

# International Organizations as Meta-Organizations: The Case of the European Union<sup>1</sup>

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*Recent advances in the sociology of organizations call for a new perspective on international organizations (IOs). Instead of drawing on the analogy with firms or bureaucracies, students of IOs should view them as associations of states or “meta-organizations.” This perspective identifies a crucial determinant of decision making and changes the relationship between the organization and its member states. The paper presents this approach and conducts a first plausibility probe for the case of the European Union (EU). The EU is a crucial case because it is widely regarded as having advanced beyond the limits of an international organization to become a full-fledged political system. Seeing the EU from a meta-organization perspective highlights the fact that the EU is afflicted with problems typical of many IOs.*

## Introduction

The end of the Cold War had a profound impact on the activity of international organizations. With the spread of the Western liberal model, cooperation in diverse issue areas, such as security, welfare, the environment, and human rights, became much more feasible. As a consequence, IOs such as NATO, the WTO, or the EU have accepted new states as members and have made more rules that have also become more intrusive. In short, international organizations have become agents of global governance.

In order to come to terms with this new reality, IR scholars are now less inclined to see IOs as mere arenas, in which state representatives act. Instead, they now conceive of IOs as autonomous actors. According to the principal-agent (PA) approach, whenever states delegate decision-making competencies to an IO, they in fact create an autonomous agent that acts according to its own self-interest and, therefore, requires monitoring by the principals, the member states (Hawkins et al. 2006). However, the PA approach does not address the question of under what conditions international organizations can be actors. A sociological perspective on international organizations, by contrast, does not assume but rather seeks to explain when and how IOs actually become actors. Some have argued that IOs should best be seen as autopoietic systems, which by definition have a minimum degree of autonomy from

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the environment. This autonomy is in turn increased by internal differentiation and increasing complexity of an IO (Koch 2009). Others stress that for IOs to become autonomous actors, they require a secretariat. Such secretariats can have a powerful influence on their environments, because they function like bureaucracies (Barnett and Finnemore 2004; Chwioroth 2010). Still others have pointed out that IOs have developed elaborate strategies to preserve their autonomy in the face of an environment putting conflicting demands on them. Drawing on neo-institutionalist organization sociology, they argue that IOs are organized hypocrisies allowing them to decouple talk and action and thus escaping decision-making deadlocks (Lipson 2007; Weaver 2008).

While an organization sociology perspective has become increasingly popular for studying IOs, it has rarely been applied to the study of the EU (but see Gehring 2002). Given that, in comparison with other IOs, the EU is one of the most influential agents of governance beyond the state, this is a rather surprising state of affairs. This lacuna is probably due to the fact that the EU is still very often seen as a structure *sui generis*. Furthermore, the EU is seen to have advanced well beyond being a mere IO, it is often seen as a polity situated somewhere between an IO and a full-fledged state. Therefore, organization theory does not seem to be relevant for the EU as a whole. For example, equating the EU with a powerful secretariat, the European Commission, would indeed simplify things a little too much.

The skepticism regarding the fruitfulness of organization sociology for studying the EU is at least partly justified. In fact, even if one accepts seeing the EU as an international organization, organization theories are of limited relevance. Classical theories of organizations have exclusively focused on organizations that have individuals as their members. By doing so, they have neglected an important category of organizations, which have members that are themselves organizations. Such meta-organizations (MO) differ fundamentally from standard forms of organization in numerous respects (Ahrne and Brunsson 2005; 2008). Most importantly: Compared to individuals (such as employees), organizations make for unruly members. This means that for MOs, being an actor is much more problematic than for standard organizations.

The purpose of this article is to make use of meta-organization theory (MOT) for analyzing the EU. The EU is an interesting case, because it offers the possibility for generalization. The basic argument of MOT is that IOs are weaker than standard forms of organization. The EU in many respects is the most highly developed IO. It is said to have become remarkably consequential for its members. Compared to other IOs, it is an effective decision maker. Due to a process of constitutionalization, the EU has a singular capacity for rule enforcement. It is thus a least likely case for MOT. If, however, the hypotheses apply, they should *a fortiori* also be relevant for other IOs, which in general are believed to be less consequential for its members than the EU.

