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How do Public and Private Authority Differ from Public and Private Power as Mechanisms of Global Governance?

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Authority and power in global governance are closely related: what seemingly separates the two is the legitimacy of claims of authority. However, when power extends beyond the narrow realist framework and works through social constitution, the differences between authority and these institutionalised expressions of power are far from clear-cut, as the process of legitimation may originate from trust and/or coercion. This essay will begin with an articulation of authority, and the role of legitimacy in acquiring authority. Next it will define power, moving away from realist conceptions to other social relations through which power manifests. The essay will analyse how these different conceptions of power translate to authority once legitimacy is established. Finally, it will conclude with an examination of market authority as an illustration of interconnectedness of authority and power.

When power is exercised “within a structure of legitimate relations... the two concepts of power and legitimacy come together in the idea of authority”. (Hall 2007: 324) Weber asserts that authority implies “the normative belief by an actor that a rule or institution ought to be obeyed (Hall 2007: 323). Authority is also relational in that it rests on intersubjective public beliefs: it requires both the public recognition by, and the consent of, those governed by that authority. Different forms of authority “import some general claim on human trust into a social relationship in order to introduce an additional pressure of conformity beyond that which the relationship itself can exert...if obedience is the counterpart of power, trust is the counterpart of authority” (Hall and Biersteker 2007: 330) Barnett and Finnemore speak of authority as a social construction which does not exist apart from the social relations that constitute and legitimate it. Authority provides the social form and behavioural vocabulary of actors (Barnett and Finnemore 2004: 20). In reference to international organisations, they write that to be authoritative, these bureaucracies must be seen to serve some valued and legitimate social purpose, and must be able to present themselves as impersonal and neutral—not as exercising power but instead serving others—even though in reality, neutrality is impossible and IOs always serve some social purpose or set of cultural values (Barnett and Finnemore 2004: 21).

Because legitimacy lies at the fulcrum between authority and power, it warrants deeper examination. Having legitimacy means that there is some form of normative, un-coerced consent or recognition of authority on the part of the governed, even if legitimation started with coercion. According to Weber, people’s beliefs about legitimacy determine the resulting structure of their political institutions and the social orders built thereupon. The forms of legitimacy come largely from norms, which for Weber are “rules of conduct towards which actors orient their behavior... [while]...the essence of authority is a relationship between two or more actors in which the commands of certain actors are treated as binding on others” (Hall 2007: 325). In such a way, Weber is interested specifically in the constitution of that authority, and the consequences of the resulting structure of intersubjective public belief that constitutes the authority. Buchanan and Keohane provide a procedural definition of “legitimacy.” Applied to global governance institutions, the authors place legitimacy on a middle ground between state consent (international legality), and the view that legitimacy requires the same democratic and moral standards that are applied to states (Buchanan and Keohane 2006: 406). Global governance institutions, such as WTO, IMF, UN Security Council, and so on, are similar to governments in that they issue rules and publicly attach significant consequences to compliance

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or failure to comply with them—and claim the authority to do so. Importantly, if an institution is deemed legitimate, it focuses critical discourse by signalling that the appropriate objective is to *reform* it, rather than to *reject* it outright (Buchanan and Keohane 2006: 407). Legitimacy helps various actors coordinate their support for particular institutions by appealing to their common capacity to be moved by moral reasons, versus purely strategic or self-interested reasons (Buchanan and Keohane 2006: 409-411).

Although Buchanan and Keohane limit their analysis to institutions, their standard for legitimacy nonetheless is applicable to any actor in global governance that is accorded authority. In particular, the three substantive criteria have intuitive appeal. First, the standard of legitimacy should require minimal moral acceptability, which does imply some degree of democratic agreement. At the very least, the actor must not persist in committing serious injustices. If it does, it is not entitled to our support. The standard of legitimacy should also accommodate for and encourage the development of more demanding requirements of justice. Second, the legitimacy of an actor depends on the actor's comparative benefits. Legitimacy can be called into question if there is an alternative, providing greater benefits, that is feasible, accessible without excessive transition costs, and meets the minimal moral acceptability criterion. Finally, if there is egregious disparity between an actor's actual performance, and its self-proclaimed procedures or major goals, its legitimacy can be re-evaluated. The more of these principles an actor satisfies, and the higher the degree to which it satisfies them, the stronger its claim to legitimacy in global governance (Buchanan and Keohane 2006: 419-424).

