Global Governance: Types of Goods and Institutional Rules

Josep M. Colomer

Available at: http://works.bepress.com/josep_colomer/79/
Global Governance:
Types of Goods and Institutional Rules

Josep M. Colomer
Georgetown University

Abstract

Global governance may not develop efficiently with a single body or regime, such as a “world government”, but it rather requires different institutions and rules to deal with different issues. In this article the variety of institutional formulas used by international organizations is put in relation with the different types of global collective goods they intend to provide. A “heterogeneity/complexity” relationship appears. Network goods with high homogeneity or harmony of interests all across the world can be efficiently provided through simple institutional formulas largely relying on ‘bureaus’ of experts. The higher the degree of heterogeneity and inter-state conflict of interests on the issue, the more complex the structure of the organization must be for efficient performance. In particular, equal votes for every sovereign state independently of its size can be replaced with ‘weighted’ votes based on financial contributions or on the intensities of interest in the activity that defines the institution. At the peak, high conflict issues like global security and related matters tend to be dealt with by hierarchical ‘directorates’ in which the most powerful states occupy salient institutional positions and prevail in decision-making. Some organizations underperform because their institutional design turns out to be inappropriate for providing certain types of collective goods and some of the potential partners choose outside options. All in all, different performances of international organizations can be explained by different degrees of institutional fit with the aims for which they have been created and exist.
1. Introduction

Global governance may not develop efficiently with only one body or regime, like a single “world government”. The variety of rules and procedures currently used by different international organizations suggests that global governance may require different institutions and rules to deal with different issues. The current multiplicity of institutional models may not be, thus, an indicator of weak capacity of decision-making or of policy enforcement at the global level –which is pretty high in fact--., but it can reflect the extensive scope of their activities and the multidimensionality of the global agenda of issues.

Indeed world politics displays huge institutional variety. The designers of an international organization can choose from multiple possible combinations of alternatives over a number of basic institutional elements. They include: the primordial role of the assembly of all members or of a council with smaller size; the criteria for selecting the members of the council, whether by rotation, geographical balance, issue interests, or permanency of some of them; the frequency of meetings of each body and the existence or not of a permanent group of experts with significant decision-making powers; the role of an individual presidency or an administrative secretariat; the making of decisions on the basis of equal vote or of weighted vote for member-states of different sizes and resources; the use of simple majority, qualified-majority or unanimity rules for decision-making; the provision of veto power to some members; the degree of members’ compliance with non-unanimity decisions; etcetera.

It can be suspected that nontrivial relations exist between the specific institutional formulas used by an international organization and its performance in the fulfillment of the aims for which it has been created and exists. Yet, different degrees of effectiveness of international organizations also seem to be related to the type of issues they manage. The fundamental activities of international organizations always entail some provision of large-scale collective goods, whether security, justice, financial stability, economic promotion, communication networks, standards for weights and measures, or others. In this article I address some relevant relations of compatibility and efficiency between different types of collective goods and different institutional formulas for global governance. More specifically, I will argue that the effectiveness of international organizations in fulfilling their aims strongly depends on the fit between the type of collective goods they are intended to provide, as different goods imply different degrees of inter-state conflict of interests, and the formulas chosen for their institutional design.

The main findings of this investigation suggest a heterogeneity/complexity relationship between collective goods and institutional formulas. Specifically, high efficiency in the provision of collective goods for which there is much homogeneity of interests all across the world, such as communication and other network goods, can be achieved with simple institutional structures, which typically focus on an administrative bureau or secretariat relying on experts. At the other extreme, the provision of collective goods involving highly heterogeneous and conflicting interests among states, especially security and related issues, tends to require heavily-constructed hierarchical structures in which the most powerful states occupy salient institutional positions.
and prevail in decision-making. In between these two polar types, the efficient provision of various collective goods with intermediate degrees of shared and conflicting interests, mostly related to economic issues, can be sought by relatively complex institutional formulas able to induce multilateral negotiations and agreements. These include inter-institutional exchanges and unequal distributions of votes among differently-endowed parties.

The variety of institutional formulas used by international organizations can, thus, be functionally related to the variety of issues and types of collective goods the organizations are designed to deal with. As a number of relatively efficient formulas can be identified, some organizations may underperform because their institutional design may be inappropriate for providing certain types of collective goods and some of the potential partners choose outside options. All in all, different performances of international organizations can be explained by the different degrees of institutional fit with the aims for which they have been created and exist.

The approach adopted in this work may be connected with the “liberal” school of thought in the study of international relations¹. Indeed, multilateral institutions are conceived here as formal rules for making collective decisions, including enforceable policy, which can solve human coordination and cooperation dilemmas and be accepted by actors in their mutual benefit. What are usually called international “organizations” (including in the above paragraphs) will be considered here as political “institutions”. They will be analyzed not merely as arenas for states’ action or for promoting enduring cooperation among states. An analogy should be traced with the most traditional approach in the field of comparative politics, where the typical focus is the state as an institutional setting in which multiple organizations, most prominently political parties in the case of democratic states, try to advance their preferences and produce favorable collective decisions. Likewise, multilateral institutions can be studied as settings for global governance in which the states as organizations play their strategies. Multilateral institutions have their own rules and decision-making procedures, which, as we will discuss, are distinct from those that are typical of states.

The literature on “international regimes” has emphasized the importance of expanding agendas and its increasing complexity in international settings. It has been observed that some institutions that start with one mission wader away from their original mandate and into new terrains and territories to form more complex “regimes”². Notorious examples may include the United Nations moving much beyond the initial aim to “maintain international peace and security”, the World Bank becoming involved in an assortment of issues directly or indirectly related to the promotion of development, the International Monetary Fund establishing that its initial goal of monetary stability may require regulations of a broad set of macroeconomic policies, or the G8/G20 feeling the need to be implicated not only in economic crises, but also in issues of security or even climate change.

A well-established postulate is that high “issue density” can produce diminishing costs and generate increasing demands for the overall framework of rules and procedures, that is, for international “regimes”. For the purposes of the following analysis the condition of “issue linkage” should be emphasized. As long as different issues are sufficiently compatible, that is, if they bring about complementarities and similar degrees of inter-state conflict of interests, the same institutional rules can favor exchanges and mutual threats and reprisals, which can be able to foster increasing and sustained cooperation that eventually feeds loyalty to the institution.

However, the institutional and organizational costs involved in reconciling distinct objectives may rise with the number of issues and their multidimensionality. The degree of multidimensionality in the policy space depends on the variety of actors’ preferences. For instance, different states can have different relative intensity of preferences or interests and different availability of resources to deal with security, navigation, or trade. A compact institutional regime pretending to deal with several issues with these characteristics can be highly inefficient in making acceptable decisions and providing collective goods. The analysis developed below may help clarify why a worldwide institution tending to act as a single world government and –if crafted on the classical model of the nation-state-- using the same set of institutional formulas for a package of multiple, disparate issues might make things more difficult, as efficient results for each issue may require differentiated institutional rules and procedures.

Actually this insight could also be applied to some extent to the states themselves, whose general efficiency in the provision of collective goods may be marred by the homogenizing restrictions imposed by the notion of sovereignty and the ensuing criterion that one institutional regime fits all. It is not only that different territorial scales can exist for the efficient provision of collective goods –which is the traditional problem addressed by federalism and multilevel governance on which I draw on here to identify global issues-- , but that even within the same territorial scale of efficiency multiple issues with different degrees of conflict of interests and redistributive implications may require different institutional solutions. The analysis of international organizations with a worldwide scope presented in this article shows that a number of multiple institutions each with different decision-making rules to deal separately with disconnected issues can do better and potentially generate efficient provisions of a variety of collective goods.

