Project B2

Exporting (Good) Governance: Regional Organizations and Areas of Limited Statehood

Project description based on the proposal for project B2 of the Collaborative Research Center 700, April 2009[1].

The project investigates the export of governance by regional organizations in and to areas of limited statehood. We compare objectives, approaches and instruments external actors use to promote the creation and change of legitimate governance institutions in target countries. Do regional organizations follow a global script mainstreaming demands for (good) governance into their relations with third countries or do regional and local path dependencies prevail? Finally, we want to account for similarities and differences within and between regional organizations and gain first insights into the effectiveness and legitimacy of regional governance export in and to areas of limited statehood.

Since the end of the Cold War, international organizations and many states have developed programs to promote governance institutions in third countries. Thus, development cooperation has become an agent of exporting governance. The broad mandate of regional organizations such as the European Union, Mercosur or ASEAN allows them to actively promote the development of legitimate governance institutions in their member states and third countries. Therefore, they can contribute not only to the creation of a regional but also to the transformation of national orders.

To explore their contribution, project B2 systematically collects data on the governance promotion of regional organizations in and to areas of limited statehood regarding their objectives, approaches, and instruments. A systematic comparison enables us to verify the assumption of the diffusion of a global governance script as well as to explain similarities and differences based on the characteristics of actors and targets. Finally, the project aims to investigate the impact of governance export by regional organizations on national governance institutions. Our U.S. based cooperation partner, Stephen D. Krasner and the *Center for Democracy, Development, and the Rule of Law (CDDRL)* at Stanford University, will contribute to the project by adding case studies on major international organizations (IOs) and selected states.

---

[1]Börzel, Tanja A. (2009), B2 Exporting Good Governance. Regional Organizations and Areas of Limited Statehood, in: Sonderforschungsbereich 700, Governance in Räumen begrenzter Staatlichkeit. Neue Formen des Regierens? Finanzierungsantrag 2010 – 2011 – 2012 – 2013, Band 1, Berlin.

By exploring the role of regional organizations for building and transforming legitimate governance institutions, this project deals with central research questions of the second phase of the SFB 700. In line with the research area B, it focuses on the institutions necessary for the legitimate provision of goods and services. Our multi level perspective takes into account the criteria for legitimacy that external actors apply as well as the role of statehood for explaining the export of governance. Analyzing the impact on national governance institutions, the project addresses the change of modes of social coordination and the local distribution of power. Processes of appropriation and rejection as well as the transfer of resources by regional organizations are of particular importance. In view of the third funding period, the project asks for the influence of external governance promotion on statehood.

1 Development of the project to date

In the first phase of the SFB 700, the project B2 has explored to what extent the state's monopoly of force and its capacity to enact and enforce collectively binding rules (shadow of hierarchy) are a condition for the successful cooperation between state and non-state actors in providing "good governance" in areas of limited statehood (à *SFB-Ziel 2: Staatlichkeit als Kontextbedingung von Governance*). More specifically, we have analyzed how the three Southern Caucasian republics and Belarus have responded to the requirements which the European Union (EU) has stipulated in its European Neighbourhood Policy for good governance and the fight against corruption (Börzel et al. 2007b; Börzel et al. 2009a). Our findings show that the EU plays only a minor role as an exporter of good governance compared to other external actors, such as the World Bank, the Organization for Economic Co-operation and Development (OECD), the Organization for Security and Co-operation in Europe (OSCE) or the United States (US). More importantly, good governance and the fight against corruption is part of a general "governance package" the EU seeks to export, which also includes political stability, the rule of law, democracy and sustainable development. However, the EU clearly focuses on strengthening the effectiveness rather than the democratic quality of state institutions (Börzel et al. 2008). Statehood as defined by the SFB 700 is hence crucial in the EU's good governance export to the Southern Caucasus. Moreover, it mitigates the strategy which the EU chooses in seeking to shape domestic governance institutions. The weaker the statehood of a target country, the more the EU tends to rely on the cooperation with governmental actors and privileges capacity-building over conditionality and political dialogue (Börzel et al. 2009a). Unlike the US, the EU has been very reluctant to directly engage with civil society not wanting to circumvent national governments in seeking to change governance institutions (Börzel et al. 2009a; van Hüllen/Stahn 2009; Stahn i.V.).

Overall, the EU's attempts to promote good governance in areas of limited statehood are rather modest. Moreover, the EU's governance export is very much state-centred. Non-state actors are hardly directly addressed by EU policies nor is their involvement systematically required by EU external policies[2]. Under the combined pressure of international organizations, the governments of Georgia, Armenia and Azerbaijan have developed national

---

2 Cf. Börzel/Pamuk/Stahn: Much Ado About Nothing? The European Union and the Fight Against Corruption in Its Near Abroad (eingereichtes Manuskript; siehe 3.3.2).

anti-corruption programmes. However, those are selective and hardly involve civil society or companies in their formulation and implementation. Despite their weakness, state actors clearly dominate and control the ways in which international demands for good governance are handled at the domestic level. What is more, incumbent governments have instrumentalized the selective implementation of anti-corruption measures to disempower political opponents or discipline internal rivals by cutting off their resources (Börzel et al. 2009b).

The virtual absence of new modes of governance in the external promotion and domestic implementation of EU demands for good governance may be puzzling for functionalist governance approaches, which assume that weak state capacities are a powerful incentive for state actors to seek the cooperation with non-state actors to pool resources and share costs. Yet, while weak states may lack capacities for good governance, they have little incentives to build them since corruption and clientelism usually are vital to their power base (Pamuk (in Vorbereitung)). This is precisely why the EU has not been pushing too hard for good governance reforms. EU requirements for the fight against corruption are vaguely defined and not subject to conditionality. Rather than risking to destabilize incumbent regimes, the European Neighbourhood Policy seeks to build state institutions capable of providing effective governance (Börzel et al. 2008; van Hüllen/Stahn 2009). Moreover, if the three Southern Caucasus states are weak, their societies are even weaker. Civil society organizations are only slowly evolving. They have been benefitting from external capacity-building and transnational linkages, but their political autonomy has been constrained since rule of law and democracy are still weakly institutionalized (Börzel et al. 2009b). Business in turn is to a large extent still state-owned and state-controlled. Transnational companies have sought access to the Southern Caucasus, particularly in the energy sector. However, they have little interest in spoiling their relationship with the incumbent regime by pushing for governance reforms. With state and society being equally weak, new modes of governance have not emerged in the Southern Caucasus.