In order to conduct a first plausibility probe, the article is going to proceed as follows. In section two, I will introduce MOT and deduce hypotheses on the possibilities and limits of action in such organizations. The following section shows these hypotheses are broadly confirmed in the case of the EU (section 3). Subsequently, I specify in which way

the contribution of MOT to the study of the EU is distinct from previous research (section 4). I conclude by discussing the implications of the EU case for MOT.

### **A Meta-Organization Perspective on International Organizations**

Organization theory seems highly relevant to the study of an organized field such as international politics. However, a closer look reveals that organization theory needs to extend its empirical range of analysis before it can become truly relevant for studying international politics. To date, organization theorists have assumed that organizations exist to coordinate individual actors and have accordingly studied organizations of this standard kind, e.g., firms, state bureaucracies, museums, universities, or schools. They have neglected organizations that coordinate not individuals but other organizations. Many (but not all) of them straddle national boundaries. For example, the members of the international sports association *Fédération Internationale de Football Association* (FIFA) are national football associations, the international business association *International Institute of Finance* (IIF) represents multinational banks, and international technical standard setters, such as the *International Organization for Standardization* (ISO), heavily rely on national standard setting bodies.

More recently, Göran Ahrne and Nils Brunsson have argued that organizations coordinating not individuals but other organizations form a new class of organizations, so-called “meta-organizations” (MO). MOs differ in a fundamental way from standard organizations (Ahrne and Brunsson 2005; 2008). Whether the membership of an organization consists of individuals or of organizations has a crucial influence on the possibility of an organization for coordinating its members. Drawing on neo-institutional sociology of the Stanford School, they assume that in modern societies both individuals and organizations are constructed as autonomous actors (Meyer and Jepperson 2000; Meyer, Drori, and Hwang 2006). As such, for both being a member of an organization is problematic, since an organization claiming to make decisions on their behalf undermines this autonomy. However, the magnitude of the challenge varies considerably for the two types of actors. Individuals that are members of organizations granting little leeway for autonomous decisions can assert their actorhood elsewhere, for example by practicing a dangerous hobby. For an organization, by contrast, a lack of autonomy is a mortal threat. Without some decision-making autonomy, it will find it hard to convince the outside world that it actually is an organization and not just a subdivision of another organization. The consequence is that MOs are characterized by perpetual conflicts over autonomy between the meta-organization and its organized members. The result is that—compared to standard forms of organizations—MOs will find it hard to be autonomous actors. Due to the fundamental conflict, their members will be reluctant to grant them the decision-making competencies and the resources necessary for collective action.

This fundamental predicament of MOs raises the question of whether they can actually be influential. To address this question, in the following, I will develop two sets of hypothesis on IO decision-making. The first set of hypotheses will show that MOs find it hard to act on their members as well as acting on behalf of their members. In the second section, I will show that while MOs are weak actors, they do have a chance of becoming influential in indirect ways.

#### *Impaired Actorhood*

Standard formal organizations can be powerful actors, because they can draw on a repertoire

of organizational elements to ensure that coordination becomes effective: decision-making, hierarchy, rulemaking, monitoring, and sanctioning (Ahrne and Brunsson 2011). However, MOs making full use of these organizational elements challenge the autonomy of its member organizations. As a consequence, MOs only draw on a reduced repertoire of organizing. Decision-making competencies will only be delegated in a narrow decision-making area. Alternatively, if there are broad competencies, we are likely to find “joint decision-making.” Rule-making is restricted. More often than not, it will be soft, not hard law. Monitoring will either be neglected or, if it does take place, it will not be acted upon. Members will refuse to be sanctioned, and that will be hard to rectify. Most importantly, the ultimate sanction—expelling a member—is not an option most of time. Expelling a member weakens the MO and, in the case it is an important member, may even challenge the identity of an MO. This is not to argue that MOs cannot draw on any of the organizational elements to ensure cooperation. However, the use of organizational elements needs to be seen in conjunction. If an MO employs one organizational element extensively, other elements may be present to a lesser extent or even absent. For example, if a MO makes rules that are binding, we are likely to find that monitoring and sanctioning is weak or absent.

