
Outline of paper:

Introduction

The reconciliation of norms in the design of international institutions

Autonomy

International order

Power

Democracy

Accountability

Efficiency

Transparency

The IMF/World Bank decision-making system: past developments and future prospects

Conclusion

This paper addresses one issue with which this conference on the international financial architecture is concerned—namely, rules and practices concerning the sharing of power in the International Monetary Fund. In large part the paper focuses on formal voting arrangements, but it also discusses some non-voting practices that affect the sharing of power. These latter practices are often viewed as being of minor importance, but this is not the case. Changes in practices that enhance the ability of poorer states to understand their interests better and to present their views more effectively can have major impacts.

One of the most notable developments in international relations over the past century and a half has been the growth of international organizations that have been central to rule-making and collaborative activities in international politics. In our modern era of growing international exchanges and interdependencies states have found it necessary to develop rules of the road and joint enterprises to secure a variety of values; and international organizations are basically a prerequisite for the development and supervision of these rules and collaborative endeavors. Because of the growing importance of international institutions states have a strong interest in their formal decision-making arrangements and their informal power-sharing practices; and they, of course, differ on the arrangements that they prefer. Their varied patterns of interests and power

The first section of this paper is a rather long discussion of the framework for analyzing decision-making structures. It focuses on the norms states support that concern their policies toward institutional design. The priorities that different groups of states assign to these norms change with time and influence their policies concerning institutional reform. In the case of the voting rules of international organizations there are clear tensions between state autonomy vs. a concern for international order and between a need to recognize differences in states' power vs. support for democratic egalitarianism. There are other tensions as well, but these are certainly the main ones. Recognition of the centrality of these normative tensions is very helpful in tracing the evolution of international institutions and analyzing how these bodies might be reformed in order to improve their ability(i)10.98 398 T7800098 112.8572 595.galitarianism

when they have important interests in the issue.

5. The accountability norm: international organizations should communicate openly with different stakeholder groups. e.g., donor st

that “Global governance...will have to be limited and somewhat shallow if it is to be sustainable.” (Keohane 2000, 7)

The problem, of course, with states’ insistence on maintaining complete autonomy is that it prevents the development of international institutions and treaties that assist states with realizing mutual interests through adherence to international norms and rules. After all, “differences of interest and judgment make universal agreement a rare phenomenon”, and insistence on unanimity for international collaboration “is to admit that among nations no real organization is possible.” (Claude 1964: 113) States have clearly opted for accepting some incursions on their autonomy, although they have certainly not completely turned their back on their desire to maintain a high degree of independence. Bergsten, Berthoin, and Mushakoji have accurately written that “This tension between, the imperatives of international interdependence and the quest to retain adequate degrees of national autonomy, appears likely to remain the basic issue of international relationships for some time to come.” (Bergsten et al. 1976: 2)

Despite the endurance of this struggle by states to maintain a high level of autonomy, the multitude of international organizations and treaties indicates that states are committed to developing rules that facilitate their realization of mutual interests. This is a manifestation of a significant—but not a blanket—commitment to the norm of international order. Political leaders overridingly realize that “A lesson from the past is that international institutions can make the world safe for interdependence and indeed are necessary to avoid efforts by individual nations to export their international problems to each other.”(Bergsten et al. 1976: v) Such problems encompass issues such as transnational environmental damages and a decline in international comparative advantage of national industries.

Important manifestations of states’ attempts to reconcile the norms of autonomy and international order are the rules governing most treaties. First, treaties are formulated by conferences that require the support of two-thirds of the states in attendance and, second, no states are legally bound by treaties if they do not ratify or accept it. What these rules do is to encourage states to formulate treaties that are acceptable to a large number of states since to do otherwise is to assign treaties to irrelevance and to undermine the realization of some absolute gains through regulated interdependence. Still, the right of states to remain apart from any treaty provides important protection for states sovereign rights to avoid international obligations.

Apart from the tension between states’ attachment to autonomy and their desire to realize gains from international accords, there is another major tension in the design of international institutions—between the desire of the most powerful states to realize a significant control over the rules of international collaboration and the desire of the less powerful states to push for the democratic values of equal voting power and majoritarian voting. There have clearly been tradeoffs between the two groupings of states, and the large grouping of weaker states (especially from the developing world) have made modest gains over time.

Until World War I international institutions and conferences were dominated by the rule “one nation, one vote.” In the interwar era there was a gradual movement toward giving the most powerful states privileged positions—especially permanent memberships on the executive bodies of international organizations (e.g., the League Council and the ILO Governing Body). With the

explosion in the number of international institutions in the post-1945 era, various types of

Of course, what happens at the informal level is

The IMF is an excellent institution to study conflicts between groups of states over the importance that they assign to different norms of international decision-making. In international monetary relations the industrialized states assign a very high

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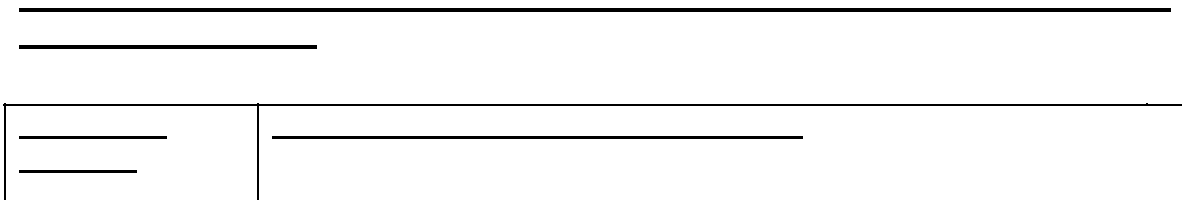
industrialized countries feel contradicts their national interest...” (Evans and Finnemore 2001, 13). However, almost a half

The World Bank has initiated a number of efforts to promote greater responsibility, and the IMF can

436) What these points imply is that observers concerned with the welfare of the developing countries should not focus on overturning the voting arrangements in the IMF. Rather, they should try to promote the ability of both developing and developed to understand the complexities of the situations that they face and the network of communications linking stakeholders. As noted above, some important steps have already been taken in this direction.

To further understanding of IMF decision-making it is valuable to classify international organizations according to their commitment to international governance (or the relative prominence of the autonomy and international order norms) and the diffusion of power in their voting arrangements (or the relative prominence of the international democracy and power norms). The four types of international organizations are portrayed in Figure 1.

Figure 1



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