of transnational governance (see Djelic and Sahlin-Andersson 2006).

The chapter is structured as follows. After a brief presentation of the broad background to this developed framework, the next section presents the notion of a transnational world. Then come two sections presenting the principal characteristics of transnational governance: distributed yet organized governance and the multi-institutional embeddedness of governance processes. The following section describes how these features tend to result in self-reinforcing and ambiguous processes. In a final section three important topics for a future research agenda on transnational governance are presented.

This framework on transnational governance took shape primarily as a result of empirical studies of “regulatory activism” (Djelic and Sahlin-Andersson 2006, chap. 126).
Coercive rules are common and expanding around the world. In addition, studies have shown a far-reaching proliferation of regulatory activities among and across nations—transnationally. Such regulations tend to be of a “soft law” kind: non-hierarchical rules that are not legally binding (Mörth 2004, 2006). Furthermore, such rules are largely informal and flexible in the sense that they are open to interpretation and adjustment by those who are regulated (cf. Kirton and Trebilcock 2004). The domain and applicability of soft rules and the conditions for compliance are defined in conjunction with the rules themselves. Authority is not predefined in the relationships between the regulated and the regulating but must be built into each governing relationship. These observations have led to an expressed need for a theoretical framework capable of capturing processes of transnational governance in the making.

Although the regulatory actors may seem diverse, what has emerged is a striking convergence across sectors and across territories. Fields as diverse as the defense industry, labor markets, higher education, health care, the environment and pollution, public management, accounting and the social responsibility of corporations have increasingly been governed in similar ways—transnationally. New regulatory modes, such as contractual arrangements, standards, rankings and monitoring frames, have increasingly been used across sectors and nations, and also by the state (Hood et al. 1999). A fair number of such regulatory modes target administrative processes and are, in fact, derived from popular current management ideas (Beck and Walgenbach 2002; Sahlin-Andersson and Engwall 2002; Power 2007). Such soft law is combined with monitoring and agenda-setting activities, which are pursued in institutional and organized processes.

An institutionally informed theoretical framework was developed that emphasized the complex, progressive and historical dimension of this re-ordering of the world. This theoretical framework takes as a starting point the notion of a transnational world in the making. Transnational governance is distributed, with multiple actors involved. This does not mean that complex interplays between regulating and regulated actors are anomic or chaotic, since transnational governance appears to be highly organized. Furthermore, actors and processes are institutionally embedded, but not in the sense of one institution being dominant. Transnational governance is multi-institutional.

A TRANSNATIONAL WORLD

In our contemporary world, it is becoming increasingly difficult to separate what takes place within national frontiers from what takes place across and beyond nations. The regulatory processes described above develop and operate between and across frontiers. The state is an important body in these processes: it regulates and is regulated. The state has certainly not withered away, but the regulatory processes described above involve many more kinds of organizations, and the state does not always appear as a unified actor or body. In describing this governance as transnational we consider, in line with Hannerz (1996: 6), that “actors may now be individuals, groups, movements, business enterprises, and in no small part it is this diversity of organizations that we need to consider.” This approach emphasizes that the state is only one type of actor
amongst others (cf. Katzenstein et al. 1998), but also that the whole or parts of the state are embedded in complex organizational webs. Organizations overlap in such networks, and individuals and groups may at times be committed to the network, to organizational subunits or to the process as such, rather than to their organizations. Networks, activities and individuals constantly span multiple levels, rendering older lines of demarcation obsolete. Thus, studies of the re-governing world should neither neglect the state nor treat it as the only or fundamental mainspring of the re-governing process.

In the transnational world, the territorial basis and reach of a single set of regulations cannot be taken for granted. One set does not exclude the development of another in the same area. Examples from studies of accounting regulations (Botzem and Quack 2006), administrative standardization and certifications (Tamm Hallström and Boström 2010), corporate social responsibility (Jacobsson and Sahlin-Andersson 2006), competition regulations (Djelic and DeHond 2014), certifications and quality assurance of higher education (Pallas and Wedlin 2013) and pollution-reducing schemes (Buhr 2008) show how various regulatory schemes develop in parallel, compete and are combined and merged.