The institutionalist perspective adopted in this article also permits the review and incorporation of some important insights which were initially formulated in the “realist” school of thought. Multilateral institutions are not understood here to be mere byproducts of state foreign policy, but the questions of why states would set up a multilateral institution in the first place and why they would stay in it as active, committed members --which are characteristic of the realist way of thinking-- appear indeed to be highly pertinent. The state-actors’ choices will be discussed here as contingent on their interests and on the opportunity costs of available outside options. The states’ choice of “outside options” or “exit” will make sense when it will be placed in the context of inappropriate institutional formulas at the global level.
The assumption of the absence of general harmony of interests in world politics will turn out to be highly relevant for our institutional analysis. On different issues the objectively different degrees of harmony and conflict of interests will appear as a key factor to explain different institutional performances. Certainly not all states are equal in their availability of resources and in the benefits they can expect from collective decisions; their asymmetries may in some instances make institutional formulas, such as equal vote, inappropriate for promoting their willingness to create, join and stay loyal to certain worldwide institutional settings. Characteristic realist notions, such as “asymmetries”, relations of “hierarchy”, and the relevance of the “Great Powers”, will be reinterpreted in the context of the analysis of rules and decision-making processes to help understand institutional performances.

The plan for the rest of the paper is the following. The second section presents the basic elements of the analysis: types of global collective goods, associated game theoretical models that can help explain the different opportunity costs of their provision, and the institutional elements and structures at the global level. The third section develops a formal model of the relations among the basic variables in which I assume that states largely choose institutions on the basis of their outside options and capacity to provide amounts of collective goods by themselves. I then state specific hypotheses relating the degree of heterogeneity of interests in collective goods and the complexity of the appropriate institutional structures for their efficient provision. The fourth section tests the hypotheses with an encompassing new collection of data on internal decision-making rules in global institutions, and illustrates some implications of the model with a few relevant cases. The fifth section concludes.

2. **Goods, Games, and Rules**

By approaching the provision of global collective goods as a strategic problem which can be treated with game-theoretical tools, Robert Axelrod and Robert Keohane remarked that in world politics “cooperation varies among issues and over time”\(^3\). Most of the further analyses along this line have developed insights about the strategic and collective action problems for worldwide cooperation and the evolution of cooperation over time, especially under stable institutional conditions, but much less has been said regarding variation among issues.

*Types of collective goods*

It may be convenient to remark, first, that almost every issue dealt with by multilateral institutions can be analyzed as involving the provision of a collective or public good. Also reducing or suppressing negative external effects of certain activities can be understood as the replacement of collective evils with collective goods. This way, preventing or mediating wars, for example, are ways to provide the collective good of security or peace; likewise, reducing

---

\(^3\) Axelrod and Keohane 1985.
currency wars and coordinating currency exchange rates help to provide the collective good of monetary stability; fighting pollution can provide clean air, and so on.\textsuperscript{4}

Several types of global collective goods should be distinguished in order to evaluate the different coordination and cooperative efforts that their provision may require. It might be possible to build a continuum or at least a long scale of degrees of conflict regarding different collective goods, but in order to start the analysis I will provisionally simplify it into a few categories.

Three basic categories of collective goods can be distinguished for the degree of conflict of interests their provision involves. First, “network” goods provide higher potential benefits to each user the higher the number of users. This happens, for instance, with standards such as the calendar or weights and measures, as well as with agreements for a number of communication media, including the post, aerial travelling or the internet. The higher the number of people using the same calendar or the metric system, the easier the coordination among them; the more widely accepted the criteria and decisions to use the air space, the safer and more numerous the travels can be; the higher the number of websites, blogs, and links, the larger the amount of information and potential communicators every web user may enjoy. There is little conflict and large harmony of interests regarding these goods; for any actor the option to stay outside and try to build its own services by itself may not produce the same benefits as those that can be expected from broad cooperation.

Second, some “competitive” global goods can clearly grant net benefits to all users, but they also imply some asymmetry and conflict of interests. This is the widely observed case of employers and workers regarding the regulation of labor conditions. But it is also the case of international financial institutions: they can reduce market instability, but debtors and creditors may pay different costs for making that collective good feasible. Likewise, global free trade agreements can produce positive returns to both producers and consumers, but exporters and importers can expect different benefits and different producers may exploit the different comparative advantages of their products. The provision of this type of collective good involves a mixture of conflicting and complementary interests which may make allocation and redistribution matters relevant in the design of institutional rules. Some of the actors potentially interested in the global collective good may ponder their membership to a multilateral institution by evaluating the advantages and disadvantages which can be derived from specific rules and procedures and the gains they can obtain through outside options and bilateral cooperation with other actors.

Finally, the provision of some “conflict” global goods may bring about winners and losers with even more clarity. The dilemma between war and peace is the most obvious example of this type of situation. Every state can be and attacker and a defender regarding others, but there can be enormous differences in military potential between states. Although the collective good of peace can certainly provide net benefits to everybody, the great powers always have to deal with the temptation to undertake unilateral initiatives addressed to dominate or exploit weaker or

smaller states. A great power may accept to join, stay and be loyal to a multilateral institution designed to provide global security if the institutional rules gives it a sufficiently dominant position to make that temptation of attacking others not worthy to follow. Durable and effective institutional arrangements for international security tend to reflect the underlying uneven rapport of forces. The outside option can imply different costs for different actors: for smaller or weaker states, even institutional rules giving dominant position to great powers, if they are able to reduce the likelihood and the costs of being attacked, occupied or exploited can be sufficient to join.

*Cooperation in games*

As at many other levels, the provision of collective goods at the global level has been associated to game-theoretical models of strategic interaction. As is well known, an extensive literature has analyzed the Cold War and the arms races with the structure of the Prisoner’s Dilemma. To be sure, cooperation, which can be desirable in different strategic structures such as those represented by the Prisoner’s Dilemma, Stag Hunt or Chicken games, may be achieved with resort to authority. Yet theoretical progress in this approach has been conceived sometimes as if it required to build a single or unified analytical framework for a variety of issues, including security, political and economic matters, or a generic model of international agreement.5

Yet cooperation does not emerge to the same extent in different games. According to Robert Axelrod, the degree of conflict of interests in a game is a property of the preferences of the participants and the payoff structure of the situation, which affects the level of cooperation. The greater the conflict of interests between the actors is, the greater the likelihood that the actor would choose to defect 6. The degree of conflict can also be equated to the outside options that states can find available for the provision of some amounts of collective goods by themselves 7.

This is also valid for iterated plays of each game. Indeed multilateral institutions and regimes can be conceived as settings for the repetition of strategic interactions which may favor increasing and sustained cooperation. Repeated interactions, which permit to express a promise to respond to present cooperation with future cooperation and a threat to respond to present defection with future defection, can improve the prospects for cooperation. In this light, multilateral institutions can increase the likelihood of cooperation in N-person games.