Our findings are corroborated by research on new modes of governance in Central and Eastern European (CEE) countries[3] (Börzel 2009). Despite the huge implementation load, which the *aquis communautaire* imposed on the CEE countries during their accession to the EU, and the formidable pressure EU accession conditionality exerted on them, governments did not take recourse to non-state actors in order to pool resources and share costs. If at all, we find nascent forms of engagement between state and non-state actors that hardly go beyond consultation. Moreover, they are most likely to emerge if EU policies explicitly require the involvement of the public. Traditional command-and-control approaches prevail also after accession. CEE countries have been lacking two major conditions for the emergence and effectiveness of new modes of governance: state and non-state actors with sufficient resources to engage in non-hierarchical coordination to improve the effectiveness and legitimacy of public policy.

---

3 Cf. Börzel, Tanja A., Drawing Closer to Europe. New Modes of Governance and Accession (eingereichtes Manuskript; siehe 3.3.2)

The limited role of the EU and non-state actors in the promotion of good governance in the Southern Caucasus renders the continuation of the Project B2 as originally planned rather futile. The extent to which modern statehood is indeed a condition of the emergence and the effectiveness of new modes of governance (Börzel 2007b, 2008) will be systematically explored in the Project *D2 Börzel*. Whether corruption is a functional equivalent to 'governance by government' remains an important question, which is subject of the Yasemin Pamuk's dissertation who has been in charge of the two country studies on Armenia and Azerbaijan (Pamuk i.V.). However, since regional organizations proved to be more relevant in the case of the Southern Caucasus, we decided to further explore the external promotion of good governance by regional organizations for the second phase of the SFB.

2 Governance export: A framework of analysis

The first phase of project B2 on the good governance export of the EU concerning its European Neighbourhood Policy serves as a pilot study which developed the analytical framework we will use in phase 2 of the project to compare the governance export of different regional organizations. We describe this analytical framework in the following.

Governance export is defined as the explicit and intentional demand toward states for building and modifying their governance institutions in order to make them more legitimate. With regard to the contents, we have distinguished between two concepts of good governance, which are related to input and output legitimacy, respectively (à *SFB-Ziel 3: Effektivität und Legitimität von Governance*). Output legitimacy refers to the extent to which the effects of political decisions are perceived to be in the interest of the people. In this view, good governance is about solving societal problems in an effective and efficient manner. Input legitimacy, by contrast, requires political decisions to correspond to the preferences of affected people. Accordingly, good governance must ensure that the preferences of the people are translated into political decisions.

The second analytical cut we make concerns the role of the state in relation to that of civil society in promoting good governance. Depending on which actors they focus on, external actors seeking to promote good governance may use two different channels of influence (cf. Schimmelfennig 2007: 6; Diez et al. 2006). Using the intergovernmental channel, external actors either hope to alter the preferences of target governments over strategies by manipulating their cost benefit calculation, or they aim to change preferences of outcomes of governments by socializing them into new norms through processes of social learning and persuasion. The transnational channel targets domestic non-state actors in order to empower them vis-à-vis their governments in pushing for political reforms.

In sum, actors seeking to export governance institutions, on the one hand, can choose between different contents of good governance – placing stronger emphasis on either input or output related reform goals. On the other hand, they can invoke channels of influence, either targeting the intergovernmental channel (state actors) or the transnational channels (non-state actors). Combining these two analytical foci, we arrive at a two-by-two matrix that allows us

to differentiate between four ideal-type approaches of good governance promotion available to the regional organizations and other external actors.

Fig. 1: Four approaches of external good governance promotion

	Output	Input
Intergovernmental	effective government	democratic government
Transnational	effective governance	democratic governance

(cf. Börzel et al. 2008)

Finally, we distinguish different instruments external actors employ to make their targets (state or non-state actors) comply with their major good governance objectives (increasing input or output legitimacy). The instruments differ with regard to the steering mechanisms by which good governance is being diffused (à *SFB-Ziel 1: Modi der Handlungskoordination und Machtverhältnisse*). First, political dialogue uses persuasion and learning strategies. Second, conditionality tries to manipulate cost-benefit calculations through creating positive and negative incentives. Finally, assistance is geared toward capacity building for institutionalizing good governance (Börzel/Risse 2009). The following figure summarizes the set of instruments and the corresponding (dominant) mechanism of influence generally available to external actors.

Fig. 2: The tool box for external action

Instrument	Mechanism of Influence
Assistance	capacity and institution building
Conditionality	manipulation of cost-benefit calculations
Political Dialogue	social learning and persuasion

(cf. Börzel et al. 2008)

The four good governance approaches can be combined with all instruments available in the tool box for governance export. We find, however, that the EU's approach to promote good governance is shaped by the political setting in the target country.

The approach and the instruments the EU chooses depend on the capacity and willingness of third countries to overcome bad governance. Capacity directly relates to statehood since it refers to the material and immaterial resources a government can draw on to adopt and enforce policy changes necessary to effectively improve governance (à *SFB-Ziel 2: Staatlichkeit als Kontextbedingung von Governance*). The willingness to introduce relevant political reforms may be influenced, in turn, by the degree of democratization a country has reached, such as the extent to which governments rely on clientelistic networks to remain in power.

Statehood and democracy provide an opportunity structure for the EU's good governance approach. Since the EU generally prioritizes state-building over democracy promotion, we expected the domestic structures of the target country mostly to constrain or favour the channels through which the EU seeks to promote its good governance objectives, which focus on effective rather than legitimate institutions.