TRANSNATIONAL GOVERNANCE IS ORGANIZED

Transnational governance is highly organized and has undergone a dramatic worldwide expansion of formal organizing. Drori et al. (2009: 17) note that: “One of the dominant features of the age of globalization is the rampant expansion of organization.” Organizations have become both more numerous and more active worldwide, to the extent that our contemporary society has been described as “the organized society” (Perrow 1991, 2002; see also Meyer and Bromley 2013). Particularly noteworthy is the continuous growth of international organizations (e.g. Boli and Thomas 1997, 1999; Drori et al. 2009). This is especially true of international non-governmental organizations, whose members are largely composed of a mix of governmental units, commercial actors and various non-governmental and voluntary associations (e.g. Tallberg et al. 2013).

Transnational governance also tends to be organized in the sense that the links and relations among these many and different organizations are largely organized in the form of transnational networks (Marcussen and Torfing 2007; Djelic and Quack 2010; Torfing 2012). Transnational networks are not confined by national boundaries, even if governmental and intergovernmental bodies constitute important parts of those networks. Rather, a defining characteristic of transnational networks is, as argued by Djelic and Sahlin (2012), a blurring of the distinction between the national and international, governmental and non-governmental, and public and private, and a distributed view of governance that relies on mechanisms not directly associated with state authority or sanctioning power (see also Risse 2012).

International organizations and networks function, to a large extent, as carriers of a world culture. Changes happen, since “all sorts of actors learn to define themselves and their interests from the global cultural and organizational structures in which they are embedded” (Boli and Thomas 1999: 4). In her studies of the global diffusion of
research policies, Finnemore (1993) showed the importance of international organizations as teachers of norms, and Finnemore and Sikkink (1998) have pointed to their role as “norm entrepreneurs.” Marcussen (2000, 2004) has, in similar ways, shown the influence of the OECD through the development and dissemination of ideas and soft law. Brunsson and Jacobsson (2000) focused especially on standardizing organizations and, basing their work on observations that organizations of this kind have expanded substantially in the transnational sphere, also showed how those organizations carried certain scripts, for both the regulating and the regulated. Transnationally operating organizations therefore largely reflect what is happening in a particular field, but also shape and disseminate ideas and conceptualizations, establish and strengthen core institutions and are important meeting places for actors in the fields concerned.

With organizational expansion, organizational dynamics as such comes to permeate and shape transnational governance. Organizations set their own rules and strategies for membership and action. By voluntarily joining an organization, members bind themselves to following the rules it issues or adopts (see for example Ahrne and Brunsson 2008). Typical examples concern rules for quality assurance, and such systems are often described as voluntary. However, individual organizations or organized networks can make such a quality assurance scheme a condition of membership, or an important way of monitoring members of the organization. In this way, the adoption of a soft regulation becomes a condition of membership. Organizational dynamics form the basis for proliferation and authorization of such regulations.

One salient observation in organization theory is that organizations tend to develop an interest in their own survival and growth (e.g. Selznick 1949). They also stabilize and formalize over time. The pursuit and translation of transnational governance are core activities for many international organizations. Organizations are formed and expand in processes of transnational governance, and with these processes organizations have also been shown to develop organizational interests in pursuing these activities further, as such activities add to the centrality, resource base, legitimacy and survival of the organizations as such (e.g. Sahlin 2014).

To summarize, organizations and organizational processes have been shown to form important dynamics in transnational regulation in at least three ways. First, the expanding group of international organizations are central in shaping transnational regulatory schemes. Organizations and organized networks span sectors, nations and regions and form important venues for circulating and proliferating regulatory schemes. Second, expanding organizations serve as platforms for the authorization of and compliance with transnational rules. Third, organizations’ activities and initiatives in processes of governance, and in the pursuit of certain schemes, have been shown to be partly driven by organizational dynamics and survival interests.

MULTI-INSTITUTIONAL DYNAMICS

Studies of transnational governance in the making bear witness to deeply institutionally embedded processes. The similarities among regulatory and governance schemes can be understood as an expression of the strength and reach of world society. Theories of world society (Meyer et al. 1997) point to the formation of global blueprints and to
cultural processes that permeate and shape actions across the world (Drori et al. 2006). The world society perspective draws attention to the homogenization of the institutional and cultural frames that structure transnational governance.

While studies of transnational governance in the making show how they are permeated and shaped by powerful and dominating global institutions, processes have also been shown to develop incrementally where interests and forces for further expansion arise endogenously in these processes. This suggests a somewhat less top-down and less centralized institutional framing.

