

## The OECD in Search of a Role: Playing the Idea Game

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## **The Formative Years**

At some point, the first secretary general of the OECD, the Former Danish Minister of Finance, Thorkil Kristensen argued that the core of OECD's work is the continuing process of 'consultation'. Consultation comprises 'regular discussion between officials coming from capitals, regular examinations of the policies of each individual Member country, studies undertaken by expert groups on problems of special interest, [and] formal or informal recommendations to countries' (Kristensen, 1967b: 106). The overall objective of this consultation activity was – according to Thorkil Kristensen – to develop a common value system at the level of civil servants in the OECD countries that should form the basis for consensually shared definitions of problems and solutions in economic policymaking. A common worldview could be developed, according to Kristensen's philosophy, through intensive interaction on specific policy areas between the concerned parties. With the assistance of the skilled OECD employees, a common ideational base would eventually lead to increased policy coordination and the development of common political programmes for the entire OECD area.

Various interesting perspectives follow from Kristensen's OECD philosophy. Firstly, it is an early statement to the fact that retrospective analyses of the impact and role of OECD in the OECD-area cannot, and should not, be based on the organization's success with regard to producing or removing regulative frameworks. Yes, the OECD did indeed help to produce an impressive legislative body within the area of environment and nuclear safety (Long, 2000) and it did indeed play a crucial role with regard to dismantling barriers for international trade and capital flows (Henderson, 1996), but the fact is that by 1998 a count of the complete body of OECD-law only resulted in 180 acts (Ougaard, 1999)! Two-thirds of these acts (120) are so-called 'recommendations' without binding effect and only 35 are decisions with directly binding effect within the OECD member countries. The rest includes 25 'agreements' and 'declarations'. Furthermore, half of the OECD legal acts are adopted within the area of environment and nuclear security. In comparison, the EU-Council of ministers adopted 200 directly binding regulations in the year 1998 only. On top of that should be added the many directives, decisions and recommendations from the EU in general (Kommissionen for de Europæiske Fællesskaber, 1999). And 1998 was even a year characterized by low juridical activity!

Thus, it will not make much sense to evaluate the OECD on the same criteria used in relation to the EU although this is sometimes the case (Tabor, 1995: 39; Andersen & Thomsen, 1996: 394). An international organization may be important, not for what it 'does' in legalistic terms, but for what it helps other organizations do and for what it helps its own members accomplish outside. Basically, the most important characteristic of the OECD is that *no* decisions are being made:

'The OECD is important not for the decisions it makes but for the decisions it prepares ... there are very few important international economic problems which the OECD can legitimately resolve ... the OECD's committees are not mainly engaged in preparing decisions for the OECD Council. This is the most important single characteristic of the OECD. The major decisions prepared within it are inevitably formalized and carried out elsewhere: in the IMF, in GATT, in the UNCTAF, in the World Bank, or through traditional diplomatic channels' (Nelson, 1970: 159-60, emphasis in original).

Secondly, it is interesting that Kristensen's emphasis on consultation very much resonates with the prevailing theoretical approaches to European integration at the time. Throughout the 1960's an interesting body of literature developed, particularly in the journal *International Organization*, which systematically attempted to theorize processes of 'bureaucratic interpenetration', 'mutual identification', 'actor socialization', 'learning', 'norm internalization' and 'loyalty shift' (Haas, 1970; Lindberg, 1965; Nye, 1968; Puchala, 1970; Scheingold, 1970; Scheinman, 1966; Schmitter, 1970). Unfortunately the focus turned away from these aspects of European integration during the two decades that followed. This development was not specific for European integration studies, it also concerned studies of other IOs (Rochester, 1986) and international regimes (Kratochwill & Ruggie, 1986). However, in the 1990s, after the end of the cold war, renewed emphasis was put on the sociological aspects of social life within international organizations (Katzenstein, Keohane & Krasner, 1998). As the papers to this workshop amply illustrate, matters of identity, norms, ideas and the like are now at the forefront of the research agenda. The present paper should be seen in that context as well.

Thirdly, it would be interesting to study whether Kristensen's initial efforts to launch the new organization, OECD, as a forum for consultation can be said to have had consequences for the organization in the years that followed. This is exactly what we would expect from a historical institutionalist account of OECD's institutional dynamics (Pierson, 2000; Steinmo, Thelen & Longstreth, 1992). A historical institutionalist logic leads us to expect that initial choices, even innocent looking ones, may have large and enduring consequences for the organization as such. Furthermore, it leads us to expect that once an institutional path has been established, this path is very resistant to change. In other words, today we would expect to find exactly the kind of organizational logics emphasized by Kristensen some 35 years ago. This is what I would like to investigate in this paper: in which ways can the OECD still be considered to be a forum for consultation?

The short version of my argument is that we need to go beyond the point of arguing that ideas matter in the study of IOs. Rather, what we need is a discussion of the various ways in which ideas

matter. Hence, in the following I will list various ways in which the OECD is playing the idea-game. *The idea game being a question about formulating, transferring, selling, and teaching, not formal regulation, but principled or causal beliefs helping to constrain or enable certain types of social behaviour within the OECD area.*

More precisely, I will argue that the OECD, firstly, plays the role of an *ideational artist*, which formulates, tests and diffuses new policy ideas. In doing so, the OECD achieves credibility among its member states because it helps them to learn in situations in which they have gone through a painful process of unlearning.

Secondly, the OECD acts as an *ideational agent* which picks up ideas that are prevalent among the most prosperous member states. The OECD then links these ideas to department specific areas of activity and transfers the final product to other, less-centrally placed, member states. Thus, the OECD gains credibility by playing a game defined by the countries financing the organization – in this case primarily the USA.

Thirdly, the OECD may be defined as an *ideational agency* that constantly surfs around in the national political debates in order to make a good business deal. When the OECD discovers that a set of principled ideas has gained ground among the member states, it imports these ideas, operationalizes them so that they end up taking the form of causal ideas which can be resold in the member states at a high price. Credibility is gained by constantly operationalizing ideas which are already in demand among the member states and by helping member states to concretely implement diffuse ideas.

Finally, the OECD can be considered as an *ideational arbitrator* that helps national civil servants meet each other in supportive surroundings, thereby teaching them to develop their personal and technical skills, and even sometimes develop their personality and feelings of belonging. Such learning processes can take various forms – such as socialization, imitation and coercion - and the concrete meeting can be characterized by social logics as different as bargaining on the one extreme and deliberation on the other.<sup>1</sup>

In an international community characterized by an ever-increasing number of organizational forms and governance structures classical intergovernmental organizations are being exposed to harsh

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<sup>1</sup> This paper is based on research which is included in a book prepared by the author: *Dansk offentlig forvaltning og OECD's idéspil*, København: Hans Reitzels Forlag, in preparation. In the book-length volume one supplementary ideational role is being included in the analysis: the OECD as *ideational authority*. The OECD governments can exploit the OECD to authenticate contested ideas in national political debates. By lending ideational authority to state-sponsored semi-academic analyses, the OECD legitimises the policies of the member states' governments. As a result of this, the credibility of the OECD among the governments in power increases considerably whereas it, of course, diminishes among the national opposition parties. Many thanks to my skilled research assistant, stud. scient. pol Katrine Wied Christensen, who has been incredibly efficient.

competition. The services that they have traditionally produced are now being supplied by alternative organizational constellations or have been rendered superfluous by the general economic, political, and technological development, usually called globalization (Reinalda & Verbeek, 1998). However, international organizations almost never die away (Strange, 1998). Today, the OECD is in the middle of a turning point comparable to the situation in the late 1950s before OEEC was reinvented as OECD. Within the OECD, the consequences of these developments are being felt in a very concrete way: on one hand, the member states want more value for money; on the other hand, they want to cut back on their individual contributions to the common budget (Bayne, 1998). Thus, the present paper will help us to grasp the roles which the OECD plays in an increasingly competitive international environment and it will highlight some of the conditions under which the OECD – or specific departments therein – is able to play the idea game.