The competition for autonomy does not only affect a MOs ability to coordinate its members; it also is a challenge for organizational reform. In contrast to evolutionary change, organizational reforms are best understood as attempts at deliberate change through decision making. It is generally assumed that once an organizational structure is in place, bureaucratic rigidities make reforming organizations challenging indeed (Sabel 1994). Nevertheless, in spite of these difficulties, reforms have become a common feature of organizational life (Brunsson and Olsen 1993). The reason is that organizations can resort to the entire repertoire of organizational elements to decide on and implement reforms. MOs, by contrast, cannot do so. When trying to reform, they run up against the same challenges of actorhood that burdens their routine actorhood. Thus, MOT suggests that MOs are having difficulties with organizational reform.

Overall, due to the inherent conflict of autonomy, MOs will find it hard to act on their members. Similarly, they will also find it hard to act on behalf of their members. For standard organizations, e.g., a firm, we expect the management to be responsible for the relationship with the environment. In MOs, external representation is also subject to the competition for autonomy. A MO claiming to represent its members exclusively implicitly mounts an attack on their autonomy. Since action on behalf of an organization is a crucial dimension of organizational actorhood, we can expect that member organizations will not give up their claim to represent their own members externally as well. The result is competing and unresolved claims of external representation. Furthermore, in this area we will see little effective delegation. Also, attempts of improving coordination mechanisms for external representation are likely to be undermined by the members. We would therefore predict that representation is a great challenge for any MO. Overall, MOs are weak at foreign policy.

### *Indirect Effects*

Arguing that the EU’s actorhood is reduced compared to standard forms of organization does not imply that MOs are completely inconsequential. In fact, MOT points to the fact that while MOs

have difficulties in ruling their members, decision making does have important consequences. However, decision-making effects are more indirect. Organization theory points to a number of indirect ways in which organizations influence its members. One of such indirect mechanisms is socialization. It is a common phenomenon that new members are confronted with a specific organizational culture that they need to come to terms with to become “proper members” (Hatch 2011:62–70). The same applies for new members of MOs. However, MOT also suggests that socialization has less potential to actually transform members who are not individuals but organizations. It is more likely to influence the individuals involved in representing organizations than the organization as a whole.

Decisions not only have an indirect effect, they also begin to show only after a lengthy period of time. While for MOs the challenges to decision making initially often lead to lowest common denominator decisions, there is a chance that subsequent decisions on the same matter are likely to be more stringent. Furthermore, decision making in MOs is path dependent. The reason for this is that to reverse a previous decision, it takes another decision. But such a decision faces the same challenge as all other decisions in MOs.

The indirect effects of decisions in MOs are stronger on nonmembers than on members. The longer an MO exists and the more its members become homogeneous, the more they will differentiate from states which are not members of the MO in question. As a consequence, if other states want to transact with them, this will put pressure on nonmembers to adopt similar rules and structures. Over time, decision making in MOs creates considerable externalities for nonmembers.

While the MOT has been mostly developed with respect to other empirical cases, such as business or sports associations, it is also relevant for the analysis of IOs (Ahrne, Brunsson, and Kerwer). IOs can be understood as a special type of MO, where the constituent organizations are states. States are in many ways similar to organizations. Part of the definition of states is that they are organized actors. Furthermore, they share with individuals and organizations that in modern world society, states are also constructed as autonomous actors (Meyer, Boli, Thomas, and Ramirez 1997). As a consequence, it is reasonable to expect that IOs face the same challenges as MOs and are, therefore, also relevant for an analysis of the EU.