Studies within the framework of what has sometimes been called “Scandinavian institutionalism” (Czarniawska 2008) have made sense of “travels of ideas” around the world and shown how ideas did not flow or homogenize spontaneously, but were transposed and transformed in active translation processes. Such qualitative, detailed studies of how individual ideas have been translated drew attention to the many organizations and networks involved in such processes. At the same time, these organizations and networks have formed important arenas for actors and ideas, but also actively edited and circulated ideas (Sahlin and Wedlin 2008). Thus, ideas change as they flow and can take on new forms and meanings as they move within and between contexts. Many ideas have been found to form the foundation of, and inspiration for, new regulations, in the form of standards, guidelines, assessing criteria and templates—soft law and governance of the kind mentioned above. Widely circulated ideas have also resulted in, or contributed to, changes in individual organizations’ identities, in field transformations and in more general institutional changes.

At first glance, translation or editing of circulating ideas may appear creative and open-ended. However, processes of translation are characterized rather by social control, conformism and traditionalism, thus following rule-like patterns. Emerging editing rules restrict and direct the translation—or editing—in each phase of circulation. The term “rule” does not imply that there are written or explicit instructions for the telling and retelling of stories and ideas; neither does it imply that these translations follow clear intentions and established editorial techniques. Although there are no explicit rules to follow, edited stories reveal how these translations were shaped by the institutional embeddedness in which they were performed (Sahlin-Andersson 1996).

In combining the emphasis on global blueprints and the cultural frames of world society with observations of organized society and results from the qualitative studies of Scandinavian institutionalism, Djelic and Sahlin-Andersson (2006) delineated the main contours of a transnational multi-institutional culture or meaning system. This multi-institutional setting forms the basis for the construction and translation of transnational governance.

Following Djelic and Sahlin-Andersson (2006), institutions are defined as constitutive of actors, interests, relations and meanings. With institutionalization, certain ways of being and doing are progressively becoming taken for granted as natural. In Scott’s (2008) terms, they are regulative as well as normative and cognitive. They form the “rules of the game” and thus shape actions, as well as the assessments and evaluations of such actions and their outcomes. This also means that institutions are reinforced as they form the basis for action (see Jepperson 1991).

Djelic and Sahlin-Andersson (2006) compared evolving and proliferating transnational regulations in several areas: accounting and auditing, standardization of
industrial processes and products, the open method of coordination within the EU, the
UN global compact initiative concerning corporate responsibility, public management
standards, evaluation and ranking of university and management education, competition
regulation and certification of environmental standards for forestry products. They
found striking similarities among these processes in terms of their institutional
embeddedness. Moreover, the institutions involved were found to drive regulatory
activism and highly organized transnational governance.

Initially, transnational regulatory schemes were clearly based on, and developed with,
an expansive authority of modern scientific rationalization. Scientization has been
shown to frame transnational governance throughout the world (Drori et al. 2003; Drori
and Meyer 2006). Guidelines, standards and assessment criteria are widely circulated
and supported by references to science. The proliferation of evidence-based models is
another manifestation.

Second, transnational governance expands with marketization (Djelic 2006). In about
a century, market logics have moved from reflecting marginal ideas in a few liberal
intellectual centers to becoming a force that structures the world. Transnational
governance was found to be framed by and based on the idea of a market as the main
arrangement for the allocation of resources and services, even as the “natural” way to
organize and structure human interactions (Djelic 2006).

Third, transnational governance was based on similar ways of assessing what is good
and bad, excellent or insufficient, expressed in ranking lists and prizes, public naming
and shaming, and the like. Boli (2006) named this moral rationalization as he showed
how these assessments were founded on a rationalized moral order that assumes
common cognitive and normative judgment criteria.

Finally, an emphasis on dialogue and deliberation formed a basis for all evolving
transnational governance schemes. Mörth (2006) showed how this development was
entwined with transnationally evolving views of deliberative democracy that empha-
size dialogue, deliberation and the autonomy of participating actors. With this insti-
tutional development, we find a widespread quest for accounts and information on
which participants in this deliberation can act, and thereby be invited to take part in the
dialogue. Not only does this institutional development help to intensify the quest for
information but, in order for the deliberation to actually form a dialogue, critical
scrutiny and multiple perspectives on development are required.

To summarize, as transnational governance has expanded, new soft law schemes have
emerged. These schemes display striking similarities. The expansion and homogeniz-
ation of transnational governance schemes can be explained by their institutional
embeddedness.

SELF-REINFORCING AND AMBIGUOUS PROCESSES

Transnational governance develops incrementally in multi-institutional and organized
processes. Djelic and Sahlin-Andersson (2006) identified three reinforcing spirals. A
first spiral is driven by distrust and a quest for trust. Power (1997, 2004) depicted how,
in contemporary risk society, a diffused distrust generates the need to set rules and
monitor behavior to ensure mutual trust. However, in the process of trying to build
trust, it could easily become undermined because rules and auditing signal distrust, and this will further spur on monitoring and regulation.