In order to place itself favourably, the OECD has a choice between two strategies: either to fight the competing international organizations in their own fields – this means producing their services with their techniques. Thus, what we see is that the OECD area of interest has been broadened considerably over the years. However, the OECD has not had much success in using the same regulatory, negotiating types of diplomatic techniques that other organizations apply. The failed MAI-agreement is a case that only illustrates this all too well (Tieleman, 2001). The other option has been to play the idea-game to a larger extent than it has done hitherto. Most of these ideational roles are old, but it is the argument of this paper, that the future success of the OECD will depend on whether the organization is convincingly able to play the idea game. In the following it is not the intention to falsify or verify hypotheses about the various ideational roles of the OECD. Rather, the purpose is humble in the sense that the paper can be seen as an exercise in establishing 'plausibility probes' that allows others to formulate testable hypotheses (Eckstein, 1975: 108).

### **The OECD as an Ideational Artist**

The OECD can be depicted as an enormous think tank, which continuously attracts the very best academics from its member countries and offers them considerable room of manoeuvre when inventing new ideas on old policy areas. In accordance with the fundamental principles of the ideal-typical bureaucracy, OECD employees are well-paid and independent of their home countries. As a result of this, their loyalty should be directed at the overall purpose and function of the OECD, rather than at narrow selfish considerations. This is the kind of institution Thorkil Kristensen had in mind when describing the OECD as a consultation forum (Kristensen, 1962a, 1962b, 1963, 1966, 1967a, 1967b, 1989). As a financially and politically independent body, the OECD would be able to distance itself from national controversies and dedicate itself completely to science. According to this point of view, the OECD exists in a vacuum which allows it to formulate, refine, and diffuse

new policy ideas. This it can do most effectively if it possesses a high degree of scientific authority and a reputation of political neutrality.

Various researchers have argued that the OECD actually do play this important role as ideational artist (Bjørn Johnson, 1980; Marcussen, 2000a). Right from the beginning of Kristensen's term of office as secretary general, the OECD became known as carrier of a very particular economic gospel (Sullivan, 1997: 41). Thorkil Kristensen himself summarizes the OECD-philosophy in the following way:

'One can – humbly, but not without some confidence – speak about an O.E.C.D. *philosophy* in embryo ... Here are some elements of this philosophy: to secure economic growth combined with financial stability total demand should be managed through fiscal and monetary policies so as to grow as fast as productive capacity but not faster ... Therefore, internal demand regulation should more than in the past be undertaken through flexible fiscal policies ... Present policies as always, lag behind thinking, but they are on the whole based on clearer understanding than in former times' (Kristensen, 1967b: 108-109, emphasis in original).

The number one objective of the national economy is to create favourable conditions for growth and employment. This is, according to the early OECD philosophy, best done through managing the demand side of the economy, without thereby igniting inflation. The importance attached to the relationship between inflation and growth is also clearly stated in the following citation:

'*Inflation* is not a new problem but has to be dealt with in a new context ... Obviously, *demand management* is the first requirement' (Kristensen, 1966: 4, emphasis in original).

During Thorkil Kristensen's term, an expert group was established<sup>2</sup> with the sole purpose to investigate how the conditions for growth could be created through demand management without at the same time provoking inflation. In 1969, the group concluded that:

'the key to effective fiscal policy therefore lies in appropriate discretionary action: the budget should be made more expansionary if the expected level of demand falls short of that required to meet the various objectives of economic policy. Conversely, it should be made more restrictive if, in the light of these aims, the expected pressure of demand is judged to be too high' (*OECD-Observer*, 1969: 5).

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<sup>2</sup> The expert group functioned from 1966 to 1969 and was called 'OECD's study group on Fiscal Policy' or, more informally, 'The Heller Group' after its president Walter Heller. The remaining independent experts were Cornelius Goodhart (The Netherlands), Guillaume Guindey (France), Heinz Haller (Switzerland), Jean van Houtte (Belgium), Assar Lindbeck (Sweden), Richard Sayers (GB), and Sergio Steve (Italy).

In other words, if the economy is going a bit too fast, the responsible politicians should contract their fiscal policies but if, on the contrary, the economy is going a bit too slow, they should rather steam up the motor.

The publication of the report almost coincided with the inauguration of Émile van Lennep's term of office as secretary general of the OECD. This Dutch civil servant had quite other ideas on the macro-economic area. Shortly after he had taken office, the OECD secretariat published a report entirely focusing on 'Inflation: The Present Problem' (OECD, 1970). This is where one first senses the changing winds within the OECD. The report concluded:

'the task of controlling overall demand has become increasingly more difficult ... What is needed is a *global* approach in each country, encompassing not only firm demand management ... but also intensified efforts to identify and eliminate inefficiency and waste throughout the public and private sector ... the avoidance of excess demand is certainly one of the fundamental prerequisites for success ... [but] there is still too great a tendency to think in terms of protecting production and employment regardless of costs and prices' (OECD, 1970: 8-9, emphasis in original).

Modesty with regard to public spending is taken to be important in order to avoid inflationary tendencies, but just as important is the very way in which the public sector functions. The public sector is now taken to be fundamentally rigid and politicians should start reconsider their taken for granted ideas about the causal relationship between inflation and employment. In some periods, the new secretary generals concluded, a somewhat higher level of unemployment should be accepted in order to create the conditions for low inflation. The message that 'le seul moyen de réduire le chômage, c'est de réduire l'inflation, tout en acceptant un taux de croissance assez bas' (*Économie*, 1980: 23) is from then on repeated on almost every occasion throughout the new secretary general's term of office. The shift in ideology can furthermore be traced in the country specific reviews published by the Economic Reconstruction and Development Committee (ERDC) (Marcussen, 2000a: 184-198).

It takes some years, however, before this new philosophy comes out as a whole new political programme and as a new OECD-dogma with focus on low inflation, budgetary discipline, the medium-term perspective, and structural adaptation (Johnson, 1980). It is only from 1976 onwards that the message is regularly promoted in the communications from the Council and the most attentive journalists start to talk about an ideological shift within the framework of the OECD:

'Dans des résolutions antérieures, L'OCDE déclarait (comme en 1964) qu'il convenait seulement de 'compléter' les politiques économiques de croissance par les mesures

d'adaptation de la main d'oeuvre. L'optique, aujourd'hui, est bien différente. Reste à savoir ce qu'elle deviendra dans la pratique, en France et ailleurs' (*Les Échos*, 1976).