### **A Meta-Organization Perspective on The European Union**

The conflict over actorhood characteristic of MOs has a number of far-reaching implications for our understanding of the EU. Here, I want to highlight the consequences for our understanding of how the EU produces collectively binding decisions. This can be explored in two directions. The first is looking at how the EU makes decisions for its members. In the second perspective, the question is how the EU makes decisions for nonmembers. Regarding both directions, MOT suggests the EU is a much weaker actor than hitherto acknowledged. The EU is weak at producing collectively binding decisions that make a difference. At the same time, the EU is more influential through indirect effects, both on members and nonmembers. These hypotheses are going to be explored in the subsequent sections.

#### *Acting on Members: The EU As A Regional Actor*

In the field of EU research, the EU is seen as a prime locus for political decision making. In fact, policy making in the EU in many areas is seen to be taking place primarily at the European level

(Wallace, Pollack, and Young 2010). Members participate in the process and implement the results. The EU seems to have become a rather powerful decision-maker. Not only has policy-making become a European affair in many areas, but there is also a powerful monitoring and enforcement machine. To be true, students of the EU will readily admit that its power varies across issue areas. In some areas, such as competition policy, the EU can make directly binding decisions for its members, while in others this is limited to rules that need to be implemented by member states. Nevertheless, the underlying claim of the literature is that the EU plays an ever-increasing role in decision making.

Despite the image of the EU as a powerful actor, there is ample evidence for the conflict over actorhood typical of MOs. A first indicator for the tension between MOs and its members is the formal structure of decision making. Policy making in the EU is the result of an interaction between the EU's secretariat, the European Commission and the representation of the member states, the council, which is mediated by the European Parliament. Decision making is characterized by the tension between the supranational institutions (commission, parliament) and the intergovernmental institution (council). This constellation is best described not as a situation of clear delegation and monitoring but rather as joint decision making, often leading to deadlock (Scharpf 1988).

The conflict over actorhood also shows in lower level decision-making structures. European regulatory agencies can be regarded as MOs of their own, with national agencies being their members. This has reduced the role of European agencies to a great extent (Majone 1997). A good example is the recently founded European Banking Authority, which features as its members national banking supervisory authorities. No wonder European regulatory agencies are often mere information clearinghouses and do not come close to the unique power of U.S. regulatory agencies. Arguably, a similar constellation of conflict exists between the European Court of Justice and national constitutional courts. For example, there is an unresolved conflict between the German Constitutional Court and the ECJ regarding who is the ultimate arbiter of constitutional conflicts within the EU.

The conflict over actorhood also shows in the dynamics of policy making. While the EU is often regarded as a powerful rule setter for its members, MOT suggests the conflict of actorhood imposes systematic limits on what the EU can do. EU decision making offers ample evidence for this. The EU does not often resort to "regulations" that are immediately binding for member states but mostly adopts "directives" that need to be transposed into national law before they can be enforced. What is more, in many crucial issue areas, for example social policy, the EU does not have rule-making competencies. It has, therefore, resorted to setting best-practice standards that do not entail any obligations for the member states (Eberlein and Kerwer 2004). Finally, many rule-making projects are shelved by the commission because of resistance of the member states in the council. Monitoring is mostly decentralized to national courts, in which every affected citizen can be a plaintiff against the government (Weiler 1991). Other states are less likely to complain about the implementation record, because they do not want to provoke critical reactions to their own implementation record. Sanctioning is often problematic. Sometimes sanctions are entirely lacking. There have been cases in which even after several rulings of the ECJ, a member state still does not comply with EU law (Mendrinou

1996). Finally, the ultimate sanction—expulsion from the EU—cannot be used by the EU against its members. In the case of larger member states, this would be self-defeating for it would reduce the standing of the EU as a whole. Thus, there are numerous instances that show the EU cannot function like a standard organization.