But iteration of interactions does not produce the same cooperative effects in different games. In coordination and Stag Hunt types of situation, in which actors have high harmony of interests, the efficient outcome of mutual cooperation is a focal point on which the actors can converge. It can be achieved easily, as a consequence of some actor’s unilateral initiative to start cooperating.

In contrast, in Chicken games, which involve some basic concurrence but also significant rivalry or conflict of interests, the equilibrium solution implies partial cooperation and therefore

---

6 Axelrod 1985.
suboptimal provision of the collective good. If the game is repeated, the initial defectors may acquire a reputation for not cooperating that can consolidate the outcome of partial defection and partial cooperation over time with asymmetric strategies adopted by different actors. In order to reach mutual cooperation, the institutional incentives should be sufficiently strong to move some actors to change their preferences.

Finally, the repetition of the Prisoner’s Dilemma game, in which rivalry or conflict among players may supersede their perception of common interests, can produce emerging cooperation only in conditions of uncertainty about the length of the repetition of the game. Even more constraining rules than in the other settings mentioned above can be necessary to discard defection for a significant period.

The above discussion permits us to propose a classification of different types of global collective goods which, when logically associated to different game-theoretical models, can explain different degrees of global cooperation and different incentives to build worldwide institutions. Three basic categories can be distinguished:

- **Network collective goods.** Their provision can be suitably modeled as Coordination or Stag Hunt games, likely producing high degrees of cooperation. For every actor, defection always produces lower benefits.
- **Competitive collective goods.** They involve a mixture of concurring and conflicting interests, whose provision is apt to be modeled as Chicken games, typically producing some positive degree of cooperation but at suboptimal level. For some actors, choosing non-cooperation can be a beneficial strategy.
- **Conflict global goods.** For their provision the actors can face a Prisoner’s Dilemma type of situation making mutual, symmetrical cooperation more difficult to achieve. Mutual defection can be enduring.

*Institutional elements*

The role of multilateral institutions is to address the coordination and cooperation dilemmas identified above. The most fundamental institutional elements to be chosen for the design of institutions for global governance are: the composition and relations of different institutional bodies, and the rules for voting and decision-making.

The most basic bodies in every multilateral institution are: the assembly, the council, and the president, respectively composed of many, few and one persons, as well as the secretariat with functions of expertise and administration. A brief description of each of them will prepare the analysis of structures for inter-institutional relations.

- **Assembly.** It is the plenary organ in which all member-states are represented, usually by diplomats specialized in general affairs. It is called Assembly, General Assembly, General Conference, Congress, Board of Governors, Governing Council, or other names. It is typically presented in treaties and charts as the “supreme organ” because it is the instance in which the states exert their sovereign right to renounce their sovereignty. It is usually allocated decision-
power on the budget and membership, but its powers differ widely depending on its relations with the other bodies.

- Council. It is the non-plenary organ, typically formed by between one-fifth and one-third of the institution membership. Its components, which are appointed by the Assembly, can be selected by rotation, on a territorial basis by groups of countries, or by function if the issue of the institution involves significant division of interests. Some members can be permanent and others can be appointed temporarily. Certain issues require the seats in the council to be filled by specialized experts in the field. It is called Council, Executive Board, Governing Body, Board of Directors, Coordination Committee, or other names. It is typically the executive body in charge of preparing the agenda of the plenary Assembly and implementing its decisions, but it can become the actual governing body making major policy decisions.

- President. It is a single-person office, which can be the representative of the institution. It can be appointed by the Assembly, the Council, or both. It is called President, Secretary General, Director General, Managing Director, or other names. It can be an executive figure participating in the Council and the Assembly meetings, even having some agenda powers, or just an administrative one, focused on supervising the Secretariat.

- Secretariat. It is formed by permanent staff with technical skills carrying out the daily business of the institution. It can also be called Bureau or Office. Its highly varying size may be related to the complexity of the issues and the volume of activity of the institution.

Regarding decision-making rules, two elements can be distinguished: voting rights and voting rules.

Regarding voting rights, sustained discussion has been held about the criteria of sovereign equality of rights of weighted votes. The basic alternatives are:

- Equal vote, by which every state is recognized its sovereignty.

- Weighted vote, by which the states have different numbers of votes depending on their population, economy, financial contribution, or relative weight in the activity that defines the institution.

- Veto, by which some states may block collective decisions.

The basic voting rules are:

- Majority, requiring more than half of the votes to make a decision.

- Qualified majority, which can be placed at 2/3, 3/4, or other thresholds.

---

- Unanimity, requiring full agreement.

Different combinations of rules can be used in different institutions, for example adopting simple majority for procedural matters and some qualified majority or unanimity for substantive or policy decisions.

Although the word “consensus” is used in a number of charters and treaties, it can have different meanings depending on the voting rule used. For network goods, the appeal of an efficient technical solution can create genuine consensus, in the sense of broad agreement, which may make voting unnecessary. Under an explicit requirement of unanimity, a decision made in the absence of any objection and without a formal vote, that is, by acquiescence or “consensus”, can facilitate a solution that may not be as attractive as in the previous case and may not satisfy everybody entirely, yet it can be sufficiently balanced to be accepted by all. In contrast, under majority rule regulations the seeking of consensus on a decision can be motivated by the aim of securing its implementation even by those parties that don’t agree with it; but in this case the expression of objection may force a majority vote. Thus, there can be a shadow of some specific rule even when decisions are made without a formal vote.

_Institutional systems_

Not all possible combinations of institutional elements are consistent or are able to produce effective decision-making. For instance, an Assembly with equal vote for every member state will tend to quarrel with a Council with vetoes; the formulas for voting rights are irrelevant if the voting rule is unanimity, etc. On the basis of both logical and empirical grounds a few basic structures of relations between the above reviewed institutional elements can be postulated. By analogy with well-established typologies in comparative politics, the subsequent types could be called “regimes”, but this should move us to warn the reader that the focus here is on specific combinations of institutional formulas⁹. I put forward that the huge variety of institutional formulas for global governance can be captured by three basic types, which can be called “Bureau”, “Weights and balances”, and “Directorate”:

- **Bureau.** It’s the purest multilateral institution, which should be expected to enroll the highest number of potential members. The Assembly composed by all member-states holds infrequent meetings, in which it uses equal vote and majority rule, but decisions are made by near-unanimous consensus. The main body is the permanent professional Secretariat, which implements the decisions in consistency with the Assembly’s mandate and the achievement of the institution’s goals.

- **Weights and Balances.** In this broadly multilateral, intermediate type of institution, there can be a neat constitutional distinction between the legislative Assembly and the executive Council. But the Assembly can delegate substantial powers to the Council. A relatively powerful and

---

operational Council can include a few permanent members, hold very frequent or permanent meetings, and use weighted votes and qualified majority rules.

- **Directorate.** It can be the product of unilateral decisions over institutional rules by relatively powerful actors reflecting their privileged availability of resources. The Council will include a few permanent members and make most legislative and policy decisions. The Assembly will be submitted to the Council, as it can be limited to approve only recommendations without mandate for executive enforcement or to deal only with issues not previously included in the Council’s agenda.

3. **The model**

The success of institutional design for global governance greatly depends on the willingness of potential members to join, contribute, participate, and comply with the decisions of an institution. For every global collective good to be provided, the decision-makers of each state face three options: either to stay away from any collective effort and remain at the non-organized status-quo (which will be called “SQ”); to undertake unilateral action regarding other potential partners to form alliances or treaties short of universal scope (which will be simplified as “unilateral”); or to accept the collective decisions of a global, multilateral organization (to be called “multilateral”). Each of these alternatives offers different benefits and costs for different actors regarding different global collective goods.

