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The Problem with International Organizations

International organizations like NATO, the UN and the WTO are being challenged from many quarters and for many reasons. But are these stresses and strains anomalies or not?

Prepared by: [ISN staff](#)

Yesterday, we considered [how some emerging and developing states perceive](#) international and transnational organizations (IOs and TNOs), most of which continue to subscribe to 'Western' values and concepts of global governance. For the remainder of the week, however, we would like to focus on the growing breakdown between the ends which many of us expect these organizations to reach and the increasingly inadequate means by which they are supposed to do so. Some of these organizations include NATO, the United Nations (UN) and the World Trade Organization (WTO). But, are the stresses and strains they and their organizational cousins are experiencing anomalies or not? The answer, naturally enough, depends on the "lenses" you use. Let's consider, for example, the ones used by 1) John Mearsheimer in his ["The False Promise of International Institutions,"](#) 2) Jack Goldsmith and Richard Posner in their *The Limits of International Law*, and 3) a recent study by the S. Rajaratnam School of International Studies (RSIS), which is entitled [Evolving Global Economic Architecture: Will We Have a New Bretton Woods?](#)

Mearsheimer's main contention, as expressed in his realist-tainted article, is that the widely held belief that "international institutions push states away from war and promote peace" is false. In his view, international institutions and organizations simply do not constrain the behavior of states in significant ways. Indeed, modern states remain preoccupied, as they always have been, with the twin demands for power and security. International institutions, therefore, reflect "the balance of power in the world" rather than necessarily counteract it. Even the much-vaunted United Nations (and its lofty ideals) has had little effect on the actual behavior of its member-states, who in Mearsheimer's view will continue to balance against rising powers and go to war as the situation requires.

Moreover, IOs tend to break down in the face of structural change, rather than drive or direct that change themselves. It was thus the collapse of the Soviet Union and its rickety empire that first unleashed the centrifugal forces now tearing, for example, both NATO *and* the European Union (EU) apart, just as the rise in power of the so-called "rest" will reconfigure the current norms enforcing (or rejecting) the United Nations Security Council. In other words – and despite energetic speculation to the contrary from liberals, constructivists and critical theorists – there is no empirical evidence to

contradict and little reason to doubt the persistence of these eternal verities in international politics. This means that the travails of IOs today are more or less to be expected because IOs are, by nature, too slow, too blunt and too inflexible to ever serve the purposes we expect them to, or so Mearsheimer argues.

Though cut from the same realist cloth as Mearsheimer, Goldsmith and Posner provide a slightly different diagnosis of IOs. Unlike the former, whose two-fisted analysis concludes that international institutions are “irrelevant or unimportant or in some sense unreal,” Goldsmith and Posner are more charitable. They argue that these institutions are actually “*endogenous* to state interests.” That is to say, IOs can help avoid conflict between states, primarily by reducing the transaction costs typically associated with shifts in the distribution of state power. In a perfect world (i.e., one where none of these costs exists and everyone has perfect knowledge), the distribution of resources would adjust easily to such shifts. In the real world, however, the necessary matching up of resources with new power constellations is generally “slow and sub-optimal,” and thus quite often leads to conflict. Based on this view, the authors’ chief concern with the rise of the BRIC powers is that the redistribution of global resources they require will have high opportunity costs associated with them and may eventually lead to conflict. International organizations, argue Goldsmith and Posner, exist to lower these costs and reduce the odds of state-on-state violence. To work properly, however, IOs should reflect the prevailing distribution of state power and be ready to adapt – quickly! – should these power shifts occur. The ultimate problem with existing IOs, therefore, is their institutional ‘stickiness’ and resistance to change. They are just not fast enough on their feet to deal effectively with the transaction costs associated with shifting power dynamics.

For example, let’s consider one set of IOs that may be moving in the direction that Goldsmith and Posner (and even Mearsheimer, to some extent) recommend – i.e., those that reflect today’s rising global economic architecture. According to a recent study by the S. Rajaratnam School of International Studies, the IOs that best reflect this architecture—such as the World Bank, the International Monetary Fund, the G20 and the WTO – are now experiencing major structural changes – changes that some argue could result in a “new Bretton Woods” system. (Please recall that the original international conference, which occurred in 1944, created the World Bank, the IMF and the General Agreement on Tariffs and Trade.) The authors of the RSIS study, however, beg to differ. They argue that the most likely outcome of the recent financial crisis is “a more decentralized global economic architecture where regional institutions are linked together.”

The chief advantages of such a decentralized architecture over a “monolithic” 21st century Bretton Woods system would be 1) a larger role in global economic governance for the new economic powers of Asia (especially China and India), which is consistent with their greater economic power, and 2) increased flexibility in coping with the fluctuations of different states’ economic fortunes. The RSIS’s study goes into far greater detail than we have space to recapitulate here. However, such a decentralized system of global economic governance would seem to exemplify Goldsmith and Posner’s vision of IOs facilitating state interests rather than sabotaging them. The means would also then fit the ends – we would have a multipolar global economic architecture overlapping a multipolar world, and that could prove Mearsheimer wrong – we could reduce the chances of serious conflict in the future.

Further Reading

[Controlling Institutions: International Organizations and the Global Economy](#), Randall Stone, 2011

[A New World Economic Order: Overhauling Global Economic Governance as a Result of the Financial](#)

[Crisis 2008-2009](#), Finnish Institute of International Affairs, 2010.

The Limits of International Law, Jack Goldsmith and Eric Posner, 2005

["Can International Organizations Be Democratic? A Skeptic's View,"](#) by Robert Dahl; in *Democracy's Edges*, ed. Ian Shapiro, 1999

["A Realist Reply,"](#) John Mearsheimer. *International Security*, 1995

["Constructing International Politics,"](#) Alexander Wendt. *International Security*, 1995

Editor's note:

For the rest of our content on "Transnational Institutions and Organizations: Required Adjustments and New Opportunities for Change," check out our [dossier](#) on the topic.

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ISN, Center for Security Studies (CSS), ETH Zurich, Switzerland