*Acting on Behalf of Members: The EU as a Global Actor*

At first sight, the EU seems to disconfirm the proposition that MOTs are weak corporate actors. While initially European integration was mostly an internal affair, over the last three decades, it has continually built up its capacity for acting on the global stage. At first, the EU became a global actor in policy areas that were increasingly integrated. After the creation of a free trade area, the European Commission was granted the exclusive right to represent the member states in international trade negotiations. With the rise of the EU environmental policy and the European Monetary Union, EU institutions acquired further rights of representing the EU at the global level. In 1970, the European Court of Justice introduced the principle that once a common EU policy has been adopted in some area, the EU acquires at least some role in external representation in this area (Bretherton and Vogler 2006). Since the end of the Cold War, the EU has re-launched the project of a common foreign and security policy. The Lisbon Treaty has introduced a common diplomatic service. After a long process, the EU finally seems to have become a formidable global actor.

A closer look at how the EU actually acts in these fields, however, confirms the hypothesis of MOT that the EU should be a weak foreign policy actor. The EU continues to be afflicted by a gap between expectations and capabilities (Hill 1993). The EU can be considered a global actor to the extent that it can exclusively represent its members. The literature on the EU's role in the world presents an abundance of evidence that the EU's actorhood is impaired, since it has not attained a monopoly of representation in most areas of activity (Bretherton and Vogler 2006; Hill and Smith 2011). Member states do not delegate decision-making powers to the European Commission or another representative but remain intimately involved in formulating the mandate. On each issue, member states need to coordinate anew, with the possibility of unilateral action always remaining as an option. Arguably, this is most visible in the case of foreign policy. For example, France decided unilaterally that the civil war in Mali required military intervention. Even in trade policy, where the European Commission represents the EU, member states are closely involved in formulating the negotiating mandate. The problems with external representation are also shown by the fact that the EU has failed to monopolize the representation of its members in important international organizations such as the UN Security Council, the UN General Assembly, the WTO, the IMF, or NATO.

The general picture of weak actorhood does not only confirm the expectation of MOT. The theory also offers a plausible explanation for it. Political science research on the EU as a global actor is inclined to blame clumsy coordination procedures on the member states. The argument is that member states' interest prevents them from embracing cooperation. If this explanation were true, we would expect to find considerable variance across different policy areas, given that interests vary across policy areas and over time. But the empirical evidence suggests there is only a minimum of substantial variance over a broad range of policy fields.

A meta-organization perspective can make sense of this. It is in the logic of competition of autonomy to relinquish as little control in this area as possible.

In addition to explaining the general picture, it can also accommodate exceptional cases. The standard explanation of weak actorhood would expect that if coordination procedures were improved, the EU's actorhood would be strengthened. However, there is evidence to the contrary. The example of the representation of the EU at the UN General Assembly (UNGA) is an instructive example in this respect (Rossi 2012). With the Lisbon Treaty, the EU not only introduced a European foreign service, it also tried to improve coordination among the member states for participating in the UNGA. The paradoxical result of this reform was not more but less coordination. Coordination all but broke down after the reform, because the UK refused to participate for fear of losing too much of its decision-making autonomy. From an MO perspective, the fact that upgrading coordination procedures actually leads to less coordination makes perfect sense. It is a feasible reaction to a possible loss of autonomy. The conflict over actorhood explains why formalizing cooperation in this field has had the paradoxical effect of undermining the EU's capacity to coordinate policies.

### *Reforming the EU*

The EU offers ample evidence for the difficulties of reforms. In the EU, major reforms are attempts at revising the underlying treaties. To be true, the EU has not been a complete failure in this respect (Moravcsik 1998). However, reforms have become exceedingly difficult in the recent two decades. Several attempts of revising the Maastricht Treaty of 1992 are generally considered to be a failure. The latest Treaty of Lisbon took twelve years to materialize. Among the most notable failures was the project of a European convention to create an EU constitution. The reason for these difficulties is easily located in the decision-making process. Treaty revisions require unanimity among all member states, which has led to the complex decision-making process of finding formulations acceptable to all (Finke et al. 2012). The MO perspective suggests this will not change: Member states are not likely to relinquish control over a decision-making process that is crucial for the scope of their future autonomy.