Our empirical findings largely confirm our expectations. The EU pursues a "one-size-fits-all" approach at the regional level (cf. Börzel/Risse 2009) and, compared to other external actors

such as the US, makes only cautious use of both the transnational channel and of conditionality preferring instead to use assistance and political dialogue to induce domestic reforms (cf. Stahn (in Vorbereitung)). However, a closer look at the country level reveals that the EU has indeed adopted country-specific approaches taking into account the degree of statehood and democracy in the cases of Armenia and Georgia. Moreover, the EU also reacted to the changes in democracy and to a lesser extent in statehood that took place in Georgia. Only Azerbaijan defies our expectations. Its energy resources have rendered the country less dependent on external assistance than Georgia and Armenia. Moreover, the EU has refrained from pushing too hard for domestic reforms (Börzel et al. 2009a).

The results produced in the first phase of the project do not only demonstrate the analytical value of our conceptual and theoretical tool box. They also inform the formulation of working hypotheses guiding our planned research in phase 2 on the governance export of regional organizations.

3 Planned continuation of the project

In phase 2 of the SFB 700, the project B2 investigates the export of governance by regional organizations in and to areas of limited statehood. We compare objectives, approaches and instruments external actors use to promote the creation and change of legitimate governance institutions in target countries. Do regional organizations follow a global script mainstreaming demands for (good) governance into their relations with third countries or do regional and local path dependencies prevail? Finally, we want to account for similarities and differences within and between regional organizations and gain first insights into the effectiveness and legitimacy of regional governance export in and to areas of limited statehood. Our research will address the following guiding questions:

(1) Which governance institutions do regional organizations and other external actors consider as legitimate and promote in their member states and third countries?

(2) Which approaches and instruments have they developed to promote these governance institutions?

(3) Do we find governance mainstreaming in the sense of a global diffusion of certain governance principles and instruments for their promotion?

(4) How can we explain similarities and differences between the governance export programs of external actors?

4 State of the art: Regional organizations as promoters of good governance

Regional organizations have been mostly studied as instances of "governance beyond the nation state", while governance research has tend to focus on the European Union ("multi-level governance"[4], but see Ribeiro Hoffmann/van der Vleuten 2007; Solingen 2008). EU

---

4 Inter alia Marks (1993); Jachtenfuchs/Kohler-Koch (1996); Scharpf (2002); Kohler-Koch et al. (2004); Börzel (2007a); for an overview see Kohler-Koch/Rittberger (2006).

studies have systematically asked about the impact of trans- or supranational governance on the domestic structures in EU member states and since the Eastern enlargement also in third countries ("external Europeanization"). *Second image reversed* approaches[5] to International Relations and *Compliance* research[6] have more generally investigated the role of international institutions for domestic change. However, the deliberate attempt of international organizations at fostering and changing governance institutions of member states or third countries has often been neglected, especially regarding the regional level, on the one hand, and areas of limited statehood, on the other.

The EU is not the only regional organization that seeks to promote regional order by exporting good governance in areas of limited statehood. Mercosur, the African Union or the Association of Southeast Asian Nations (ASEAN) have increasingly defined institutional requirements for what they consider to be 'good governance', which their members have to respect. Next to human rights, the rule of law, democracy and the fight against corruption form part of the governance package most regional organizations seek to export. Moreover, they have developed similar approaches and instruments in trying to shape the governance institutions of their members.

Since the end of the Cold War, the number and relevance of regional organizations have increased[7]. They differ from international organizations in their geographic basis that precludes a global membership. They also cover a broader spectrum of functions and tasks that usually touches upon more than one policy field. Thus, the African Union (AU) and ASEAN have organized the cooperation between their members into three areas, which – similar to the three baskets of the OSCE – comprise security politics, economics and culture[8]. They thereby differ from bi- or minilateral trade agreements that only aim at the reduction of tariffs. The broader mandate provides them with a better opportunity to promote (good) governance than international organizations, such as the World Trade Organization, the International Labour Organization, the World Health Organization, or the Food and Agriculture Organization. The World Bank and the International Monetary Fund substantially interfere with the governance institutions of developing countries. Given their limited mandate, however, they have to focus on economic institutions and the output dimension of good governance (Börzel et al. 2007b: 11-13).

Despite the increasing importance of regional organisations that also manifests itself in the growing literature on comparative regionalism (for an overview see Choi/Caporaso 2002; Sbragia 2008), the governance export of regional organizations has rarely been investigated in a systematic and comparative manner. The few existing studies focus on the regional promotion of human rights and democracy rather than on governance institutions at large.

---

5 Inter alia Gourevitch (1978); Goldstein (1993); Milner/Keohane (1996); Drezner (2003); for an overview see Börzel/Risse (2002).

6 Inter alia Risse et al. (1999); Dai (2005); Simmons (1998); Checkel (2001); Tallberg (2002); Börzel et al. (2007a).

7 Inter alia Mansfield/Milner (1999); Mattli (1999); Fawcett/Hurrell (2000); Breslin (2002); Katzenstein (2005); Pempel (2005); Acharya/Johnston (2007).

8 See the Preamble of the ASEAN Charter and the action plans of ASEAN (http://www.aseansec.org/, last access 1 December 2008) and the Preamble of the African Union (http://www.africa-union.org/root/au/AboutAU/Constitutive_Act_en.htm, last access 1 December 2008).

5 Research objectives

In a *first step*, the project systematically *collects* data on the governance promotion of regional organizations in and to areas of limited statehood regarding their objectives, approaches, and instruments. Our cooperation partner at Stanford University, directed by Stephen D. Krasner, will complement our mapping exercise by analyzing the governance export of relevant international organizations, as well as some selected states, such as the US. The comparison of regional organizations with other external actors will enable us to further explore whether governance export is part of the diffusion of a global script. In the following, however, we focus on governance export by regional organizations.

The information will be compiled in a database. We want to know in how far we can speak of governance export, i.e. the explicit and intentional demand toward states for building and modifying their governance institutions in order to make them more legitimate. If regional organizations engage in governance export, do they specify their criteria for what they consider legitimate governance-institutions? Are their intentions limited to the declaratory level or do they identify specific objectives to create and change governance institutions? Which approaches and instruments (governance modes) do they develop and employ for the promotion of legitimate governance institutions?

In a *second step*, we will use the database for a systematic *comparison* of the objectives, approaches, and instruments of the different regional organizations engaged in governance export. Here, we look at both the programmatic and operational level. Can we observe the diffusion of a global governance script, encompassing a universal set of legitimate institutions for the provision of goods and services? The inclusion of human rights, democracy, the rule of law, and to some extent good governance in the founding treaties of the EU, the Organization of American States (OAS), the AU or ASEAN appears to suggest certain governance mainstreaming at the global level. At the same time, the understanding of what constitutes legitimate governance (institutions) and how to promote them may vary across regions and substantially differ from the Western governance package and its tool box.