A very detailed strategy plan is ready by 1977 when a group of independent experts<sup>3</sup> publishes the so-called McCracken report (OECD, 1977). The report clearly concluded that full employment and acceptable rates of growth 'cannot be achieved unless the inflation problem is also solved ... In our view the biggest single constraint in achieving reasonable rates of growth in the future - and the greatest barrier to a rapid return to full employment - is the increased tendency towards full inflation' (OECD, 1977: 17 & 179). In other words, the inflation problem will have to be solved if the politicians want employment and growth in the medium term. Thus, key-words in the report are 'non-accommodation' (OECD, 1977: 184-185), 'medium-term policy strategy' (ibid: 183) and 'flexibility' (OECD, 1977: 209 & 223). These conclusions were completely in line with the ideational consensus that had developed within the rank and file of the Council of Ministers, but in the world of academic researchers the report received heavy criticism. Robert Keohane (1978: 118), for instance, argued that 'they vigorously argue for pro-capitalist policies, using unexamined conservative assumptions and values to make their point. Although they do not undertake a sophisticated analysis of political and social institutions and processes, they are willing to make policy recommendations that rest on political ideology as well as on economic argument'. As a result, Keohane characterized the substance and message of the report as 'traditional theology' and 'neo-orthodoxy' (Keohane, 1978: 119). *The Economist* (1977a) for its part characterized the report under the headline 'the tightrope to growth'.

It is interesting to note, in this regard, that in parallel to the McCracken report, the Commission of the European Communities published the so-called MacDougal Report (EEC, 1977). That report contained a completely different message with regard to macro-economic strategies in a time of crisis. It was not inflation, but distribution that was the basic element of the current crisis. It was not tight fiscal policy but more monetary integration that was the solution to the problem. Finally, it was not less money that was needed, but rather more money to the EEC-budget. In other words, monetarism was not the way forward, nor was it the nationally based and uncoordinated demand management strategies – on the contrary, what really was needed was fiscal federalism according to which the EEC could undertake a much more targeted and efficient demand management.

In retrospect it is often claimed that there was no alternative to the OECD-promoted neo-liberal macroeconomic philosophy. However, it is useful to remember, firstly, that the OECD-member states actually were offered an alternative set of macro-economic ideas by the EEC Commission

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<sup>3</sup> The group was presided by Paul McCracken (USA) from November 1975 to May 1977. The other members were Guido Carli (Italy), Herbert Giersch (Germany), Attila Karaosmanoglu (Turkey), Ryutaro Komiya (Japan), Assar Lindbeck (Sweden), Robert Marjolin (France), and Robin Matthews (GB).

and, secondly, that the OECD member states did not have much experience with monetarism in practice:

'the widespread acceptance of this policy orthodoxy in the 80s was based not on empirical evidence of its effectiveness, but rather was a violent reaction against previous Keynesian and Social Democratic orthodoxies that held sway during the stretch of vigorous world economic growth in the period from the conclusion of the Second World War to the 'stagflationary' era of the mid 1970s' (Epstein & Gintis, 1995: 4).

In other words, by the late 1970s macro-economic elites were so sick and tired of demand management, that they were willing to launch any kind of policy strategy, as long as it was not Keynesian. This was what Émile van Lennep had realized and the reason why the OECD succeeded so effectively in diffusing a complete ideational package on the macro-economic area. It was also the reason why *The Economist* (1977b) reacted with the following headline, when the journal first read the MacDougall report from the EEC Commission: 'Well, why not dream'?

During the 1980s, the media started to talk about the OECD dogma in new ways:

'In the past the OECD secretariat in Paris has gained a reputation as a bastion of old-fashioned neo-Keynesianism' (*Financial Times*, 1980).

'From its founding in 1961 to the late 1970s, the OECD was referred to as the 'house that Keynes build' because of its emphasis on managing the demand for goods and services through government spending policies – a view expounded by John Maynard Keynes, the British economist. Nowadays demand-management is out of favor because of its reputedly inflationary bias, replaced by the supply-side theory ... ' (*Herald Tribune*, 1984)

'In the 1960s and 1970s the OECD focused mainly on the demand side of the economy, and on the use of macro-economic (i.e. monetary and fiscal) policies to stabilise activity over the economic cycle ... In the 1980s a concentration on demand management seemed an inadequate response to stubbornly high unemployment ... The OECD has followed the fashions of academic economics and of conservative policymaking and switched its attention to the supply side of the economy' (*The Economist*, 1988).

### **The OECD as an Ideational Agent**

The largest possible single-country contribution to the OECD finances is 25% of the entire budget. This corresponds to what the largest OECD member country – the USA – is paying each year. In

comparison, Japan is paying 24% and Germany almost 11 percent. Together these three countries pay 60% of the overall budget. This is a hard fact that the OECD secretary general cannot neglect in his dealing with the personnel, his planning of the agenda for the annual Council of Ministers and when it comes to his ordinary strategic planning. The present Canadian secretary general, Donald Johnston (1996-), entered into office at a time when the USA, for a prolonged period throughout 1995, withheld its contribution to the OECD. This effectively froze almost all OECD activities – and this could happen again! Formally, all countries in the OECD has one vote in the Council, but in reality, large member countries have the possibility, and sometimes also the will, to apply direct power to realize their country-specific wishes. As Bayne eloquently has put it, the fundamental dilemma that most IO's are in, is that their members want more for less (Bayne, 1998).

The fundamental asymmetry between rich (old members) and poor (new members) and between large contributors (particularly the USA) and the rest, continuously reminds us that the OECD is *not* (any more) a meeting place between equals. The OECD therefore plays the role as ideational agent for those member countries who are able and willing to develop new ideas. In other words, the OECD helps ideas which have developed within a purely national context to reach a 'tipping point' (Finnemore & Sikkink, 1998) in order to get to a larger group of countries. One such example of an idea which was developed in the USA and which got diffused very effectively through the OECD as ideational agent, is the so-called structural determinist globalization discourse.

Amongst academic scholars there exists a vigorous debate about the nature and consequences of globalization. At a general level it is possible to distinguish between four groups of globalization scholars along two dimensions: 'globalization' and the 'role of the state' (Weiss, 1997: 5-6; 1998: 169-70). On one dimension one can distinguish between those scholars who consider globalization to be a qualitative and quantitative new phenomenon, and those who argue that globalization is neither new, nor particular strong as an external constraint. On the other dimension we find those who are little optimistic about the capabilities of the state to pursue autonomous policy strategies, and those who draw less pessimistic conclusions about state sovereignty.

*The Field of Globalization Scholars*

*Globalization strong and new*

*Globalization weak and old*

*State sovereignty lost*

Structural determinists

Actor pessimists

*State is still sovereign*

Structural moderates

Actor optimists

Each of the cells in the table can be exemplified by a set of scholars who apparently have not got much in common apart from their specific globalization approach. Without going into any details of this globalization debate between academic scholars, it suffices to conclude, that there is *no consensus* amongst those scholars about the degree to which globalization constitutes a factor (new or old) that undermines the role of the state in policy-making processes at home and abroad.