**Actors’ preferences and interactions**

Let us try to capture the asymmetry of different states in their availability of resources by distinguishing between “Great powers” and “Smaller states”. The crucial difference between these two types of actors lies in their different capacity to provide some amounts of collective goods by themselves. Of course, in reality there is a scale of actors from the greatest power to the smallest or weakest state, but our simplified discussion with only two players should be easy generalizable to multiple actors.

At global level, almost all collective goods act as continuous goods, in the sense that they can be provided in different amounts—say, more or less armed conflicts in the world, rather than total war or absolute peace; more or less financial stability or economic growth; more or less dense communication networks, etc. The identification of so-called “lumpy goods”, which at a small scale require full contributions to be effective (such as, for example, the building of a bridge, which does not provide any utility if it’s not completed, as also happens with other infrastructures), is less relevant at a global scale, as a global collective good can be conceived as a set of individual goods which can be provided at different amounts (including more or less bridges, roads, etc.).

---

10 The case of environmental goods involves the determination of a threshold of provision which may prevent catastrophe, but above that minimum level some actors can still have the option to
Thus, the option of trying to provide some amount of the good unilaterally without a global institution always exists. Yet the expected benefits and costs of the alternative options vary with the type of collective good.

For network goods which produce higher benefits to each user the higher the number of users, all types of actors, whether Great powers or Small states, may be interested in cooperating and have incentives to prefer a multilateral institution to the other two alternatives. A technical solution can be the focal point on which all actors can converge. Regarding the provision of standards for communication, for example, a Great power can accept a loose institution based on equal vote and the delegation of management to a technical Secretariat because the costs of this kind of setting are going to be low and the benefits depend on how many other partners will join. Although cooperation is more likely to be initiated by larger potential partners, even a Smaller state can found an organization of this type (as happened, for instance, with the creation of the International Meteorological Organization in Belgium in the 19th century).

Although trivial, the actors’ preference orders for this type of goods are presented in Table 1, in order to facilitate comparison with the further discussion regarding other collective goods.

<table>
<thead>
<tr>
<th>Actors:</th>
<th>Great power</th>
<th>Smaller state</th>
</tr>
</thead>
<tbody>
<tr>
<td>First preference</td>
<td>Multilateral</td>
<td>Multilateral</td>
</tr>
<tr>
<td></td>
<td>Unilateral</td>
<td>Unilateral</td>
</tr>
<tr>
<td>Least preference</td>
<td>SQ</td>
<td>SQ</td>
</tr>
</tbody>
</table>

Table 1. Actors’ preferences regarding a “network” collective good

**Note:** The equilibrium outcome is highlighted.

For “competitive” collective goods with a mixture of conflicting and complementary interests, different actors have asymmetric preferences. While the Smaller states can highly value the advantages of broad cooperation, the Great powers can also expect some advantages from a multilateral institution in comparison with the Status-quo, but they can still rely more on their capacity to provide significant amounts of collective goods by themselves. The possible outcomes of this kind of interaction are either unilateral action or worldwide multilateral institution, as suggested in Table 2. A compromise on a multilateral institution can be achieved if the decision-making formulas set up a balance between the high weights and contributions of the great powers and the equal rights principle favored by the smaller states. As a consequence of the fact that the institutional setting will be a compromise between asymmetric preferences, which may not be completely satisfactory for any of the players, even if the institution is durable and choose between contributing or not, so that the amount of good provision can vary. See Taylor and Ward 1982, Barkin and Shambaugh 1999.
relatively effective internal discussion among members regarding institutional rules and periodical attempts to revise them can be one of its enduring features.

**Table 2. Actors’ preferences regarding a “competitive” collective good**

<table>
<thead>
<tr>
<th>Actors:</th>
<th>Great power</th>
<th>Smaller state</th>
</tr>
</thead>
<tbody>
<tr>
<td>First preference</td>
<td>Unilateral</td>
<td>Multilateral</td>
</tr>
<tr>
<td></td>
<td>Multilateral</td>
<td>Unilateral</td>
</tr>
<tr>
<td>Least preference</td>
<td>SQ</td>
<td>SQ</td>
</tr>
</tbody>
</table>

Note: An equilibrium outcome requires a compromise between the highlighted alternatives.

The higher the level of conflict of interests among states, the lower the benefits some of the actors can expect from a global institution and, thus, the higher the relative advantages they can try to obtain by taking unilateral action. For Great powers and large or powerful states, unilateral action for “conflict goods” such as security, for instance, can provide a significant amount of collective good—say, by setting up an organization as NATO or other regional alliances. Some great powers can also try to block each other from mutual aggression by coalescing among themselves at the exclusion of weaker states. A global institution could be able to provide a higher amount of the good, that is, for instance, fewer armed conflicts in the total of all corners of the world. But the Great powers can ponder whether the costs involved in setting up and acting under the rules of such an organization can be higher than the additional benefits they can obtain from a number of relatively weak additional partners and contributors. Regarding this type of conflict good, the Great powers may have an attractive “outside” or “exit” option, leading them to take some unilateral initiative with strong factual decision-making power.

In contrast, for Smaller states heavily deprived of resources, the capacity to provide amounts of the collective good may be very limited or insignificant—as they can be, for instance, defenseless in front of external attacks from more powerful foes. This can move them to accept a hierarchical setting in which the Great powers take the initiative, shape the rules and play a leading role. Regarding conflict goods, Smaller states may not have an exit option available and choose loyalty instead (although some of them may express their frustration by occasionally using their voice to complain).

**Table 3. Actors’ preferences regarding a “conflict” collective good**

<table>
<thead>
<tr>
<th>Actors:</th>
<th>Great power</th>
<th>Smaller state</th>
</tr>
</thead>
<tbody>
<tr>
<td>First preference</td>
<td>Unilateral</td>
<td>Multilateral</td>
</tr>
<tr>
<td></td>
<td>SQ</td>
<td>Unilateral</td>
</tr>
<tr>
<td>Least preference</td>
<td>Multilateral</td>
<td>SQ</td>
</tr>
</tbody>
</table>

13
Table 3 presents the preference orders of each player. As can be seen, if the Smaller states choose “multilateral” (their first preference on the right column), then the Great powers rather prefer “SQ” (which is higher in their preference on the left column); but then the Smaller states (again on the right column) can reject “SQ” in favor of “unilateral”, which is the Great powers’ first preference (on the left column). This can be a stable outcome because the Smaller states can accept it in order to prevent the cycle from repeating itself if they chose again their first preference, “multilateral”. In more descriptive terms, some Smaller states may try to create a multilateral institution, but the Great powers will not join (but rather stay at the unorganized status-quo) until the former will accept the rules of action unilaterally established by the latter.

As can be seen by comparing the three Tables, the Smaller states always have the same preference order, clearly favorable to multilateral institutions from which they can expect much more benefits than from their weak unilateral action, and always rejecting inaction, that is, the Status-quo, to the last position. This is, admittedly, a crude simplification, as some relatively small or deprived states may prefer to pursue their own path. But the preference for multilateral institutions is based on the relatively low availability of outside options and it is consistent with well-established correlations between country’s small size and preference for free trade and for protective military alliances. (See, for example, discussion in Alesina and Spolaore 2003).