In a *third step*, the project seeks to *account for* the similarities and differences in the governance export of external actors. Our study on the EU's promotion of good governance has shown that the EU abandons its programmatic 'one size fits all' approach at the operational level, opting for a differential implementation of specific measures (Börzel et al. 2009a), which differ from the approaches of other external actors such as the United States (van Hüllen/Stahn 2009). Thus, we are not only interested in the variation between but also within regional organizations, e.g. regarding differences between target countries or variation in the objectives over time. Again, this leads to the question whether we can observe the global diffusion of governance institutions even at the operational level. Do, for instance, path dependencies rooted in the institutional structure of regional organizations and their member states dominate the actual implementation of governance export or does their political, economic, and cultural environment prevail in shaping the objectives, approaches and instruments of external governance promotion?

In a *fourth step*, finally, the project aims to research the *impact* of governance export by regional organizations. This can only be done on the basis of a systematic comparison of the objectives, approaches, instruments, and applied measures to promote (change in) governance institutions. Thus, governance export is first of all the dependent variable of the project. Depending on the input of other projects in the SFB 700, we will, however, try to gain first insights into the effectiveness and legitimacy of external governance promotion (à *SFB-Ziel 3: Effektivität und Legitimität von Governance*).

Studying the impact of external governance promotion on domestic governance institutions does not only do justice to the multi-level perspective employed by the SFB 700. We will also be able to explore the role of statehood in governance export (à *SFB Ziel-2: Staatlichkeit als Kontextbedingung von Governance*). First, in how far is statehood a guiding principle in conceptualizing and (re-)building legitimate governance institutions in areas of limited statehood? Second, to what extent does the degree of statehood shape the objectives, approaches and instruments which regional organizations choose in their governance promotion? And third, how does external governance promotion affect the capacities of states to control the monopoly of force and hierarchically make and enforce collectively binding decisions? In this context, we will also look at how external attempts to build and change governance institutions in order to make them more legitimate affect the dominant modes of social coordination and the distribution of power in the target countries (à SFB Ziel-1: Modi der Handlungskoordination und Machtverhältnisse). Finally, we will take into account local governance discourses to find out how external governance promotion is received by target actors (à SFB Ziel-4: Aneignungs- und Abwehrprozesse). Do they share the same criteria for legitimate governance (institutions) as the external promoters? To what extent do they welcome the governance export of regional organizations as capacity-building or reject it as forms of neo-imperialism or neo-colonialism?

Step 1: Building a Database on Governance Export

The project builds on the study on the EU's export of good governance in the first phase of the SFB 700. Moreover, it can draw on the Stanford-FU database project on democracy promotion by important donor countries and institutions in post-conflict states (World Bank, IMF, UNO, EU, Council of Europe, NATO, US, Germany, and Norway), which has been directed by Stephen Krasner, Thomas Risse, and Christoph Zürcher[9]. Adapted to the context of governance export by regional organizations, the analytical framework developed in these two projects will be translated into a template for detailed case studies of different regional organizations. The case studies will be commissioned to experts that will be based in the respective regions and linked to the project as local partners.

The analytical framework in figure 3 specifies the governance export of external actors as our dependent variable. It includes the deliberate promotion of institutions for the provision of goods and services that can claim legitimacy. Note that we leave aside the direct provision of goods and services by external actors themselves (e.g. the direct provision of security or public health). Moreover, in line with the joint research agenda of *Projektbereich B*

---

9 http://cddrl.stanford.edu/research/postconflict_democratic_development/ (last access 9 February 2009).

"Governance-Institutionen", we focus on governance institutions that external actors consider as legitimate and capable of ensuring the legitimate provision of goods and services (à *SFB-Ziel 3: Effektivität und Legitimität von Governance*). Unlike the more normative projects in *Projektbereich B* (*B8 Rudolf, B9 Ladwig*), we take it as an empirical question what external governance promoters consider as legitimate and on which criteria they rely. Otherwise, we would not be able to test our competing expectations regarding global governance mainstreaming as opposed to the prevalence of regional path dependencies (see also below).

Fig. 3: Objectives, Approaches, and Instruments of Governance Export

Level of analysis	What is expected?	Who, where, and how is promoted?		
	Objectives	Approaches		Instruments
		Partner	*Level*	
programmatic	What standards for legitimate governance institutions are demanded?	Which actors should be supported in the creation or transformation of governance institutions?	Where should the creation or transformation of governance institutions be promoted?	How should the creation or transformation of governance institutions be promoted?
	¬ Human Rights ¬ Democracy ¬ Rule of Law ¬ Good Governance (legitimate) ¬ …	¬ Governments ¬ Non-state actors (civil society, business, community-based organizations)	¬ Central ¬ Regional ¬ Local	¬ Legal and military coercion ¬ Incentives (conditionality) ¬ Persuasion + learning (political dialogue, best practice) ¬ Capacity-building (technical and financial assistance)
operational	What standards for legitimate governance institutions are actually promoted?	Which actors are supported in the creation or transformation of governance institutions?	Where is the creation or transformation of governance institutions promoted?	How is the creation or transformation of governance institutions promoted?

The analytical framework captures both the programmatic and the operational level of our dependent variable, distinguishing between the objectives, approaches, and instruments for governance export. It heavily draws on our previous work on the EU's governance export in the European Neighbourhood (Börzel et al. 2008, 2009a; van Hüllen/Stahn 2009).

At the programmatic level, the objectives of governance export are the expectations and demands of regional organizations regarding the design of legitimate governance institutions at the national level. Comparing the constitutive documents of major regional organizations (treaties, declarations, protocols), it appears that something of a global governance script has

been emerging. Human rights, the rule of law, democracy and the fight against corruption have been mainstreamed into the formulation of standards for legitimate governance institutions. It remains to be seen, however, to what extent these criteria are indicative for an input-related concept of good governance or whether output-oriented objectives, such as state-building, prevail. The analytical categories developed in the first stage of the project will help us delineate what regional organizations seek to promote.