However, it has been argued that such a consensus indeed can be found amongst national political elites (Hay, 2000; Marcussen, 2000b; Rosamond, 1999)! More concretely, national elites today, on both the right and left wing of the political scale, tend to consider globalization in the structural determinist version. That is, national politicians today are not considered to possess much political leeway, and if they undertake unpopular domestic reforms, this is not because they like to do so, but because they are forced to do so by unspecified processes of globalization. Similarly, if national politicians are promoting visions for European integration, this is not because they like to hand over their last few elements of sovereignty, but because they try to regain sovereignty in a globalized world. It is a vision of globalization that does not leave much room for visionary politics in general or traditional left-wing politics in particular. This consensus among political leaders exists despite the fact that they do *not* have a firm and consistent academic debate to support their claims. In short, modern politicians will not find consistent academic evidence for their discursive globalization strategies if they cared to look for such support.

In this section it is argued that the OECD helped to diffuse this particular globalization discourse when it was asked to do so by the US president who came to power in 1992. The US president needed an organization such as the OECD to effectively diffuse a particular third way ideology, and the OECD accepted the role as ideational agent to such an extent that the present secretary general's motto now is: 'Globalise or fossilise' (Johnston, 1999).

In order to trace the structural determinist version of the globalization discourse it suffices to go back to the mid 1980s when Al From and others started the Third Way movement in the USA with the founding of the Democratic Leadership Council (DLC) - a group of centrist and conservative Democrats. DLC defines itself as an 'idea center, catalyst, and national voice for a reform movement that is reshaping American politics by moving it beyond the old left-right debate' and it coined the term 'the third way' when preparing Bill Clinton's presidential campaign in 1992. The present president of DLC, Al From, played a prominent role in the 1992 election of president Bill Clinton and was appointed by Clinton to be his personal representative on the Democratic Platform Drafting Committee and deputy director for domestic policy for the Presidential Transition Team. In a resolution entitled *The New American Choice*, which was adopted at the DLC Convention in Cleveland, Ohio, May 1991, the groundwork for the 1992 Democratic Party platform was laid

down. In it, the first elements of the 'globalization discourse' came to the fore. In Al From's own words, the clearest, most complete articulation of the Third Way philosophy to date is *The New Progressive Declaration*, published in July 1996. Already in the subtitle of the declaration, the reader is told that the world has changed as a result of which, politics is bound to change as well: 'A Political Philosophy for the Information Age'. Furthermore, in it one reads:

'Global confusion. The end of the Cold War has weakened the domestic consensus behind vigorous U.S. global leadership, leaving us uncertain of our role in the world, torn between the impulse to lead and the temptation to turn inward. These challenges demand more new policies, they demand sweeping changes in the basic structure of government [...] As the era of big government comes to a close, we must reconstruct the progressive agenda in keeping with the organizational, political, and social imperatives of the Information Age' (p.4).

Today, the DLC is happy to take the responsibility for the fact that 'The Third Way Goes Global.'<sup>14</sup> It argues that starting with Bill Clinton's presidential campaign in 1992, Third Way thinking is reshaping progressive politics throughout the world. Therefore, Tony Blair, when leading a New Labour party back to power in 1997, is said to have been inspired by the example of Clinton and the New Democrats. Furthermore, the victory of Gerhard Schröder and the Social Democrats in Germany in 1998 is taken by the DLC to confirm the power of the think tank throughout the European Union.

However, the diffusion of ideas does not only depend on the these being taken up by a new president. They have to be launched internationally, in international fora. Once in power, Bill Clinton, in a G7 context formulated a so-called 'global growth strategy' (Putnam, 1994) that would 'involve mutually supportive policy shifts by each of the major summit actors.' The US was supposed to reduce its budgetary deficits, Japan should boost its fiscal policies, and Germany should make the Bundesbank relax monetary policy. Thus, what we are talking about here is an attempt made by Clinton to coordinate macro-economic policy strategies at a global level. We talk global coordination of individual countries' demand-management - tightening in the USA and loosening in Japan and Germany. What happened, however, was that this strategy soon ran into the sands! Both Germany - whose political leaders probably still remembered that they were caught on their wrong foot in the G7-meeting in Bonn back in 1978 (Putnam & Henning, 1989) - and Japan refused to let themselves be coordinated by the US. Finally, also Clinton himself backed away from the 'global growth strategy' because, according to Putnam (ibid), 'the Clinton administration is much less committed philosophically to international macro-economic policy coordination than was the

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<sup>14</sup>[www.dlcppi.org/ppi/3way/3wayglobal.htm](http://www.dlcppi.org/ppi/3way/3wayglobal.htm).

Carter Administration.' As a result of this, Clinton turned inwards to find solutions to immediate growth problems.

After the marked failure of the demand-side growth strategy in which global macroeconomic coordination was at the centre-stage, Clinton turned inwards to look for new strategies. Soon a so-called 'structural adaptation' strategy was launched in the G7 forum. To Clinton, the problem seemed to be rooted at the domestic level, at the supply-side of the economy, in the structural rigidities of capital and labour markets and counterproductive tax and regulatory policies.

Gradually, Putnam (ibid) argues, European leaders had come to share this diagnosis and one see the structural-determinist 'globalization discourse' take shape at an international level. Within the G7 summit framework, this supply-side growth strategy, takes the form of a 'global job strategy' which was launched in Detroit in March 12-13, 1994. On Behalf of the G7 Jobs Conference, the US Treasury Secretary Lloyd Bentsen, made the following statement:

'Let me say that we're facing tremendous change [...] We need to extract the most from change that we can. That's why it is critical that we prepare our economies, and most importantly, our people, for the challenge that awaits us in the next century [...] In our differing economies and societies, structural reforms can make our labor markets and employment systems far more adaptable to change. We need, carefully and in our own ways, to pursue policies to take down barriers, and to strengthen our markets. Actively anticipating and responding to labor market needs can help meet the challenge of change [...] The structural reforms in labor and social programs will be more successful if they are supported by sound macroeconomic policies that promote growth' (Bentsen, 1994).

Globalization is, in this particular meeting, framed as 'tremendous change' that necessitates structural reform of labour markets, the strengthening of markets and 'sound' macro-economic policies. In the follow-up meeting in Naples on July 8-10, 1994, the summit communiqué was even clearer in its structural determinist recommendations - a diffuse globalization discourse had now undertaken an almost programmatic form:

'We have gathered at a time of extraordinary change in the world economy. New forms of international inter-action are having enormous effects on the lives of our peoples and are leading to the globalization of our economies [...] How can we adapt existing institutions and build new institutions to ensure the future prosperity and security of our people? [...] We will concentrate on the following structural measures. We will: increase investment in our people [...] reduce labour rigidities which add to employment's cost or deter job creation, eliminate excessive regulations and ensure that indirect costs of employing people are reduced wherever possible [...] pursue active labour market policies [...] encourage and

promote innovation [...] promote competition, through eliminating unnecessary regulations and through removing impediments to small and medium-sized firms'<sup>5</sup>

The following year, at the Halifax G7 Summit on June 15-17, 1995, this strategy was confirmed – and this it has been in any summit communiqué since then.