Governance and regulation are partly a matter of allocating responsibilities. As regulatory and governance activities are organized, responsibilities become diffused and dispersed. Furthermore, the movement towards soft regulation has a tendency to divert responsibility away from rule setters and towards rule followers. This double blurring of responsibilities may drive the need for regulation and governance still further and constitutes the second self-reinforcing spiral.

A third self-reinforcing spiral revolves around the search for control. The transnational world is, as described above, characterized by shifting and blurred boundaries, organizations and processes. In a world where regulation is expanding, avoiding regulation is not the way to seek control of one’s own domain. Rather, a more promising strategy is to become actively involved in issuing and supporting a satisfactory regulatory scheme.

The above findings lead to the conclusion that transnational governance is process-driven rather than interest-driven—not in the sense that interests are lacking, but in that interests largely form endogenously in the processes. This partly follows from the main features of transnational governance in the making that have been in focus above: the “soft law” nature of regulation, the organized, multi-institutional and open-ended processes, and the transnational structure in which they evolve.

CONCLUSION AND FURTHER RESEARCH

Theories of governance are still largely described in terms of what they are not—what they have formed in reaction against (exclusively state-centered views). While this reactive mode of theory development has been extremely powerful, this way of defining theory may lead to quite imprecise and open-ended definitions. One means of strengthening and clarifying analytical frameworks of governance is, instead, as emphasized in the Introduction in this Handbook, to spell out the theoretical underpinnings of the diverse group of theories that have come to be assembled under the label “governance” and to describe the processes and mechanisms of governance that are the primary focus of each such perspective. The research on transnational governance described in this chapter has pointed to some main drivers behind the expansion of transnational governance, and pointed to some common features. More empirical work may serve to further specify the drivers, characteristics and implications of transnational governance. I will conclude this chapter by suggesting three important topics for a future research agenda on transnational governance.

An initial pointer for further research would be to continue to build more systematic descriptive and explanatory models of the expansion of transnational governance. Research on transnational governance has largely been case-study-based. When such cases have been compared, as by Djelic and Sahlin-Andersson (2006), common patterns of these processes have been found that could form the basis for a more comprehensive framework and for conclusions regarding the transnational landscape. This research framework would preferably seek to model processes further and with data that allow for well-developed comparisons over time, sectors and space, as a way
to find out more systematically where, and with what consequences, self-reinforcing processes of the various kinds described above play out.

Further research could also seek to develop models on the main characteristics of transnational governance. The studies and analyses referred to have repeatedly pointed to the open-ended and ambiguous nature of transnational governance. Ambiguity was an important topic of organization research in the 1970s (e.g. March and Olsen 1976). Observations in studies of transnational governance can be further illuminated through this earlier work. Seen in the framework of the seminal article by Cohen et al. (1972), the transnational landscape can be characterized as an organized anarchy, as the landscape is characterized by problematic preferences, unclear technology and fluid participation. A normative conclusion from the research on transnational governance reviewed is that this ambiguity is unlikely to be eliminated. Rather, efforts could be directed towards better understanding and management of the ambiguous but organized processes. A “garbage-can-inspired” model of these processes may be a first step in this direction, with the same ambition that Cohen et al. (1972) expressed at the end of their seminal article: “The great advantage of trying to see garbage can phenomena together as a process is the possibility that that process can be understood, that organizational design and decision making can take account of its existence and that, to some extent, it can be managed” (Cohen et al. 1972: 17).

A third line of research suggested by the transnational governance framework concerns further developments in, and the dynamics of, transnational governance. The studies referred to above have described transnational governance in the making—processes are open-ended and may develop differently, depending on how global economic and political conditions unfold. In a 2012 book chapter, Djelic and Sahlin reflected on the transnational governance perspective and spelled out scenarios for how transnational governance might develop further with the recent economic and financial crisis. In the wake of this crisis, increased calls for tighter regulations may, they argued, mean that soft transnational regulations turn into tighter forms of governance and oversight at the national level. Another possibility is that transnational governance will continue to expand along the lines described in this chapter. Further historical and comparative studies may indicate future developments in, and challenges to, transnational governance. They may also, on a more theoretical level, develop a framework to show more clearly how developments of transnational governance intersect with developments of state-centered forms of governance.

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