Most regional organizations lack a clear definition and operationalization of their governance standards. Even the famous Copenhagen Criteria of the European Union do not provide specific requirements for (re-)designing the governance institutions of accession countries (Kochenov 2004; Vachudova 2005). The identification of criteria for legitimate governance (institutions) has to be gained inductively, e.g. by analyzing instances in which regional organizations have taken action against violations of their governance principles by members or third countries. Taking into account regional and local governance discourses with the assistance of regional experts will also help us avoid imposing our "Western" ideas particularly on non-Western regional organizations.

Looking at specific instances of governance export links the programmatic with the operational level. It remains to be shown whether the programmatic objectives are purely declaratory in nature or if the regional organizations actively pursue them. On the one hand, non-intervention clauses at the programmatic level can limit the scope for active promotion, as it is the case for ASEAN or the Arab League.[10] On the other hand, specific mandates for intervention or sanctions, e.g. for the African Union in the case of a coup d'état or massive violations of human rights (Art. 4h, 23, and 30 of the *Constitutive Act*), can create opportunities for governance export.

To pursue the creation and change of governance institutions, regional organizations can choose between different approaches and instruments. On the one hand, the analytical framework distinguishes between different partners for the implementation of measures (governments, civil society, business, and community-based organizations) and between different levels of intervention. Regional organizations can thus address a diverse set of actors as potential governance actors. On the other hand, several instruments can be identified by their mechanisms through which they seek to induce compliance.[11] The analytical framework draws on the logics of social coordination that are used in the SFB 700 to distinguish different modes of governance (à *SFB-Rahmenantrag*). They can be fruitfully applied to the mechanisms of external influence that regional organizations exert on domestic governance actors. The export of governance institutions does not necessarily take place in a non-hierarchical context. The African Union (AU) and the South African Development Community (SADC) are two of the few regional organizations that can use coercion, i.e. military force. The EU, the Council of Europe, the Andean Community and the Organization of American States (OAS) can still rely on international or supranational dispute settlement procedures, which entail an element of hierarchy (Abbott et al. 2000; Börzel 2007a). Other regional organizations are mostly confined to non-hierarchical modes of governance that follow the logic of bargaining and arguing. Incentives (material and immaterial; political, economic, and diplomatic) can be set through rewards and sanctions or respectively through their promises and threats (conditionality). Finally, bilateral or multilateral relations can

---

[10] „Overview of Southeast Asian Nations", http://www.aseansec.org/147.htm, last access 1 December 2008; respectively Art. 8, Pact of the League of Arab States, March 22, 1945.

[11] On the following Börzel/Risse (2004); Börzel/Risse (2009); Börzel et al. (2009a); van Hüllen/Stahn (2009).

encompass processes of persuasion and learning (best practice, political dialogue). For these mechanisms to be effective, monitoring and reporting play a crucial role. They often form the basis for active support as they are a prerequisite for the application of conditionality or the identification of best practices. All of these mechanisms of influence build on the assumption that domestic actors are not willing to create or change the governance institutions as demanded and supported by external actors. By contrast, 'aid' or 'capacity building' as another mechanism of influence for external actors assumes that the target country is not capable of complying with external demands.

It is not enough to investigate the programmatic level in order to analyze what, who, and where the creation and change of domestic governance institutions is supported by regional organizations. The experience with the EU's export of good governance in the first phase of the project has shown that the measures and projects implemented need to be considered in order to grasp the actual content of what is promoted and how. This is quite a challenge, which, however, will be manageable since data collection will not be left to two or three research associates but commissioned to regional experts in separate case studies.

The cases include the major regional organizations that potentially promote governance in areas of limited statehood, including the Americas, Africa, the Arab World, and Asia. In the Americas, these are the Organization of American States (OAS), the Mercado Común del Sur (Mercosur), the Comunidad Andína de Naciones (CAN), and the Caribbean Community (CARICOM). In Africa, we are especially interested in the African Union (AU) and its predecessor, the Organization of African Unity (OAU), as well as the South African Development Community (SADC) and the Economic Community of West African States (ECOWAS). In the Arab World, only the League of Arab States fulfils the criteria of a regional organization.[12] In Asia, there are a few forms of regional cooperation (Pempel 2005), but only the Association of Southeast Asian Nations (ASEAN) can be considered an RO. Regional organizations in Europe are included in so far they have members from areas of limited statehood (Council of Europe, OSCE) and/or are active in governance export to such countries (EU, NATO).

Fig. 4: Regional Organizations as potential exporters of governance in/to areas of limited statehood

Americas	Africa	Arab World	Asia/Pacific	Europe/North America
Organization of American States (OAS) Mercado Común del Sur (Mercosur) Comunidad Andína de Naciones (CAN) Carribean Community (CARICOM)	African Union (AU)/Organization of African Unity (OAU) South African Development Community (SADC) Economic Community of West African States (ECOWAS)	League of Arab States (Arab League)	Association of Southeast Asian Nations (ASEAN)	European Union (EU) Council of Europe Organization for Security and Cooperation in Europe (OSCE) North Atlantic Treaty Organization (NATO)

12 Of course, there is the Arab Maghreb Union (AMU), but it has not convened for more than 10 years due to the conflict between Morocco and Algeria over the Western Sahara conflict.

Step 2: Describing Similarities and Differences

The findings of the case studies collected on the basis of the common research template will be compiled in a database and systematically analyzed. We are especially interested in similarities and differences, both between and within the governance export of regional organizations. Today, the commitment to human rights, the rule of law, and especially democracy is not only included in the statutes of the Council of Europe (1949), the OSCE's Charta of Paris (1990) and the Treaty establishing the European Union (1993), but also in the Protocolo de Ushuaia sobre Compromiso Democrático of the Mercosur (1998), in the African Charter on Democracy, Election and Governance of the African Union (2007), and in the Charta of the Association of Southeast Asian Nations (2007). Likewise, the treaties, protocols, declarations, and action plans of these organizations include an increasing number of references to good governance. One major exception is the Arab League, whose statutes do not make any reference to governance institutions.[13] Rather, its members are called upon to "respect the form of government obtaining in the other States of the League, and shall recognize the form of government obtaining as one of the rights of those States, and shall pledge itself not to take any action tending to change that form" (Art. 8, Pact of the League of Arab States).