One further aspect of the G7 summit in Halifax - and this is crucial for the purposes of this paper - was that the G7 communiqué resulting from this particular meeting explicitly recommended that the OECD in Paris would start consider the issue of globalization and its consequences for domestic institutional adaptation.

Within the OECD, the main strategy for the various directorates and services seems to have been to link the structural determinist version of the 'globalization discourse' with different policy issues, such as 'sound policy' (Economic Directorate), 'new public management' (Public Management Service) and 'flexible labour markets' (Directorate for Science, Technology and Industry). For illustrative purposes, attention in this paper will be directed at the Public Management Committee (PUMA) that gathers twice a year at the level of senior civil servants from the OECD member countries. Its mission is to 'provide information, analysis, assessment, and recommendation on public management; exchange good practice; and report on issues and developments.'<sup>6</sup> The Committee has existed in the present form since 1990, and it is supported by the Public Management Service, employing about 15 permanent staff and various research assistants and sub-contracted consultants.

Faced with cut-down threats the PUMA has in recent years been forced to manifest itself more directly on the general OECD scene, and the document *Governance in Transition* (OECD, 1995) is generally seen as exactly constituting an attempt of the PUMA committee and service to make a programmatic statement with a view to find a *raison d'être* (Lerdell & Sahlin-Andersson, 1997). In the foreword, the secretary general of the OECD at the time, Jean-Claude Paye, emphasized that the report should be seen as a synthesis of current and past work carried out in the Public Management Service. In the report, one finds plenty of examples of the structural-determinist version of the globalization discourse. The recipe remains the same: a set of solutions (urgent reform of the public sector) is desperately looking for a problem (globalization - here termed 'a global market place'). This bears evidence of a committee and service in search of a new role. Take these few examples:

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<sup>5</sup>[www.library.utoronto.ca/g7/summit/1994naples/communique/](http://www.library.utoronto.ca/g7/summit/1994naples/communique/).

<sup>6</sup>[www.oecd.org/puma/about/index.htm](http://www.oecd.org/puma/about/index.htm).

'increasing global interdependence, uncertainty, and accelerating change is a major challenge [...] Governments must strive to do things better, with fewer resources, and, above all, differently' (p. 7).

'An increasingly open international economy puts a premium on national competitiveness [...] Radical change is required in order to protect the very capacity to govern and deliver services' (p. 15).

'A variety of factors have come together to make reform a burning issue. Key among these [is] the development of the global market-place, which highlighted the impact of government activities on national competitiveness' (p. 19).

'The external environment of the public sector has changed dramatically. A global market-place has developed [...] The freedom of national governments to act individually is significantly restrained' (p. 21).

In the main part of the report, the solutions to the identified urgent globalization problem are identified, solutions which are identical to what one now-a-days knows under the heading 'New Public Management.' The following year, a working paper entitled *Globalization: What Challenges and Opportunities for Governments?* (OECD, 1996a) is published by the PUMA Service. Its definition of globalization is clearly structural-determinist:

'globalisation and its many manifestations mean that borders - of all sorts - are becoming increasingly difficult for governments to define, let alone maintain. In consequence, national governments are being forced to redefine their roles, responsibilities and policy relationships'

PUMA directly recommends the OECD (read *PUMA*) as an entity which can help states reorganizing and rethinking their organizational structures, procedures and cultures: 'International organizations such as the OECD - by providing both real and virtual fora for exchange - can also act as an important conduit in this process.'

By 1999, the 'globalization discourse' is complete, and safely consolidated in the PUMA context. This is exemplified by the document *Synthesis of reform Experiences in Nine OECD Countries* (OECD, 1999a). In this particular document the entire story-line behind the globalization-and-New-Public-Management link is spelled out in detail. The argument goes in two steps. In a first step, a crisis is identified; governments are overextended and unaffordable, and citizens are less and less satisfied with the services they get from their governments. A gulf between citizens' expectations and the capability of governments to meet those expectations grow larger and larger. Then, in a second step, globalization comes into the picture:

'With the onset of globalisation, decisions on roles and functions that were previously a domestic responsibility were greatly influenced by the international arena, raising concerns about sovereignty being impinged' (p. 3).

According to the report, globalization requires national public administrations to become more competitive. Competitiveness is here understood as the ability of the government to produce the demanded services, at the lowest possible price. One basic prerequisite for government managers to turn their governments into competitive organizations is, according to this logic, what is called 'strategic thinking.' 'Strategic thinking' involves 'a profound understanding of the existing realities, a clear vision and understanding of the direction of the reform, and a determination of the roles and responsibilities of those carrying out reform so that the actions taken have a good potential to lead the reform towards the stated objectives' (p. 23). In other words, 'strategic thinking' is needed to be able to implement 'strategic management,' or what we earlier called New Public Management. The argumentative chain is then brought to an end. The OECD's contribution to these profound administrative reforms is a very special and interesting one. The report itself states that:

'external bodies, such as the OECD and WTO, often influenced the direction of reform and supported it through the publication of comparative information about countries. This provided objective information to politicians and the public alike, challenged the status quo, revealed different ways of operating, and put pressure on governments to respond. *Even where a country lacked economic imperatives to reform, and had the luxury of not doing so, reputation-conscious governments, sensitive to unfavorable comparisons with others, initiated albeit moderate change*' (p.4 *my italics*)!

In other words, one secret behind the 'power of an idea' - in this case the causal link between globalization and NPM - is that it must become consensually shared among those who participate in international organizations. If a member country for some reason or another does not feel the 'irreversible pressures for reform emanating from globalization', this country will be put under considerable social pressure within the OECD to undertake public management reform. The fear of social exclusion at the level of international economic elites - the fear of not being member of the OECD organizational field - the fear of losing international legitimacy - the fear of not being part of the 'in group' apparently sometimes is enough - disregarding the actual pressures deriving from globalization - for a country to start undertaking profound organizational reforms.

A final indication that the structural-determinist version of the globalization discourse has gained ground in the PUMA framework, is the fact that it is replicated in the newly adopted PUMA-mandate for the period 2000-2004:

'As PUMA considers a new mandate and new directions in which to take its work at the outset of the 21<sup>st</sup> century, its mission can be stated in concise terms: to promote good governance [...] The growing demand for 'good governance' can be traced to many sources. In an age characterized by what is called 'globalization', countries face challenges of keeping up with an irreversible process of increasing linkages which in some cases is straining social relations [...] globalisation of economic and social policies creates a need for new capacities to exploit new opportunities' (PUMA(99)7/rev1; November 3, 1999).

A series of additional points can be made with regard to the ideational roles that international economic organizations play when it comes to diffusing the structural determinist globalization discourse. Firstly, once it has been promoted by a particularly influential source, the international economic organization takes up an idea and replicates it through its own official discourse. Not any idea has a chance to become integrated into the vocabulary of an international organization. Ideas need powerful ideational carriers to become powerful. Secondly, international economic organizations help to diffuse this idea amongst its member countries. At some point an idea reach a 'tipping point' among member countries and at that stage no-one can afford to ignore the idea if they want to remain legitimate within the international economic elite society (Finnenmore & Sikkink, 1998). After the tipping point, diffusion takes place by itself and the idea becomes consensually shared at an amazing speed. Thirdly, various departments in international economic organizations exploit the reigning idea as it fits their immediate purposes. If one department, which is otherwise close to being closed down, succeeds in making a link between the dominating idea and one of the main issues dealt with by the department, the department can count on being saved from closure, and sometimes it can even aspire to a future in relative economic prosperity. One does simply not close departments which are promoting powerful and consensually shared ideas!