### *Indirect Effects of Decision Making*

The second major proposition of MOT is that it will become consequential mostly due to indirect effects of decision making. The EU clearly confirms this. There are a number of ways in which new members are being socialized into becoming proper members of the EU. However, at the same time, member states are not radically transformed after they have become members (Zürn and Checkel 2005). For example, the Eastern European member states, such as Hungary, have developed a political culture in tension with the dominant perspective in the EU.

Another indirect way in which organizations have consequences is that they lead to mutual adaptation among its members. The same is true for organized members in MOs. The result could be an informal status order among members or patterns of cooperation among them. In the EU, such mutual adaptation is a common feature. Member states of the EU, when determining their tax rates, always do so in reference to the tax rates in other member states. This has contributed as least as much to the convergence of some tax rates as direct attempts by the EU to harmonize taxes (Radaelli 1999). Another example is the competition among member states to propose their own regulatory models at the European level in order to

avoid having to adapt a regulatory model launched by another member state (Héritier, Knill, and Mingers 1996). Another example in case is the frequent consultation among members on EU matters. In the case of France and Germany, such consultations have led to important European policy initiatives in the past.

Finally, MOs also induce structural changes in their members. Given their structural disadvantages, MOs need to partially rely on their members for making decisions and implementing them. This leads to a process of structural adaptation in member organizations. In the EU, there are a number of structural changes that can be observed. In many policy fields, it has become a routine activity of the public administration to closely coordinate with European counterparties, giving rise to “administrative fusion” (Wessels 1997). The EU has promoted a trend toward regulatory agencies among its members. As European regulatory agencies are networks of national agencies, they constitute strong incentives for member states to create national counterparts. Some of these look more like enclaves of an EU administration instead of the national administration. For example, Italy’s independent antitrust authority, which has become an important ruler in competition matters, is alien to the Italian administrative tradition and seems more like an extension of the antitrust unit of the European Commission.

MOT also assumes that in MOs, decision making is not easily reversed. There is ample evidence of this for the EU. For example, it has taken a large number of treaty revisions over the last decades to achieve reforms, but once a new treaty has been achieved, it is rather difficult to undo. The present attempt of the UK to renegotiate the terms of membership runs up against these difficulties. Another example is the European Monetary Union. The sovereign debt crisis in Europe has revealed structural flaws that are very hard to remedy. Nevertheless, the end of the Euro has been a looming threat, rather than an option on the table. Instead, solutions are sought to reform the structure of the EMU itself and intensify cooperation in the framework of a European “fiscal union” and a “banking union.” For actors, it seems inconceivable of reversing the decision to create the Euro (Salines, Glöckler, and Truchlewski 2012).

Finally, MOT proposes that the indirect effects of decision making are not only relevant for members but also for nonmembers. In the case of the EU, externalities have increased with progressive EU integration. The more states in Europe become members, the higher the pressure for those remaining outside to adapt to the EU. Since they have to adapt to EU rules anyway, they have a strong incentive to join in order to get some influence over rule making. However, prospective members have to take on board the whole body of rules that applies to members and abide by general political criteria. Yet, in spite of this strong influence, the effect is still indirect, as it depends on the autonomous decisions of external members to apply for membership. The European Neighborhood Policy can be seen also as an attempt at mitigating the external effects for those states that do not have a concrete membership perspective.