The Great powers, in contrast, have different preference orders for each of the different types of collective good. They prefer multilateral agreements only for network collective goods whose benefits increase with the number of members, but they would prefer unilateral action based on their own powerful resources for the other types of collective good. They can accept a global, multilateral institution for competitive goods involving some significant degree of harmony or complementariness of interests, as far as the institutional rules can reflect their advantage to a sufficient extent. In contrast, for conflict goods they place at the bottom of their preferences any global multilateral agreement, as it might reduce its status-quo powerful position in the world; any agreement should give the great powers at least as much power as they can obtain by acting unilaterally.

**A formal model**

A very simple formal model can help to understand some crucial elements of this discussion and shape the framework for empirical analyses and illustrations. The basic elements are two: the types of collective good previously discussed, and the main actors involved which have been simplified as Great powers and Smaller states.

Some standard assumptions for this kind of spatial models, which have been more widely used for other subjects, are the following. The options to be chosen, that is, the SQ and the several institutional formulas, as well as the actors’ preferences over them, can be located on a single dimensional space. Along this axis, distance means disutility; every actor prefers closer options to more distant ones.
It can also be assumed that the actors—that is, the rulers, representatives, officers, experts or diplomats acting on behalf of states—have sufficient information to pay moderate negotiation and other transaction costs at the time of setting up a global institution and decide its internal rules.

**Figure 1. Collective goods and institutional rules**

![Diagram of collective goods and institutional rules](image)

**Note:** The differently shaded areas below the horizontal axis (with little balls, distant dashes or thicker and closer bars), which are displayed symmetrically around the Great power’s position, suggest viable, likely stable correlations between types of collective goods on the left side and institutional formulas on the right side.

In Figure 1, the ordinal positions of SQs and actors are the same for every collective good, but their relative distances change with the type of collective good. For all goods, the SQ positions are located on the left side of the horizontal axis. The Great power’s position is closer than the Smaller state’s position to the SQ because in the SQ the Great power can expect to be able to provide some amount of collective good by itself, thus reducing the disutility it can experience from the absence of a global institution. The Smaller state’s more distant position on the right side reflects its higher disutility with the SQ as it can be unable to provide a significant amount of collective good by itself. All the space on the left of the Great power represents Status-quo type of situations in which there is no collective action for the provision of collective goods. From the Great power’s position to the right different institutional formulas for the collective provision of global goods would find their locations. The more extreme the position on the left side the more “basic” the collective good can be, that is, the higher disutility its lack of provision can produce. For example, basic standards for time, measures, and communications would pertain to that area, as their absence could jeopardize or even make action at the global level by private actors unaffordable or the provision of other global collective goods unfeasible.

The crucial insight is given by the symmetrical intervals from SQ to Great power and from the latter to Smaller state, as represented by the two arcs of equal length. It is supposed that, for every collective good, the Great power is indifferent between the SQ on its left and an institutional arrangement for its provision located at equal distance on its right. The Great power can promote or accept a beneficial move from a SQ located on its left to an institutional organization located at shorter distance on its right.
This means that for any collective good whose SQ is on the left of the left-side arc, which include the network goods, the disutility caused by its lack of provision to the Great power is larger than the disutility implied by any position between the Great Power and the Smaller state. Accordingly, the Great power can rationally accept any institutional formula for the provision of this type of good located within the right-side arc as it will imply lower disutility than the SQ. This may include the most preferred institutional formula by the Smaller state, that is, some arrangement based on equal vote and expertise of the ‘Bureau’ type, which can reduce transaction costs and attract more partners.

For goods whose SQ position is inside the left-side arc, the Great power can rationally accept institutional settings located at less than its symmetrical distance inside the right-side arc. More specifically, for competition goods, whose lack of provision can produce significant disutility, the Great power can accept some intermediate, negotiated institutional arrangement with the Smaller state.

For conflict goods, the interval for accepting institutional arrangements shrinks, focusing on formulas closer to the Great power’s preference, like a directorate. In the limit, for a Great power whose relative disutility from the absence of a global body for security would be near zero, as the SQ would be located on the left side but just next to its preference, the only acceptable institutional formula should be located next to its preference on the right side. In other words, for an imaginary all-powerful sole Great power able to dominate the world alone, and thus expecting little benefit from a multilateral institution, only the institutionalization of its own global directorate would be acceptable. For each issue, the higher the relative power of the most powerful actors, the less they will be ready to negotiate balanced institutional arrangements with other states.

From this simple model, multiple actors could be added at intermediate positions between the Great power’s and the Smaller state’s ideal positions. This should permit more realistic representations of different configurations of relative power among multiple states on different issues and in different historical periods.

Hypotheses

The basic hypotheses to be used for empirical tests and illustrations are the following:

- **Network global goods should be expected to be provided by the Bureau type of global institution.** Goods with much homogeneity or harmony of interests all across the world, and whose provision can be represented by coordination or Stag Hunt games in which mutual cooperation is relatively easy to be achieved, can be efficiently provided by institutions based on near-universal membership of states with equal vote and significant delegation to a technical Secretariat.

- **Competitive global goods should be expected to be dealt with by the Weights and Balances type of institution.** Goods involving a mix of shared and conflict interests, which can be analyzed with the Chicken game structure of interactions in which actors can develop asymmetric degrees
of cooperation, can be more efficiently provided by complex institutional arrangements balancing the power and resources of the Great powers with the egalitarian principle favored by the Smaller states.

- **Conflict global goods should be expected to generate Great powers’ Directorates.** For goods involving highly heterogeneous and conflicting interests among states, such as those of Prisoner’s Dilemma type, some powerful actors can try to block each other from mutual defection by coalescing among themselves at the exclusion of weaker states. Broader multilateral cooperation can be developed under institutional arrangements shaped and led by the great powers in which they hold highly powerful positions to which the others can acquiesce.

**Figure 2. Examples of fitting goods and institutions**

Figure 2 suggests a few cases which can be enlightened with the model. At relatively decreasing distances from the left-side extreme, different status-quo situations implying absence of provision of different collective goods are represented, from the post to monetary stability and to security. On the right side, the corresponding global institutions, such as the Universal Postal Union (UPU), the International Monetary Fund (IMF), and the United Nations Security Council (UNSC), respectively, would find their locations at less than symmetrical distances from the Great powers’ position.

The basic prediction of the model is, thus, that for each type of collective good appropriate institutional formulas can attract broad membership, obtain endogenous support from member-states and endure. In consistence with the positive prediction, it should also be expected that institutional lack of fit between types of collective goods and institutional formulas would hinder performance and favor outside options. For instance, a typical economic collective good able to produce benefits from cooperation but also involving considerable rivalry and differences of interests among states, such as free trade, would not be delivered satisfactorily if the institutional arrangement for its provision were based on equal vote for all states, independently of their resources, intensity of preferences on the issue and contributions to the institution, and simple majority rule (as suggested in Figure 3 with the example of the World Trade Organization, which will be discussed below). These predictions would be falsified if the opposite happened, especially if there were observed good performances by institutional arrangements clashing with the correlations with types of collective goods presented above.
4. **Empirical illustrations**

The empirical focus of the present analysis lies in “intergovernmental, universal membership organizations”, which are defined as those including at least 60 countries or at least 30 if they are equitably distributed in several continents, with the diversity of membership reflected in their management structures --this excludes nongovernmental organizations, as well as federations of national organizations, intercontinental, regional, religious settings, informal networks, private/public arrangements, treaties and agreements. There are currently about 35 organizations of this type. Their basic institutional characteristics are collected in Table 4.