### **The OECD as an Ideational Agency**

The harsh competitive environment of international organizations forces these to always be attentive to new trends and fashions amongst their member countries. In this regard, international organizations can be compared to transnational companies that are always searching for new products, new customers and new markets. The point is that international organizations like the OECD should not only be considered as an ideational artist that incessantly invents new ideas and afterwards creates a demand for these in the member countries. Nor is it fully satisfying to only consider the OECD as an ideational agent that strives at satisfying the most powerful member countries by helping to diffuse their national ideas. In some cases it is more accurate to describe the idea game as being one in which the OECD acts as a grocery or agency that provides its customers with the kind of products, which happen to be in general demand. This perspective is very different

from the two other perspectives, first of all because the OECD is not considered to be only an ideational supplier that exists in a political vacuum, which is the case in the ideational artist perspective. Secondly, because the OECD is not only uncritically transferring big-country ideas to small country contexts, which seems to be the case in the ideational agent perspective. In the ideational agency perspective, OECD is scanning the entire OECD territory in order to better grasp the political atmosphere in the respective countries. This is done with a view to diffuse ideas that easily fit into the local contexts. By studying the OECD as an ideational agency, one may better understand why international organizations so rarely die away (Strange, 1998). Each time an IO confronts a new crisis, it is able to reinvent itself in a new form that fits well to the political context. The same goes for the OECD when it plays the role as ideational agency. Why should anybody wish to strangle an IO that provides exactly the kinds of goods and discourses that are in immediate demand in the member countries? Survival is thus a question about nursing the dominant myths in the organizational context (Brunsson & Olsen, 1993; Meyer & Rowan, 1991).

A case that illustrates the point concerns the ways in which the PUMA service managed to follow up on an international trend concerning ethical standards in public administration and consequently operationalized a conceptual framework that made fuzzy ideas very applicable in the member countries.

The field of public administration was not part of the initial areas of interest of the OECD. Thus, the hitherto most detailed study of the OECD as an 'information transforming system' does not mention public administration with one word (Sjöstedt, 1973, see also Aubrey, 1967; Ohlin, 1968)! As already mentioned, it was not until 1990 that the Public Management Service was tentatively founded and it was only a few years after – with the coming to power of the new Clinton administration in 1992 – that the unit could rely on its status as 'service' on the organization chart. Clinton (or more exactly his vice-president Al Gore) wanted to 'reinvent government'. PUMA was then able to deliver the good by operationalizing New Public Management within the OECD area (Lerdell & Sahlin-Andersson, 1997; Olsen & Peters, 1996: 13; Peters, 1997).

However, as stated previously, as an organizational entity the PUMA service is extremely small. Presently it only employs 15-20 full-time administrators who cover all areas related to the field of public administration. These persons are also required to take on all kinds of administrative and practical duties, which leave very little time to 'invent' new ideas. Ironically the service itself suffers from NPM in the sense that it is always required to streamline its own procedures and organization. Under these circumstances, the PUMA service is still fighting for its existence and there does not exist much room of manoeuvre for failed experiments. The spare resources will have to be invested

in safe projects that immediately pay off in terms of legitimacy among the member countries and within the OECD hierarchy.

Ethics in public administration came on the OECD agenda in 1995-1996. In parallel to this, the Council of Europe, the World Bank, the Organization of African States and the UN published a long series of reports on corruption in the public sector. The successful reception of this material in the member countries convinced PUMA that ethics is worthwhile dealing with in the first place. The unit had to act fast in order to establish itself as a central player in the policy game. Externally it competed with the abovementioned international organizations, internally it competed with the Directorate for Financial, Fiscal and Enterprise Affairs, which backs up a working group dealing with corruption amongst civil servants under the wings of The Committee on International Investment and Multinational Enterprises (CIME) (OECD, 1997b). However, PUMA did what others haven't been able to do so far – it operationalized a concept of ethics, which appealed to all OECD members and which could be applied directly within the member countries.

The point of departure for PUMA's work was that different public administrations are based on different value-systems. This means that a unique and inflexible concept of ethical public administration would not fit everybody, as a result of which such a concept is likely to fail. Consequently, it must be possible to link the new ethical concept to the existing national value systems. In other words, whatever PUMA comes up with in terms of new concepts, these will inevitably be 'translated' (Czarniawska & Joerges, 1996) or 'edited' (Sahlin-Andersson, 1996) into a specific national constellation of norms, rules and procedures.

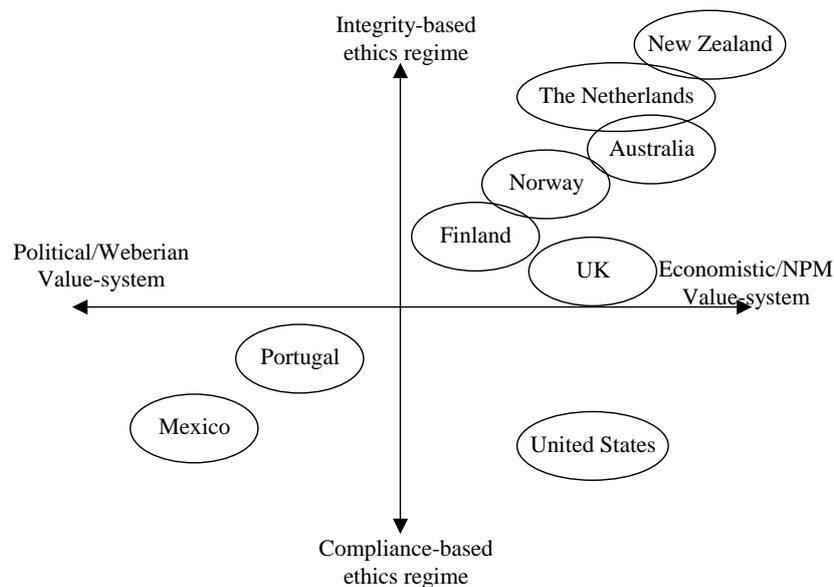
The argument raised by PUMA was that national public administrations today are confronted with challenges from undefined processes of globalization which are unforeseen and which require immediate action. At the same time, the populations have lost confidence in their national bureaucracies because these are unable to deliver the right type of services and because they are not acting on the basis of appropriate moral standards. Therefore, according to PUMA, an ethical infrastructure was needed that, on one hand, could actually be implemented despite of globalization and, on the other, would be an answer to the worries of the large public. The ethical infrastructure consists of eight or nine principles that can be applied selectively according to the kind of practices and routines that are already prevalent in the national public administrations (Bertók, 2000a, 2000b, 2000c). Depending on the way one chooses to combine the ethical principles, various sets of ethical regimes result from this. A rough distinction is made between an economic value system and a political value system (Marcussen & Zølner, 2001).