Increasing EU integration has repercussions for nonmembers beyond the region. With the rise of a joint market in financial services, the EU has increasingly created a common framework for it. Given the size of the market, other actors will have to start to adapt their rules. Integration in this area has now led to a point where the U.S., which used to be the undisputed agenda setter in the field of financial markets, has had to adapt to European rules (Posner 2009). Another field in which EU decision making has extraterritorial effects is EU

environmental policy. For example, the EU now requires all airlines entering the EU to be required to buy emission rights, even if they are based in states that are not members. If such externalities have a noticeable negative impact on nonmembers, this will usually give rise to a process of negotiation. The EU will be in a better bargaining position than without such externalities. However, the conflict between the MOs and its members may also weaken the EUs advantage in the case of externalities.

### **The Meta-Organization Perspective in Comparison**

To date, numerous theoretical perspectives have been mobilized for analyzing the EU. Therefore, even if the argument is convincing that a meta-organization perspective can make sense of important characteristics of the EU, one question remains: What is the added value of this perspective compared to other competing approaches? What exactly is the contribution of MOT to the already existing repertoire of theories on the EU? In the following, I shall compare the MOT to the governance approach and to the principal-agent approach in order to assess the contribution of MOT.

#### *Governance Approach*

The governance approach is best characterized not as a consistent theory but as a research perspective focusing on the EU as a decision-making system. Most protagonists view the EU as a complex entity in which decisions are the outcome of interactions among public and private actors located at the European, national, and also subnational levels (Hix 1998; Kohler-Koch and Rittberger 2006). This research perspective is in contrast to traditional studies, which had mostly focused on the process of integration rather than the study of its operation at a given point in time.

The meta-organization perspective shares with the governance approach the basic analytical interest in decision making in a multi-level system. However, it also differs in important ways from basic assumptions shared by EU scholars. Most scholars of the governance approach assume that the EU multi-level governance system is unique (Kohler-Koch and Rittberger 2006). Other attempts at regional integration in Asia, South America, or Africa hardly seem to offer cases worthy of comparison. In this respect, the governance approach has not advanced beyond traditional integration theory. In stark contrast to this, the meta-organization perspective suggests that the EUs multi-level system is not *sui generis*. The assumption is that standard international governmental organizations and INGOs, such as international sports associations or business associations, are confronted with very similar challenges of multi-level decision making. Comparisons establishing similarities and differences, therefore, seem much more useful.

Another important difference between the governance approach and MOT is in regards to the conceptualization of the multi-level structure. MOT suggests that multi-level decision-making systems such as the EU are best understood as an “inclusive hierarchy” in which higher levels encompass lower levels. In contrast to this, most protagonists of the governance approach assume the multi-level system forms an exclusive hierarchy, with autonomous actors to be found at different levels. Admittedly, there have been notable exceptions. Fritz Scharpf advocated seeing the EU as an inclusive hierarchy in which the member states are constitutive of the decision making at the European level (Scharpf 1988). However, subsequently his

analysis seemed more adequate for understanding the “euro-sclerosis” of the 1980s than the dynamism of the 1990s (Benz and Eberlein 1999). As a consequence, an understanding of the EU as an exclusive hierarchy became more dominant. In an influential paper, Liesbeth Hooghe and Gary Marks (2003) distinguish two types of multi-level governance systems according to whether they follow the principle of territorial or of functional differentiation. The former consists of jurisdictions of different geographical scale, like in a federal state, i.e., a federal, a regional, and a local jurisdiction, with multiple competencies. The second type consists of governance units focusing on specific tasks, for example the organization of a regional transport system or the trans-boundary management of river pollution. In both types of multi-level governance, the levels are connected through overlapping membership. In the case of territorial differentiation, citizens of lower level jurisdictions (e.g., states) are also members of the respective higher level jurisdictions (e.g., the federation). In the case of functional differentiation, citizens are necessarily members in multiple jurisdictions. Yet, in spite of these overlapping memberships, they conceptualize the multi-level system as an exclusive hierarchy: At each level governance units are autonomous.