--- Table 4 about here

In order to assess the organizations’ performance, several indicators should be taken into account, including the breadth of their membership, their level of activity, the frequency and importance of outside deals, and the organization’s duration. Comparative observations regarding these indicators for a number of multilateral institutions are given in the following discussion. Nevertheless, more precise measurements of institutional performance should be the subject of further research. For now we have to rely on less systematic assessments.

The oldest of the currently existing global institutions is the International Telecommunication Union (ITU), firstly created in 1865 (at the time with the name of International Telegraph Union). With the mission to connect the world, the ITU initially managed the worldwide telegraph networks, and successively, the telephone, radio, satellites, and internet networks. At about the same time, the International Meteorological Organization (today WMO) emerged from the realization that weather elements move across country boundaries and that standardizing, exchanging and sharing knowledge at worldwide level is needed for weather forecasting, including for advance warnings regarding incoming natural catastrophes. Other early standards for cross-border communications and exchanges were set by the Universal Postal Union (UPU, 1874), the International Bureau for Measures and Weights

---

11 Wolfrum 2012.
(1875), and the International Meridian Conference for time zone reckoning throughout the world (1884).

More recently, the development of new technologies for transport, communication and trade has moved the states and other actors to set standards and common practices covering almost all aspects of technology and business (ISO, 1947), airspace (ICAO, 1947), navigation (IMO, 1948), and the internet (ICCAN, 1998). ¹²

Almost all these and other similar global organizations for the provision of network collective goods share basic characteristics in concord with the “Bureau” institutional model above presented. The Assembly of all members have infrequent meetings --only one every three or four years-- makes decisions by equal vote of all members and simple majority rule. The administrative Council meets only once every one to three years and just monitors and supervises the regular management by the technical Secretariat, which is characteristically formed by professionally selected experts in the field.

There are few or no votes at all in this type of institution. Decisions on standards and common procedures are mostly made on the basis of experts’ solutions, which become focal points for broad agreements. Although these institutions have considerable legal powers of action, which significantly limit in practice the sovereignty of the states, their decisions can enter into force without ratification by the states. Even if the institution itself has no administration to enforce its decisions directly or compulsory jurisdiction over inter-state disputes, states usually comply voluntarily and decisions are largely self-enforced out of national self-interest.

The global institutions in the second category mostly deal with economic and social issues, including agriculture, industry, tourism, labor, education, health, finance, trade, and development. While some of these organizations also provide standards, such as for labor or currency exchange rates, these are not self-enforcing, as some actors can have incentives for unilateral action, including, for the same examples, dumping work and devaluations.

Although most of the institutions in this part of the list in Table 4 are officially United Nations agencies, a number of them were created before the UN (as can be seen by their founding year) or (especially those dealing with finance or development affairs) act in practice with higher levels of autonomy than expected (or still desired) by UN high officers, thus allowing them to develop and enforce internal rules for decision-making that can be substantially different from those used in the central bodies of the United Nations Organization.

Most of these institutions can be associated to the “Weights and Balances” model. Both the Assembly and the Council hold more frequent meetings than those in the previous category – once every one or two years the Assembly, and every few months or up to several times a week the Council. Most of these institutions use weighted votes and qualified-majority rules in both the Assembly and the Council, as can be seen in Table 4.

Weighted votes are distributed in different ways. The veteran International Labor Organization early introduced interest representation by adopting a tripartite structure of

¹² It could also be argued that the oldest of the currently worldwide standards is the Gregorian calendar, which was set up by the Papacy in 1582.
governments, employers, and workers in its Council (tellingly called “the Governing Body”). Of the 28 government representatives, 10 have permanent seats as they are appointed by states “of chief industrial importance”.

The International Monetary Fund, the World Bank, and its related organizations IFC and IDA, work basically through Councils (called “Boards of Executive Directors”) with 24 and 25 members, respectively, of which five are appointed and the rest are elected in “constituencies” formed by coalitions of countries. Currently, three of these constituencies are also formed by a single country, while in seven more one country has an absolute majority of votes. In total, 15 countries are in fact permanent members of the Boards. The distribution of weighted votes is based on some “basic” votes, which are equally allocated to every member state, and “quotas” (periodically revised), which also express the country’s subscription of financial resources to the institution and determine the amount of financing the country can obtain. The United States’ director, which holds about 17% of votes, has factual veto power on decisions of paramount importance regarding changes of constitutional rules, as they must be approved by 85% of the votes, but most policy and allocative decisions can be made by simple majority or a qualified majority of 70%. According to the constitutional rules, the chairman of the Board must estimate the “sense of the meeting” in order to establish whether sufficient consensus exists and avoid potentially divisive voting. As reflecting recurrent pressures to renegotiate weighted and balanced institutional formulas, an impending reform initially approved in 2010 would make all members of the Council elected by constituencies. This would open the possibility for the major members to form coalitions, expectedly reducing the number of directors from European countries and increasing those from emerging economies.13

Similar formulas are used by the Multilateral Investment Guarantee Agency, which forms its Board by distinguishing between home and host members. Votes are also weighted by the country’s subscriptions to the institution’s capital. In the Fund for Agricultural Development, the Council is formed with three categories of members: developed, developing and oil producing countries. Weighted votes are distributed on the basis of equal “original” votes and votes based on paid contributions to the Fund resources, which are periodically recalculated.

Almost all the organizations in this category have a Director-General (also called President or other names) which is not only the chief of the administration apparatus, but also works closely with the Assembly and the Council and frequently participates in their meetings.

Finally, a few cases permit us to discuss the relevance of the Directorate model of global governance. Of course the paramount case is the United Nations Organization, whose Security Council includes five permanent members with veto power and other member selected by rotation among geographic groups. These rules were basically designed by the leaders of the United States, the United Kingdom and the Soviet Union in conference in Yalta in 1945, with the additions of China (at induction by the US) and France (supported by the UK), and imposed without negotiation to all the other country delegations at the inaugural conference of the UN in San Francisco a few months later. The General Assembly, which works by equal vote of all

member states, is limited to approve only “recommendations” and to address only issues not previously included in the Security Council’s agenda. Within this hierarchical institutional framework, the emergence of cooperation took a long lapse to materialize. During the Cold War period of confrontation, the greatest powers—mostly the USSR and the US—exerted a mean of about 6 vetoes per year in the Security Council; while in the following years there has been less than one veto per year. 14.

The selection of permanent members with prevailing positions for decision-making depends on which Great powers are winners and losers in the previous war or major conflict. Even if the economic or latent military relations of forces change over time, the set of dominant states in this type of institution may not change in the absence of a new big turnabout. The sustained dominance of a few Great Powers in world politics is documented in Table 5. As can be seen, the United States, the United Kingdom, Russia/Soviet Union, and France, have held permanent, blocking positions in major global institutional settings since the early 20th century.