An economic value system is praising economic effectiveness as a result of which civil servants are expected to produce the correct kind of services in the best of qualities to the lowest possible

price. The public administration is expected to offer the kinds of services which are in general demand and employment of a new civil servant will be conditioned on whether this person will be able to add to the cost-effective production of services. This differs considerably from the political value system, in which regularity, simplicity, openness and equal treatment are praised principles. New candidates are employed on the basis of merit and they are expected to treat all citizens according to similar and comparable criteria. Loyalty towards to wordings of the law is what counts for the individual civil servant.

According to PUMA these two value systems form a continuum on which the public administrations within the OECD area can be placed. If a national bureaucratic system places itself closer to the economic side of the continuum, the OECD is able to offer a set of ethical principles that forms a so-called integrity-based ethics regime in which individual discretion and flexibility is highlighted. If, on the other hand, the member states place themselves closer to the political side of the value continuum, the OECD offers a compliance-based ethics regime in which the enforceability of laws is enhanced.

*OECD's ethical infrastructure*



Source: adapted from OECD (1996b: 61).

The point in all this is that the OECD - with the development of an ethical infrastructure - has placed itself centrally in the global debate about ethics in public administration and that the OECD has produced a conceptual apparatus to which nobody can effectively be opposed. The ethical infrastructure is operational and everybody can apply it as they wish. This is the central element in the ideational agency perspective. According to the ideational agency perspective, the OECD will agree to diffuse whatever idea one could come up with, as long as there is a general demand for the

idea in the member countries. The ethical infrastructure was, as mentioned, already developed in 1996 (OECD, 1996b) and it has been developed and consolidated with surveys (OECD, 1997a, 1998a, 2000a) and finally reported to the Council of Ministers in 2000 (OECD, 2000b). PUMA achieved exactly what it wanted and needed: Political and financial support to continue working in the area.

### **The OECD as an Ideational Arbitrator**

The OECD itself estimates that on an annual basis some 40.000 civil servants enter the meeting rooms of Château de la Muette in Paris. The set-up of a meeting, of course, differs a lot from context to context. On one extreme, some meetings can be characterized as hard-nosed negotiation fora in which the success-criteria for the participants easily can be deducted from a comparison of their national mandates with the final negotiation compromise (Putnam, 1988). On the other extreme a large group of meetings can be characterized by a deliberative social logic in which the participating civil servants do not possess a clear mandate and do not even really grasp what role he/she ought to play, what the problem is, and what possible solutions to these problems might be. Through deliberation, however, the civil servant in question is slowly learning more about these matters (Risse, 2000).

Between these two extremes, a variety of different social logics may characterize the various meetings. On some occasions, an issue is being politicized, as a result of which an element of bargaining and negotiation is injected into the room. On other occasions, the sessions become increasingly routinized, as a result of which a set of norms of appropriateness will start regulating social behaviour.

Whether we speak about one or the other kind of social logic, all meetings may be characterized as learning processes (Checkel, 2001). Learning is the process that takes place when individuals or social groups permanently change behaviour as a result of an experience (Hedberg, 1981). Learning can take various forms. Simple learning concerns the situation in which an individual or group change behaviour in a concrete situation of choice. Complex learning concerns a fundamental change in the norms, values and world views of the individual or social group. The difference is crucial because simple learning probably takes place on a day-to-day basis, whereas complex learning only rarely takes place. Deep-rooted identity structures do not change from day to day and only if existing cognitive structures are thoroughly undermined (Marcussen & Roscher, 2000; Marcussen, 2000c). In this context I shall only deal with three related learning dynamics which all seem to be relevant in an analysis of OECD in the idea-game – socialization, imitation and coercion (DiMaggio & Powell, 1983).

Socialization can be defined as internalization of norms as a result of interaction with other people. OECD has on a very early stage been characterized as a 'talking club' in which the participants went through a process of simple learning:

'Meetings ... also provide informal contacts in the corridors and over meals and serve as two-way channels of communication. They afford opportunities for testing the climate for some future policy alternatives, entirely off the record and with even less publicity than that usually accorded to consultative meetings in a 'talking shop' (Aubrey, 1967: 29).

Aubrey speaks about the 'mutual education', the 'important formative role', and the 'mutual appreciation and trust' that result from the many direct confrontations between national civil servants in the many OECD fora (Ibid: 143-145). Today, such a description of simple learning processes apparently still holds strong:

'often, there is no formal agreement, but officials return to their capitals with an enhanced understanding of their colleagues' thinking and with ideas that will find their way into national legislation or regulations. An innocent-sounding device, but the fact is that OECD committees do serve as a crucible for its members' future actions. In the relative privacy of the Organization's committee rooms, tough issues can be 'pre-negotiated', advanced ideas floated, difficulties ironed out. In the corridors and coffee bars between sessions, officials with similar interests but very different backgrounds meet, argue, forge friendships' (Sullivan, 1997: 98).

But there are testimonies to the fact that socialization eventually results in complex learning processes as well. This is well known in a European context. Margaret Thatcher, for instance, regularly complained that her ministers and civil servants 'were going native in Europe' (Thatcher, 1993). A detailed study of the OECD has been undertaken by Sjöstedt (1973: 322-323) who emphasized that through socialization processes, national civil servants, first of all, develop a common language so that they are able to communicate effectively, they start to employ the same technical instruments and tools when analyzing problems of common concern, and they start using the same kind of causal reasoning when discussing these issues. Secondly, the national civil servants develop a common selective perception of the world and they start to employ a common frame of reference and a common worldview. The latter helps them to define what can be considered as a relevant problem in the first place and which instruments can legitimately be employed to solve this problem.

Imitation is another type of learning mechanism that does not necessarily involve direct contact between social actors. Imitation is triggered by dissatisfaction (Hirschman, 1970) or the discovery of

new possibilities. Various factors make transborder imitation much more likely today than earlier (Dolowitz & Marsh, 2000). The global civil society, the many information producing international organizations and new technologies make information available to everybody at all times. The problem is not to get information about what is going on elsewhere, but rather to detect the most relevant information.

Interviews with 35 civil servants in the Danish central administration, the Economic Directorate and the PUMA Service confirm that imitation is indeed taking place within the OECD framework. More concretely, two streams of ideas are being identified as important and regular: one going from North to South within the OECD area; and a second going from the Anglo-Saxon group of the OECD member countries to all the rest.

An early example of this can be found within the area of research policy (Finnemore, 1991: 103-163, Mörth 1997; Sjöstedt, 1973: 164-178) in which the OECD helped to diffuse practices from the USA and Great Britain to the other OECD-member countries. When OECD convened the first ministerial Council on the area in 1963, only four of the participating countries had ministries of research. Five years after all of these countries had one.

A second example of imitation in which the OECD played a considerable role can be found within the area of environment (Long, 2000; Sjöstedt, 1973: 149-163). By the end 60's, USA, Great Britain, Sweden and the Netherlands were the lead countries in that domain, and the OECD managed to convene experts from these countries in order to develop a policy in the field. In the years that followed more working groups were established and the OECD created its own Directorate of Environment in 1970. In the few years hereafter the number of formal ministries of environment exploded in the OECD member countries.

Other examples have been mentioned in earlier sections of this paper. In the 70's and 80's OECD helped to diffuse German stability-oriented principles within the area of macro-economic policy-making and in the 80's and 90's OECD helped to diffuse Anglo-American public management principles.