At the other end of the fulcrum lies power. Barnett and Duvall characterise power as the production, in and through social relations, of effects that shape the capacities of actors to determine their circumstances and fate. The authors criticise existing international relations literature on power for its primary attachment to realism, namely how one state uses its material resources to compel another state to do something it does not want to do. Meanwhile, in steering away from realism, both neoliberals and constructivists have neglected to develop how power is conceptualised within their own frameworks. Barnett and Duvall's definition, on the other hand, entails in two dimensions: 1) the kinds of social relations through which power works in relations of interaction or in social relations of constitution; 2) the specificity of social relations through which effects on actors' capacities are produced. These two dimensions generate a four-fold taxonomy of power: compulsory, institutional, structural, and productive (Barnett and Duvall 2005: 48).

Compulsory power, beyond the realist conception of using material resources to influence another party, also entails normative resources. In such a way, power can translate to authority. Transnational activists, civil society and NGOs use tools and shaming tactics to make states and multinational corporations comply with the values and norms that they advance. This can be effective only to the extent that these activists have legitimacy—hence moral authority. Less powerful members of the UN Security Council are able to leverage off of legal norms to constrain the actions of the powerful, and international organisations use their expert, moral, delegated, and rational-legal *authority* as a resource to compel states and nonstates to alter their behaviour (Barnett and Duvall 2005: 50). In the case of international organisations, authority *confers* power: the IOs embody authority, and in turn utilise their power to effect change.

Whereas compulsory power entails the direct control of one actor over another, institutional power is the ability to control others in indirect ways. Formal and informal institutions allow one party to work through rules and procedures that define those institutions, and guide and constrain the actions and conditions of socially distant others. Spatially, one actor can influence others through institutional arrangements, such as decisional rules, lines of responsibility, divisions of labour, and structures of dispersed dependence, hence power works through socially extended, institutionally diffuse relations. Temporally, institutions can have ongoing and unintended effects at a later point (Barnett and Duvall 2005: 51). A consideration of institutional power exposes the governing biases of institutions, in that they create winners and losers to the extent that the ability to use the institution and collective rewards are unevenly distributed. Furthermore, great powers have the ability to establish international institutions and arrangements to further or preserve their positions of advantage into the future, even as they do not directly or fully control these arrangements (Barnett and Duvall 2005: 58). However, institutional power also appears moot if the institution is not deemed legitimate at least to some extent. Here, fairness, or the perception thereof, becomes crucial in lending fundamental legitimacy to institutions. As Ethan Kapstein argues, when a powerful state act in ways that

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others view as being unfair, the “moral authority” or “soft power” of the actor is diminished, undermining its influence even over friends and allies (Kapstein 2005: 82). Considerations of fairness have influenced many of the institutional arrangements that now govern international transactions. Powerful actors will advance particular definitions of fairness and make concessions in order to protect their own conception of what constitutes an equitable and legitimate social arrangement; fairness therefore contributes directly to the maintenance of the status quo regime (Kapstein 2005: 88). Insofar that an institution is deemed legitimate, the institution can then shape the strategic environment of actors by setting the rules to bargaining, affecting policy bias, and mobilising power. Legitimate institutions also enhance policy credibility over time, such as when national governments lack a convincing track record of stable economic policy, they often opt for institutional choice, for instance by acceding to regional and global institutions (EU or WTO). (Kahler and Lake 2003: 25). But in order for an institutional arrangement to work effectively—to have power—it must establish legitimacy and authority from the perspective of other actors.

Structural power concerns the constitution of subjects’ capacities in direct structural relation to one another. The focus shifts away from particular actors that control others directly or indirectly, to social relations of constitution. In addition to co-constitution, social structure also shapes actors’ self-understanding and subjective interests; to the degree that actors do not recognise their own domination, they serve to reproduce, rather than to resist, the differential capacities and privileges of structure (Barnett and Duvall 2005: 53). Historical materialists view the structure of global capitalism as substantially determining the capacities and resources of actors, shaping their ideology so that it serves the interests of capitalists. Action of those in subordinate position is disposed toward reproduction, rather than transformation, of the structural relations of domination. Constructivism also suggests a hint of structural power in positing that rules, which are associated with and can generate roles, produce the identities and interests of actors (Barnett and Duvall 2005: 54-55). Post-coercion, however, when the structural relations and identities are in place, perceived legitimacy is still important to the sustainability of these relations. For example, capital-labour relations have proven resilient to Marxist rally cries for constituting unequal social privileges, as capital-labour relations are derived from and legitimated by the more fundamental authority of the market (to be elaborated later on). In contrast, master-slave relations were delegitimated and dissembled when norms came to condemn the ownership of other human beings. Structural power therefore loses effect if it is not grounded in legitimacy to a sufficient extent and gain sufficient consent to become authoritative.