Following from the different understandings of the multi-level system, the governance approach identifies a different fundamental problem of such a system. For both types of multi-level governance they identify as a crucial problem that the different jurisdictions at various levels produce externalities for one another that give rise to coordination problems (Hooghe and Marks 2003:239). This shows that the action capacity of actors operating at various levels is assumed as given. In contrast to this, MOT identifies a different fundamental problem for IOs in general and for the EU. Whereas multi-level approaches take the action capacity of actors at multiple levels as given and problematize coordination of that action, MOT problematizes the possibility of action as such.

#### *Principal-Agent Approach*

Another approach to the analysis of the EU, with similar features to the meta-organization perspective is the principal-agent approach (Pollack 1997). Both approaches do not solely focus on international organizations but include the member states in the analytical framework. According to the PA approach, states (the principals) set up an international organization (the agent) to facilitate cooperation and perform certain tasks. Since both principals and agents are conceptualized as rational actors, principals have to control agents so as to prevent them from pursuing their own self-interest, instead of the interest of the principal. If they manage to find a solution of the control problem, international organizations come about.

In the case of the EU, long chains of delegations have already evolved (Dür and Elsig 2011). However, the PA approach differs from MOT in the understanding of the relationship between the levels. According to the PA approach, the relationship is one between autonomous actors. This is a logical implication of this approach. After all, international organizations are only agents if some transfer of decision-making competency occurs. Thus, as in the multi-level governance approach, the relationship between member states and the EU is again one of exclusive hierarchy. As a consequence, the fundamental research problem also differs. It is not how action is possible but rather how delegation is possible.

To conclude, in order to assess the possible contribution of a meta-organization perspective to the study of the EU, the best starting point is the governance approach. Both

share an interest in the dynamics of decision making in a complex, multi-level structure. At the same time, the meta-organization perspective suggests a different view on the multi-level system and identifies a different analytical lead question. This suggests that its contributions to the governance agenda are likely to be distinct.

### Conclusion

What is a possible contribution of organization sociology to the study of international organizations? The answer proposed in this paper is that recent advances in organization sociology hold considerable promise: Understanding international organizations as MOs offers a number of important insights of how international organizations work and how they make a difference. The major hypotheses of meta-organization theory also capture important features of international organizations. According to MOT, IOs are weak actors but may nevertheless have important long-term effects. In this paper, I have shown this perspective is valid even in the case of the EU, arguably the most advanced and complex of all international organizations. This is a distinct contribution to the governance approach in EU studies. According to MOT, the fundamental problem of the multi-level structure of the EU is not the coordination of autonomous governance units at multiple levels but instead the possibilities and limits of autonomous action.

Applying MOT to the EU has shown the EU is not unlike many other IO with organized membership. This insight suggests studying the EU more in a comparative perspective. For example, MOT suggests that employing all organizational elements leads to problems for decision making in MOT. To explore this hypothesis further, it could be useful to compare the EU with the World Trade Organization (WTO). Both organizations have produced a considerable amount of binding rules and both have strong enforcement mechanisms. The prediction would be that both run into great difficulties in adopting new rules. However, while the EU still takes decisions on a routine basis, the WTO is paralyzed. What explains this?

Studying the EU can also make a contribution to MOT. For some time the EU has started experimenting with variable membership. More than ever before, member states can now *de facto* pick and choose from a European policy menu, with some countries deciding to adopt the Euro and become members of the Schengen system, while others prefer not to (Holzinger and Schimmelfennig 2012). This experiment with “differentiated integration” is being conducted to overcome decision-making deadlocks among an ever numerous membership. However, the EU also points to the problems of this solution. One of the prime examples of enhanced cooperation is the EMU. After the Euro-Crisis, there is a strong need for further integration, which cuts out nonmembers even more. This is considered to be the major reason for the UK to contemplate an exit from the EU. Thus, differentiated integration risks leading to a disintegration of the EU. For MOT, this implies that just as the other organizational elements membership can be a variable as well. This is unlike traditional organizations, where membership is a clear-cut decision. It also means this is a solution to the problem of actorhood that may have considerable negative consequences.

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