Regional organizations have not only developed similar sets of objectives or 'governance packages', but also similar instruments for their promotion. While only few regional organizations are endowed with coercive means, most of them have authoritative conflict settlement mechanisms that go beyond trade conflicts and increasingly take the form of courts. Only ASEAN and the Arab League have not (yet) followed this trend towards legalization. In addition, they do not foresee any form of conditionality. By contrast, other regional organizations have introduced clauses that allow the suspension of membership rights or even the exclusion of member states from the regional organization in cases when the organization's objectives and principles, especially in the field of human rights, are violated. Thus, the Mercosur cannot only invoke political and economic sanctions. It has also followed the example of the Council of Europe and the EU introducing a democracy clause that makes membership conditional upon the democratic quality of governance institutions. Finally, and hardly surprising, all regional organizations count on soft modes of governance in promoting governance institutions. Even though few make the socialization of their members into specific governance institutions an explicit goal, most of them provide for political dialogue, allowing to exchange views on (common) governance problems (human rights violations, terrorism, corruption) and to elaborate (joint) solutions. The promotion of such processes of learning and persuasion includes methods such as peer review and best practice. Prominent examples are not only the EU's Open Method of Coordination used for external governance export (Börzel/Risse 2004), but also the New Partnership for Africa's Development (NEPAD) launched by the AU and the ASEAN Surveillance Process to prevent a new financial crisis in Asia. Most regional organizations also use another 'soft' instrument, technical and financial assistance, for governance export, although to a varying extent.

At least at the programmatic level, therefore, we seem to witness some sort of governance mainstreaming. However, even if regional organizations refer to the same concepts, these may still differ in their content. This is particularly true for principles such as democracy, the rule

---

13 The Arab League signed a Charta on Human Rights in 1994 that has never entered into force. It has been tabled again in 2004, but its ratification is still pending.

of law, or good governance. In contrast to human rights, they are not specified and legalized in global standards. Moreover, commitment is not necessarily matched by active governance export in practice and the use of instruments may vary. For example, the EU counts on capacity building and political dialogue when exporting good governance to its neighbouring countries, whereas conditionality does not play as prominent a role as it does for accession countries (Jünemann/Knodt 2007; Börzel et al. 2009a). A systematic analysis of both the programmatic and the operational level is needed to clarify differences and similarities of the governance export by regional organizations and other external actors.

Step 3: Understanding Similarities and Differences

There is hardly any research on the question of when and how regional organizations promote what kind of governance institutions. Studies on the institutional design of international cooperation are not of much help either. Neorealism points to the interests of powerful states (regional hegemons) while neoliberal institutionalism and regime theory underline the importance of problems of cooperation. Liberal theories emphasize the power and configuration of domestic coalitions, and constructivist approaches see collectively shared structures of meanings, norms, values, and identities at work. On the basis of their different assumptions, it is possible to generate hypotheses about the creation, design and potentially the impact regional organizations may have on domestic action (cf. Solingen 2008). However, they remain on a very general level and give hardly rise to testable hypotheses on what and how external actors seek to export (good) governance. Research on (external) Europeanization investigates if and under which conditions the EU's governance export to candidate and neighbouring countries is effective.[14] But the EU is hard to compare with any other regional organization, which lack supranational quality and confine their governance export to their members.

Overall, neither research on international institutions nor the ever growing studies on (external) Europeanization are directly applicable to our research question. We therefore turn to more general approaches to generate working hypotheses about the convergence or difference of external governance export by regional organizations. One literature that we can draw on is policy diffusion.[15] Governance mainstreaming can be conceptualized as a process of diffusion, as John Meyer and others have described it (cf. Meyer et al. 1992). Regional organizations adopt the governance script of 'Western' states and organizations adapting to the dominant discourse. This process of emulation is supported by active attempts of the World Bank or the EU to socialize regional organizations into specific concepts of governance, e.g. in the Asia-Europe Meetings (ASEM) and the EU-Mercosur and EU-Africa summits. While the literature on diffusion may account for converging outcomes, it largely fails to specify conditions under which divergence or at least difference prevails.

Historical institutionalism (Steinmo et al. 1992), by contrast, would expect regional path dependencies that do not necessarily prevent the diffusion of a global governance script, but should lead to differential outcomes. Regional organizations are not simply adopting international norms. The example of the Arab League shows that regional organizations can at least partially elude diffusion. Power based theories highlight the interest of a dominant state

---

14 Inter alia Schimmelfennig/Sedelmeier (2005); Schimmelfennig et al. (2006); Schimmelfennig (2007); Kelley (2004); Vachudova (2005); Grabbe (2006).

15 It would go beyond the scope of this proposal to discuss its variety of approaches and arguments. For a good overview of the literature see Holzinger et al. (2007) und Simmons et al. (2006).

in this respect (Pevehouse 2005; Van der Vleuten 2007). If there is a regional hegemon that advocates governance export and is willing to share the costs, a regional organization is more likely to actively promote governance institutions.

Rationalist approaches point to the national governments and domestic coalitions that have an interest in adopting or rejecting external (governance) ideas and concepts (Goldstein 1993; Milner 1988). States join international or regional organizations to secure or avoid domestic reform (Solingen 1994; Moravcsik 1995; Pevehouse 2005). The greater the interest of member states in changing their own governance institutions or in protecting them against domestic demands for change, the more likely is governance export by regional organizations.

The mobilization of national or transnational actors cannot only facilitate compliance with norms and rules of international and regional organizations in their member states, it can also exert pressure on the governments and regional organizations to actively promote governance institutions in third countries (Keck/Sikkink 1998; Van der Vleuten 2007). The stronger the advocacy of (trans)national actors for governance export, the more likely a regional organization will engage in promoting governance.

Constructivist approaches highlight the fit between external (governance) principles and norms and the identity of actors (Pevehouse 2005). Regional governance discourse may be highly indicative for the extent to which regional organizations endorse or reject global or Western standards. The more the member states of a regional organization share and internalize the same ideas and concepts of what constitutes legitimate governance institutions, the more likely the regional organization will engage in exporting governance.