**Table 5. Great Powers as permanent members of global organizations.**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>[United States]</td>
<td>United States</td>
<td>United States</td>
<td>United States</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>United Kingdom</td>
<td>United Kingdom</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Soviet Union</td>
<td>Soviet Union</td>
<td>Russia</td>
<td>Russia</td>
</tr>
<tr>
<td>France</td>
<td>France</td>
<td>France</td>
<td>France</td>
</tr>
<tr>
<td>Germany</td>
<td>Germany</td>
<td>Germany</td>
<td>Germany</td>
</tr>
<tr>
<td>Japan</td>
<td>Japan</td>
<td>Japan</td>
<td>Japan</td>
</tr>
<tr>
<td>Italy</td>
<td>China</td>
<td>S. Arabia</td>
<td>Canada</td>
</tr>
</tbody>
</table>

Note: In the League of Nations, the United States crucially contributed to its design, but it was never confirmed as member; Germany and the Soviet Union were further added to the Council. The World Bank (WB) and the International Monetary Fund (IMF) are included for the members of their Boards of Directors that are appointed or elected in single-country constituencies, thus securing a permanent seat.

A few cases of lack of institutional fit and relatively low performance can also support the above presented hypotheses. As an example among the institutions intended to provide competitive collective goods, the design of the World Trade Organization (WTO) appears as particularly inappropriate. The initial project of an International Trade Organization as a United Nations agency failed in the postwar as it was designed according to the UN model of a General

---

Assembly with equal vote for all state members. Only the previous General Agreement on Tariffs and Trade (GATT), greatly dominated by developed countries, and the later reply United Nations Conference on Trade and Development (UNCTAD), formed by developing countries, tried to promote commercial agreements on tariff barrier reductions. When the WTO was eventually formed as late as in 1995, it adopted an extreme institutional formula by which not only the Assembly but also the Council are composed of all member states with equal vote and working by simple majority rule. As this gives overweight to small economies with low levels of external openness, it has not been able to promote as many global treaties and agreements as expected, but has rather limited itself to act as a settlement for disputes among countries that have signed their own bilateral agreements. The Doha round of global trade talks, which started in 2001, has never completed its expected job. Meanwhile, the largest economies have chosen to develop numerous bilateral or regional trade agreements with other countries or even among themselves outside the WTO.  

A comparable underperformance can be observed in UNESCO, also a UN agency based on an Assembly of all members with equal vote and simple majority rule. Its main financial contributors, almost deprived of decision power, withdrew from the organization for long periods: the United States between 1984 and 2003, and the United Kingdom between 1985 and 1997.

Rules giving every state equal vote, just as those just mentioned, can be considered not only vulnerable to major withdraws, but also blatantly unfair. Actually a majority of states can be formed, in the limit case, with countries amounting in total less than two percent of the world population. Another majority can be formed with countries amounting an even lower share of the world gross domestic product.

Lack of fit between a country’s share of financial contributions and its voting share can also be a highly relevant factor to explain different degrees of country allegiance to global institutions. The variety of formulas for distributing financial contributions turns out, thus, to be relevant for our institutional analysis.

First, the principle of states’ “sovereign equality” which is claimed for giving each of them equal votes is not similarly applied to the distribution of financial contributions. The United Nations, for example, establishes only an equal “basic” contribution which amounts to 0.001% of the organization total budget.

Second, the “capacity to pay” principle, which is typically operationalized for the size of the country’s GDP. Accordingly, the United States contributions to all UN agencies amount over 20% of the total contributions. When this is not approximated by weighted votes and the collective decisions concern issues in which the larger states have sensitive interests, the

---

16 Stone 2011.
temptation to withdraw or at least seek alternative forums for unilateral agreements might be unavoidable.  

Finally, the “interest in the issue” principle may produce more amenable distributions on certain issues, as is the case, for example, of the civil aviation, maritime, agricultural, financial and development institutions reviewed above.

The different formulas may need to fit different voting rules for issues with different degree of inter-state conflict. Yet under the basic UN model of decision and voting rules for its agencies, the choice of criterion for distributing financial charges can be decided by equal vote and simple majority, which may make the smaller or weaker states capable of imposing more generally the “capacity to pay” norm to the Great powers and larger states.

The lack of institutional fit can also be illustrated with a few cases involving issues with high conflict of interest, like global security. The canonical example is the disastrous experience of the League of Nations. It was created at the end of the First World War in order to prevent a new violent conflict of comparable magnitude. Even though its Council included as permanent members the five Great powers of the moment, which were later enlarged with two more, it made decisions by equal vote and unanimity rule, which gave actual veto power to any member state. Out of the seven larger states, one never confirmed its membership, three withdrew and one was expelled in the path towards the Second World War.  

To much lower extent, but along comparable lines, underperformances can also be observed for settings working on the basis of equal vote and dealing with other conflict issues, such as atomic energy or international justice, which have not achieved as broad as a membership as most of the other global institutions, as can be seen in Table 4. By accurately measuring institutional performances, the model presented above could be more broadly and systematically tested in further research.

5. Conclusion

The relations between different types of global collective goods and the variety of institutional formulas used by international organizations have been discussed, hypothesized and empirically tested and illustrated. A heterogeneity/complexity relationship has been displayed. For the provision of collective goods with much homogeneity or harmony of interests all across the world, such as communication or other network goods, simple Bureau institutional formulas, typically focused on a secretariat formed by experts in the field, usually perform rather efficiently. For global collective goods with intermediate degrees of heterogeneity of interests, mostly related to economic and social issues, relatively complex institutional formulas of Weights and Balances are able to produce broad agreements. They can involve representation on

\[\text{In 1946 the United Nations Committee on Contributions calculated that on a scale of contributions exclusively based on capacity to pay, the U.S. should pay almost 50%.}\]

\[\text{Riches 1933, Walters 1952, Bendiner 1975.}\]
geographical or interest bases, weighted votes based on a country’s contributions or interest in the issue, and qualified majority rules. Finally, the provision of collective goods with highly conflicting interests among states, especially those dealing with security and related issues, tends to generate hierarchical Directorates in which the most powerful actors occupy salient institutional positions and prevail in decision-making.

This analysis should help to account for overall trends in the formation, success or decay of multilateral institutions. For instance, according to the present approach, a conventional observation regarding the evolution from predominance of unanimity to majority rules in international organizations, which is sometimes attributed to progress in democratic beliefs, must be qualified. In the light of the above analysis, an alternative explanation can be found in the fact that early global institutions were dealing with network goods on which broad consensus is relatively easy to achieve, while in the last few decades numerous global institutions have been created to deal with issues involving higher degrees of conflict of interests, which require more complex structures and non-unanimity rules.

International regimes can deal efficiently with a number of different issues as long as there is issue linkage, which in the approach presented here means that they must be mindful about providing collective goods with similar degrees of conflict. But a single worldwide institution pretending to act as a global government for all issues may be unable to produce efficient results. In contrast, specific institutional formulas for each type of issue can favor relatively efficient and stable policy- and decision-making. In turn, satisfactory outcomes can produce endogenous support, which can reflect in broad membership, high activity, little outside deals, and long duration.

For the same logic, some organizations may underperform because their institutional design may be inappropriate for the requirements of providing certain types of collective goods. In particular, institutional settings based on the capacity-to-pay principle for the distribution of financial contributions, equal vote for every state, and majority rule for decision-making, may not be actively supported by certain states if they intend to deal with issues involving significantly different interests and relatively high degrees of conflict. The most powerful states or those with high interests in the issue may prefer to act unilaterally and take outside options with a few partners.