Coercion is a final learning mechanism that can take on a very direct form if the OECD is able to punish non-compliance. This rarely happens, however. As mentioned earlier, the core of OECD's strategy in the idea game is not to produce formal laws that can be sanctioned directly. It has only done so to a very limited degree, and sometimes these few attempts to make common legal standards even lead to disastrous failure (Tieleman, 2001).

Thus, OECD is much better in indirectly coercing member states into acting appropriately according to a set of moral criteria that sometimes are enforced through powerful and regular peer-review processes.

Some of the many publications produced by the OECD secretariat can actually best be understood as constituting criteria for correct and moral behaviour. Take publications such as 'A Caring World' and 'The Battle Against Exclusion' about global social policy, 'Transition to Responsible Fisheries' about future fishery policies, 'The Digital Divide: Bridging the Learning Gap' about education policy, 'Preparing Youth for the 21st Century' about labour market policy, 'Automotive Fuels for the Future' about energy policy, 'Trust in Government' and 'Fighting Bribery and Corruption' about public administration, and 'Towards Sustainable Development' about the integration of environmental and economic issues. These are reports that cannot possibly be contested by anybody. Per definition they exposit the 'correct' and 'good' opinion about a complex of problems. These types of reports consolidate what is at any point of time considered to be politically correct behaviour and they indirectly help to coerce member states to promote a certain legitimate discourse and sometimes even a certain concrete behaviour.

Another category of reports has a peer-review process attached to it. Examples are many, but the best know reports are 'OECD Economic Outlook' and 'OECD Employment Outlook', that allows all member countries to evaluate the efforts that the individual countries have undertaken within a certain area of interest. Although the member countries cannot be formally sanctioned for not respecting the bench-mark criteria for 'responsible' behaviour, these peer-review processes are extremely powerful mechanisms because they warn the individual member countries that they run the risk of social exclusion from the good company. Another example is the annual 'OECD Economic Review' that specifically focuses on single countries, and sometimes can be very critical in that regard. Most recently Germany, France and Italy have had a hard time because these countries were publicly criticized for cheating with the convergence criteria in the run up to the third stage of EMU.

In describing that mechanism, Aubrey (1967: 39) wrote about 'Moral suasion' and 'collective pressure':

'Participation by high-level national officials who have significant responsibility for the formation of policy in their own countries [is] a vital condition for the success of efforts that depend on the exchange of information, better understanding, and influence by 'moral suasion' or collective pressure. The annual confrontation of each country's policies in the OECD's Economic and Development Review Committee supplements this work'.

Unsurprisingly, Aubrey concluded that this indirect coercive learning mechanism is most effective in regard to the laggards among the OECD countries:

'In short, the work of the OECD has exercised a significant if intangible, influence through a number of channels from the Paris meetings back to the capitals. Confrontation, critical review, and 'appeals to conscience can have a powerful effects in bringing the laggards along in a collective endeavour' (Aubrey, 1967: 113).

Today, these mechanism are reported to still be going strong:

'A complex process called 'peer pressure' occurs. Subtly but powerfully, ideas and standards advocated by a majority of committee members gain the agreement of all or nearly all and are shaped to account for the views of dissenters. No country likes to feel itself on an entirely different wave-length from all its partners. Ultimately peer pressure makes international co-operation among 29 countries possible' (Sullivan, 1997: 99).

Sometimes indirect coercion can take the form of strategic self-regulation (Schimmelfennig, 2000). Within PUMA, a small entity called SIGMA ('Support for Improvement in Governance and Management in Central and Eastern European Countries') cooperates with the European Commission in order to establish a set of criteria that the CEEC's will have to fulfil in order to become members of the EU (OECD, 1997c, 1998b, 1999b). The expectation is that these countries' spokespersons would, strategically, employ a long series of techniques to convince the West that the countries in question are actually fulfilling the criteria and therefore ought to become members of the Western in-group. The effect of such mechanisms based on conditionality principles is direct and efficient, but not necessarily conducive for creating an atmosphere of trust and mutual legitimacy (Goetz & Philip, 2000).

## **Conclusions**

On the basis of the discussion above, two kinds of plausibility probes will be formulated. One set of probes concerns the idea-game in general. Another set concerns the ideational roles of the OECD in particular.

It seems to me that the idea-game can be considered as a game in which strategically thinking actors are considering how to make their moves while they are playing with adversaries. Ideas are not being diffused by themselves – somebody actually lets some ideas rather than others become powerful (Risse-Kappen, 1994; Czarniawska & Joerges, 1996: 23; Kowert & Legro, 1996: 490). An actor-centred approach (Checkel, 2001) identifies the ideational entrepreneurs that formulate (ideational artist), transfer (ideational agent), sell (ideational agency), and teach (ideational arbitrator) ideas in the idea-game. A first plausibility probe therefore can be formulated in the

following way: 'ideational entrepreneurs act according to a logic of consequentiality' (March & Olsen, 1984).

It also seems to me that intended strategic action in the idea game does not exclude that other social logics are at stake as well. Not all possible ideas can be formulated, transferred, sold or taught, and not all ideational entrepreneurs can or will formulate, transfer, sell or teach ideas. Apart from identifying ideational entrepreneurs, an actor-centred approach also theorizes the conditions under which it is actually possible to successfully play the idea-game. A second plausibility probe can therefore be formulated in the following way: 'ideas are most likely to be successfully formulated, transferred, sold and taught when (i) there is an obvious demand for new ideas (critical juncture, ideational vacuum, formative moment, window of opportunity etc), (ii) when somebody is willing and able to supply new ideas (for instance international organizations), and (iii) when there are effective institutionalisation mechanisms which consolidate and protect new ideas in the form of formal procedures, rules and organizations (Marcussen, 2000a).

This leads to the question about whether the OECD is playing the idea-game or, formulated differently, whether Thorkil Kristensen's initial strategy to form the OECD as a so-called consultation forum has had any enduring consequences for the way in which we can analyse the role of the OECD in general. This paper illustrates that it indeed is possible to find examples of and hints to the fact that the OECD is playing various roles in the idea game. These roles do not mutually exclude each other, nor do they exclude that the OECD play additional ideational roles that are not being discussed in this paper. The third plausibility probe can therefore be formulated in the following way: 'the initial ideational roles defined in the formative years of the OECD have indeed had enduring consequences for the OECD and the way it works in the international community'.

Finally, it has been illustrated that the OECD cannot take its existence for granted, although historically it has always found a way out of its problems. The OECD is currently in search of a role because competition from alternative international organizations is becoming tough in the information society. The OECD can choose to compete with other international organizations on their domains – that is, it can start supplement the idea-game with a 'real law-game', or it can chose to play the idea-game even better in the future than it has done so far. A series of new ideas are waiting to get diffused, and a series of new prospective member countries, particularly amongst the CEEC's, are in great demand of ideas. The plausibility probe that will be established here is based on the before-mentioned path-dependent logic: 'even if the OECD wanted to escape from its ideational roles, this is impossible. The identity of the OECD is in the idea-game, and its only choice in the search for a new role is to develop the rules of the idea-game even further'.



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