All of these approaches focus on the member states of regional organizations. However, there are also characteristics of regional organizations themselves that can influence their governance export. Their capacity to act strongly depends on the interests of their members. At the same time, norms, rules, and procedures such as binding (majority) decision-making or an independent dispute settlement authority can increase the autonomy of a regional organization (Abbott et al. 2000; List/Zangl 2003). The higher the degree of legalization of an organization, the more likely it will export governance.

Finally, the regional and international environment plays an important role for the governance export of regional organizations. Thus, the EU started to develop a comprehensive programme for governance export within the framework of its enlargement and neighbourhood policies when the breakdown of the Soviet Union threatened the stability of its backyard (Magen/Morlino 2008). Likewise, widespread governance failure on the African continent could explain the extensive provisions for governance export institutionalized in the African Union. The more limited the statehood in the area of activity of a regional organization, the more important is the role of governance export.

In this context, the Second Image Reversed literature in International Relations refers to the importance of domestic structures within the target countries of regional governance export.[16] The example of the EU shows that limited statehood crucially influences the objectives that the EU pursues and the instruments it uses. Similarly, economic and political interdependence plays an important role (Jünemann/Knodt 2007; Börzel et al. 2008, 2009a). The more fragile the political system of a target country, the more likely the regional organization will focus on

---

16 Inter alia Gourevitch (1978); Katzenstein (1978); Zürn (1993); Risse-Kappen (1995); for an overview see Gourevitch (2001).

the effectiveness rather than the legitimacy of governance institutions and the more likely it will use 'soft' instruments such as capacity building. In authoritarian systems, the objectives and instruments depend on the interdependence between the target country and the regional organization. The greater the strategic interest of the organization and the lower the resource dependency of the target country, the less likely the regional organization will be in using 'hard' instruments such as coercion or conditionality to promote its ideas of legitimate governance.

In sum, it is possible to generate expectations regarding the governance export of regional organizations from different theoretical approaches. However, since we first of all need to systematically map the dependent variable, a systematic testing of hypotheses as prescribed by King, Keohane, and Verba would be premature (King et al. 1994). Rather, we use the working hypotheses formulated in the previous sections to identify potential explanatory factors that we can include in our template and have our case studies map them together with the dependent variable. Our analysis will then be able to relate these variables to the variation we find on the dependent variable. The number of cases (regional organizations) could be too small for a statistical analysis. However, we may be able to increase the observations on the dependent variable through in-case variation (over time or between target countries). In any case, our analysis will first of all look for correlations. A detailed process tracing of causal mechanisms only makes sense after we will have systematically mapped the governance export of regional organizations and move to the exploratory case studies on the impact of regional governance export, which are planned towards the end of the second phase.

Step 4: Exploring the Impact of Governance Export

The relevance of mapping and explaining (variation in) governance export by regional organizations crucially depends on the assumption that it does indeed impact on the design of governance institutions. While extensive theoretical and empirical work is still missing, there are some studies on international democracy promotion, which empirically demonstrate that regional organizations can at least contribute to the consolidation of democratic institutions (Pevehouse 2005; Van der Vleuten 2007; Ribeiro Hoffmann 2007; cf. Erdmann/Kneuer 2009). Second Image Reversed approaches as well as Europeanization and transformation research can help theorize these findings and apply them to governance export. The project first of all focuses on the analysis and explanation of governance export by regional organizations before it turns to questions of impact and its theorization. Drawing on the findings of other projects in the SFB 700, however, we envisage to conduct some first exploratory case studies on governance export from a bottom-up perspective. More specifically, we will select three regional organizations that actively promote legitimate governance institutions but differ to the greatest extent with regard to their objectives, approaches and instruments. At the moment SADC, Mercosur and ASEAN appear to be most adequate for such an in-depth analysis. The SFB 700 contains several projects covering countries from the three different regions, from which we can gain empirical insights (particularly *B6 Harders, C1 Zürcher, C3 Braig/Maihold, C6 Schröder, D1 Beisheim/Liese, and D2 Börzel*). In order to explore their domestic impact, we will focus on instances in which target countries challenge regional standards for legitimate governance institutions. Did the military intervention of SADC in Lesotho in 1998 prevent a democratic backlash when the political opposition refused to accept the outcome of the general election? To what extent has the threat of Mercosur to suspend membership influenced the course of the political crisis that emerged in Paraguay in 1999 after the assassination of Vice-President Argana and the resignation of President Cubas? Did the statement of ASEAN against human rights violations

in Myanmar in 2003, by which ASEAN openly departed from the principle of non-intervention, ease repressions of the military junta against the political opposition?

6 Working program and schedule

The project's working program proceeds according to the fourth steps of the research outlined above.

2010-2011: Compilation of the database on governance export by regional organizations

The analytical framework for governance export by regional organizations as our dependent variable is already well developed. It is based on the work and findings during the first phase of the project (see above) and on the CDDRL's program on "Evaluating International Influences on Democratic Development". However, the template for the case studies has to include the context and explanatory variables, too. Therefore, we have to further elaborate the working hypotheses and operationalize the explanatory factors identified. Once the operationalizations are complete, we will translate them into guiding questions for our case study authors. The template needs to be as comprehensive and clear as possible, since the case studies will be commissioned to regional experts.

In spring 2010, we will issue a call for proposals for the case studies on the regional organizations we seek to include in our study. At the same time, we will directly contact experts on the regional organizations covered. The case study on the Arab League will be conducted by the project's post doc, Vera van Hüllen, instead of an external expert. This way, the development of the analytical framework can be linked more tightly to its application. Moreover, its further elaboration does not only benefit from the feedback of our external experts but can also draw on our own experience. A first workshop with potential case study authors will be organized in summer 2010 where the experts present their respective regional organization and discuss the template. On this basis, the final selection of case study authors will be made. In a second workshop in spring 2011, the first drafts of their case study reports will be discussed before the final reports have to be submitted in summer 2011. Finally, the findings have to be coded and entered into the database.

Our U.S. based cooperation partner, Stephen D. Krasner and the Center for Democracy, Development, and the Rule of Law (CDDRL) at Stanford University, will contribute to the database by adding case studies on major international organizations (such as the UN and the World Bank) and selected states such as the U.S.