The main conclusion of this work is that the variety of institutional formulas used by multilateral institutions is functionally related to the variety of issues and types of collective goods they are designed to deal with. Different degrees of fit between types of good and institutional formulas can explain different institutions’ performances in the fulfillment of the aims for which they have been created and exist. Efficient global governance seems, thus, not to be able to be developed with only one body or regime, like a single world government, but to require different institutions and rules to deal with different issues. The variety of rules and procedures currently used by international organizations is not necessarily an indicator of weak capacity of decision-making or of policy enforcement at the global level, but rather a mark of the extensive scope of their activities. Further research should be able to develop more systematic...
empirical analyses. Yet the findings of the above analysis should already be able to support practical advice on institutional design and reform.
Table 4. Institutional Rules of International Organizations

<table>
<thead>
<tr>
<th>Issue</th>
<th>Institution</th>
<th>Year</th>
<th>Assembly Members</th>
<th>Meeting Period</th>
<th>Vote Rule</th>
<th>Council Members</th>
<th>Meeting Period</th>
<th>Vote Rule</th>
<th>President/Secretariat</th>
<th>Selected by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom.</td>
<td>ITU</td>
<td>1965</td>
<td>193</td>
<td>4 years</td>
<td>Equal Maj</td>
<td>46</td>
<td>1 year</td>
<td>no</td>
<td>/SG Assembly</td>
<td></td>
</tr>
<tr>
<td>Weather</td>
<td>WMO</td>
<td>1873</td>
<td>191</td>
<td>4 years</td>
<td>no</td>
<td>37</td>
<td>1 year</td>
<td>no</td>
<td>P Assembly</td>
<td></td>
</tr>
<tr>
<td>Post</td>
<td>UPU</td>
<td>1864</td>
<td>192</td>
<td>4 years</td>
<td>Equal</td>
<td>40</td>
<td>1 year</td>
<td>no</td>
<td>DG Assembly</td>
<td></td>
</tr>
<tr>
<td>Measures</td>
<td>BIPM</td>
<td>1875</td>
<td>55+37</td>
<td>4 years</td>
<td>no</td>
<td>18</td>
<td>1 year</td>
<td>no</td>
<td>~</td>
<td></td>
</tr>
<tr>
<td>Standards</td>
<td>ISO</td>
<td>1947</td>
<td>162</td>
<td>1 year</td>
<td>no</td>
<td>20</td>
<td>6 months</td>
<td>no</td>
<td>/SG Council</td>
<td></td>
</tr>
<tr>
<td>Air space</td>
<td>ICAO</td>
<td>1947</td>
<td>191</td>
<td>3 years</td>
<td>Equal Maj</td>
<td>36</td>
<td>1 year</td>
<td>no</td>
<td>/SG Council</td>
<td></td>
</tr>
<tr>
<td>Navigation</td>
<td>IMO</td>
<td>1958</td>
<td>171</td>
<td>2 years</td>
<td>Equal Maj</td>
<td>40</td>
<td>1 year</td>
<td>no</td>
<td>/SG Council+Assembly</td>
<td></td>
</tr>
<tr>
<td>Internet</td>
<td>ICCAN</td>
<td>1998</td>
<td>111</td>
<td>1 year</td>
<td>no</td>
<td>16</td>
<td>1 month</td>
<td>Maj, QualM</td>
<td>O Council</td>
<td></td>
</tr>
</tbody>
</table>

| Agriculture  | FAO         | 1945 | 191              | 2 years        | Equal Maj | 49               | 5/2 years       | Equal Maj          | DG Assembly          |                      |
| Agriculture  | IFAD        | 1977 | 166              | 1 year         | Weight QualM | 18           | 3/year          | Weight QualM           | P Assembly            |                      |
| Industry     | UNIDO       | 1966 | 172              | 2 years        | Equal QualM | 53            | 1 year          | Equal QualM          | DG Asst+Council      |                      |
| Tourism      | UNWTO       | 1925 | 154              | 2 years        | Equal Maj | 31               | 6 months       | Equal Maj           | SG Assembly+Council  |                      |
| Labor        | ILO         | 1919 | 186              | 1 year         | Equal x3 QualM | 56           | 3/year          | Equal QualM          | DG Assembly           |                      |
| Intell. Prop.| WIPO        | 1986 | 186              | 6 months       | Equal Maj | 46               | 1 year         | Equal Maj           | DG Asst+Council      |                      |
| Education    | UNESCO      | 1946 | 195+8            | 2 years        | Equal Maj | 58               | 6 months       | Equal Maj           | DG Asst+Council      |                      |
| Health       | WHO         | 1907 | 194              | 1 year         | Equal QualM | 34            | 6 months       | no                   | DG Asst+Council      |                      |
| Development  | WB/IBRD     | 1945 | 188              | 1 year         | Weight Maj, QualM | 25-5p        | pmt                | Weight Maj, QualM    | P Council             |                      |
| Development  | IDA         | 1960 | 172              | 2 years        | Weight Maj, QualM | 25-5p        | pmt                | Weight Maj, QualM    | P Council             |                      |
| Finance      | IMF         | 1945 | 188              | 1 year         | Weight Maj, QualM | 24-5p        | pmt                | Weight Maj, QualM    | MD Council            |                      |
| Finance      | IFC         | 1955 | 184              | 1 year         | Weight Maj, QualM | 25-5p        | pmt                | Weight Maj, QualM    | P Council             |                      |
| Finance      | MIGA        | 1988 | 145              | 1 year         | Weight Maj | ≥12             | regular          | Weight Maj, QualM    | P Assembly            |                      |
| Finance      | BIS         | 1930 | 60               | 1 year         | Weight Maj | 21-6p           | 2 months        | Weight Maj          | GM Council            |                      |
| Trade        | WTO         | 1995 | 157              | 2 year         | Equal Maj | 157             | m/year          | Equal Maj           | DG Asst+Council      |                      |
| Economy      | EcoSoc      | 1946 | 193              | 1 year         | Equal QualM | 54            | 1 year          | Equal Maj           | P Council             |                      |

Note: Members: In Council, some members are selected by g-geography or i-issue criteria; a number of them can be p-permanent. Meeting: periodicity of regular meetings. Voting rule refers to substantive decisions, not including procedural ones (which are typically made by simple majority) or membership and change of constitution (which usually require qualified majority): Maj: Simple Majority rule; QualMaj: Qualified majority. P: President; SG: Secretary General; DG: Director General; MD: Manager Director; GM: General Manager.

Source: Author’s elaboration with data from the *Max Planck Encyclopedia of Public International Law* (2012) and the institutions’ websites, as visited in March 2013.
Institutions:

ITU: International Telecommunications Union.
WMO: World Meteorological Organization.
UPU: Universal Postal Union.
BIPM: Bureau International des Poids et Mesures.
ICAO: International Civil Aviation Organization.
IMO: International Maritime Organization.
ICANN: Internet Corporation for Assigned Names and Numbers.
FAO: Food and Agriculture Organization.
IFAD: International Fund for Agricultural Development.
ILO: International Labor Organization.
WHO: World Health Organization.
IMF: International Monetary Fund.
MIGA: Multilateral Investment Guarantee Agency.
WTO: World Trade Organization.
League: League of Nations.
IAEA: International Atomic Energy Agency.
ICJ: International Court of Justice.
ICC: International Criminal Court.
References