2012: Comparative analysis of the data

The second and third step of the research will be the comparative analysis of our findings, scheduled for 2012. To begin with, we will compare the mapping of our dependent variable. To what extent do we see differences and similarities in the objectives, approaches and instruments of our external actors both at the programmatic and operational level? Do we find patterns of convergence over time and space or do regional path dependencies prevail? We will then try to account for the differences and similarities on the basis of the working hypotheses developed above. It remains to be seen to what extent the structure of our data allows for a statistical analysis. We will also consider the application of qualitative

comparative analysis (QCA), for which Torben Heinze, research associate at the Center of European Integration, will provide the necessary expertise. The systematic comparative assessment of our case study data will not only allow testing our working hypotheses but may generate more inductive insights, particularly with regard to explanatory factors we have not considered so far.

2013: Impact analysis

The last step of the project is dedicated to governance export as an independent variable. Building on our empirical findings and the results of other projects in the SFB 700, we will conduct exploratory case studies on three countries in three different regions, in which regional organizations seek to build legitimate governance institutions. Ideally, we will choose three regional organizations that differ most with regard to their objectives, approaches, and instruments and analyze how they have responded to developments in target countries challenging their standards for legitimate governance institutions. At this point, ASEAN, Mercosur, and SADC appear to be most appropriate cases. All three are actively promoting legitimate governance institutions, albeit to a different degree. They differ, moreover, significantly with regard to the approaches and instruments they use. Finally, our SFB 700 projects cover countries in all three regions (particularly *B6 Harders, C1 Zürcher, C3 Braig/Maihold, C6 Schröder, D1 Beisheim/Liese,* and *D2 Börzel)*, providing us with the necessary empirical knowledge to select three target countries. We will spend four weeks in each of the three countries consulting with local experts, visiting local libraries and archives, and conducting interviews with practitioners. The field trips will allow us studying the governance export of regional organizations from the bottom-up.

The inductively gained findings of the three exploratory case studies will help us generate a series of working hypotheses on the conditions under which the governance export by external actors affects the domestic governance institutions and statehood of target countries, also paying attention to potentially (unintended) negative consequences. Both the findings from our comparative analysis of the database on governance export and the insights from our exploratory impact analysis will be published in two monographs, an edited volume, and various research articles.

The working hypotheses generated from the three exploratory case studies guide the third phase of the SFB 700 (2014-2017), which will systematically investigate and explain the effectiveness and legitimacy of the governance export by regional organizations and other actors. We will select specific cases from our data base on the independent variables specified by our hypotheses. Most importantly, we will explore how and to what extent governance export impacts upon the statehood of the target countries. Is the external promotion of legitimate governance-institutions simply a form of neo-colonialism, does it contribute to state-building or do we see the emergence of new modes of governance that are not necessarily wedded to statehood?

7 Position within SFB 700

By exploring the role of regional organizations for building and transforming legitimate governance institutions, the project deals with central research questions of the new research area B "Governance Institutions". It systematically addresses the multi-level character of governance in areas of limited statehood, one of the major findings of the first phase. Other projects investigate the impact of inter- or transnational governance actors (International

Organizations, transnational NGOs, PPPs, multi-national companies, colonial powers) on the provision of collective goods in policy areas such as security, welfare, and environment. In line with the research area B, this project focuses on the institutions necessary for the legitimate provision of goods and services.

The project can directly draw on insights of the normative projects *B8 Ladwig* and *B9 Rudolf* for specifying standards for legitimate governance institutions. On the one hand, we are interested in the criteria for legitimacy that external actors apply (à objective 3: Effectiveness and Legitimacy of Governance). On the other hand, we analyze local discourses to determine the conditions for acceptance of externally promoted standards for governance institutions (à objective 4: Processes of Appropriation and Rejection). In this context, the new project *C6 Schröder* is particularly relevant for us. It examines the transfer of governance institutions for ensuring the effective state monopoly on violence. Our projects make significant contributions to investigating the role of statehood for the provision of goods and services, which is one of the central research questions of the third phase of the SFB (àobjective 2: Statehood as Context Variable for Governance). The externally induced transformation of governance institutions and the provision of additional resources by external actors (*D4 Enderlein;* à objective 6: Material Resources and Governance) also change the distribution of power and actor constellations as well as the modes of social coordination dominating governance in target countries (à objective 1: Modes of Social Coordination and Power; see also *D7 Lütz* und *C3 Braig/Maihold*). Regional organizations do not only provide additional resources when promoting governance in their member states, but they can also create an external shadow of hierarchy. Project *D2 Börzel* further investigates the role of this shadow for the emergence of non-hierarchical forms of governance. The projects *D1 Beisheim/Liese* und *D3/T1Fuhr/Lederer* are going to provide insights into the role of Public-Private-Partnerships for the promotion of governance institutions by external actors. (Trans-)National companies/business/enterprises and Non-Governmental Organizations can be important partners in the creation and transformation of (legitimate) governance institutions. They provide additional resources through financial assistance and technical expertise. They also monitor and call for compliance with external norms at the national and international level. However, they can also add to the rejection of externally induced reforms if they are denounced as 'agents of neo-colonialism' (see Zimbabwe).

B2 is the only project that systematically explores the export of governance by regional organizations. In cooperation with the projects *C6 Schröder*, *C1 Zürcher* und *B6 Harders*, we can provide new insights into the impact of the external promotion of governance. While *B6 Harders* investigates processes of decentralization, *C1 Zürcher* und *C6 Schröder* deal with the provision of goods and services in the policy area of security. Despite these different emphases, our analytical framework allows a comparison of external governance promotion across projects and over time and space. We prepare the basis for the third phase that will increasingly conceive of statehood as a dependent variable and investigate the impact of different modes of governance and their effectiveness and legitimacy on areas of limited statehood.

Contact information:

Prof. Dr. Tanja A. Börzel   Phone: +49 (0)30 838 54830
Freie Universität Berlin   Email: boerzel@zedat.fu-berlin.de
Ihnestraße 22 – 14197 Berlin   Web: http://www.sfb-governance.de