Productive power involves the constitution of all social subjects with various social powers through systems of knowledge and discursive practices of broad social scope. The discourses and institutions of international relations produce particular kinds of actors with associated social powers, self-understandings and performative practices. Whereas structural power envisions binary and hierarchical relations, productive power concerns the boundaries of all social identity, and the capacity and inclination for action for the socially advantaged and disadvantaged alike, and the myriad social subjects that are not constituted in binary hierarchical relationships (Barnett and Duvall 2005: 56). Categories such as “civilised,” “Western,” “rogue,” “democratic” represent productive power, in that they generate asymmetries of social capacities. A particular discourse of development can orient action in one direction and away from others. Here, productive power seeks to establish legitimacy, which in turn becomes intrinsic in the discourse itself, as diffuse and contingent social processes produce certain subjects, fix meanings, and create a structure of intersubjective public beliefs. Productive power therefore creates an enduring authority. An example is the Global Compact, whose goal is to engage “the private sector to work with the UN, in partnership with international labour and nongovernmental organisations (NGOs), to identify, disseminate, and promote good corporate practices based on nine universal principles” (Barnett and Duvall 2005: 60). Architects of the agenda envision two mechanisms to realise this development: 1) as MNCs sign onto a set of evolving standards, a discursive space is formed in which actors are produced as subjects empowered legitimately to comment on their performance; and 2) the creation of the socially responsible corporation with a new self-understanding that embraces best practices (Barnett and Duvall 2005: 61). Power and authority in this case are difficult to distinguish, as legitimacy and authority become inherent in the continuing production and maintenance of identity and understanding.

A consideration of market authority can illustrate the interplay between authority and power. In his essay, Hall problematises the legitimacy of the market: in spite of the occasionally destructive financial consequences of economic cycles resulting from mobility of capital, he questions why there has yet to be a “legitimation crisis” to the global neoliberal order (Hall 2007: 320). His essay argues that the stability of the global neoliberal order may be

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attributed to the structures of intersubjective public beliefs about the nature of the economic realm as a legitimate social order. Market actors and state managers have essentially internalised certain cognitive “principled beliefs” about the economic sphere: “the market as a neutral veil” and “the market as a prison.” The market’s seeming “neutrality”—or “inevitability”—has to do with the way economics is written, which relies upon a highly intersubjective set of social meanings. Market authority is legitimated, in Weberian terms, both by the legitimacy of affect, or feeling, and by the legitimacy of reason. For most people, market actors and forces rationally serve their basic values in relation to economic prosperity and stability. Market actors are consequently authorised to engage in market-based decision making.

However, “economics must be understood as a belief system that is not only inherently ideological... enmeshed in the political and social values of its own order—but imbued as well with beliefs as to ‘human nature’ for which there is usually no basis for explanation” (Hall 2007: 323). Many values of the market are classic bourgeois values with historical roots in the Enlightenment philosophies from the mid-18th century, such as in the writings of Montesquieu and Adam Smith. Structural and productive power may be at work here as discursive practices generate roles and produce the self-understandings and interests of actors. Hierarchical capital-labour relations have become an inherent feature of the market economy, reinforced by the productive power of discourse of the market as “natural” and “inevitable.” The exercise of constitutive power hence generates legitimacy and market authority.

Anthony Giddens’ sociology of modernity presents an alternative, non-coercive image of market legitimation and authority. Giddens sees modernity as characterised by disembedding mechanisms: symbolic tokens, such as money, and trust in expert “systems of technical accomplishment or professional expertise” (Hall 2007: 330). Giddens’ disembedding mechanisms have the effect of distancing people from one another in the context of what were previously intimate social interactions; whereas his idea of trust in expert systems manifests itself in the consciousness of the subject of authority as something akin to faith. Consent to the development of capitalist modernity is granted, and the routinisation of submission to authority then follows. Once the norm has become a rule which has been internalised, it has “effected the actor’s own definition of its interests”. In constructivist terms, these legitimation processes alter “structures of identities and interests” (Hall 2007: 334).

However, the problem of *consent* is so crucial to the legitimation of market-based decision-making and institutions that it is typically considered resolved by the availability of *choice* in market processes. Liberal public representations of the state help to maintain and generate intersubjective beliefs regarding the exogenous status of market institutions. When state leaders proclaim that the “forces of global market” give them little room for independent policy choice (perpetuating the norm of “market as a prison”), they are participating in the market as authoritative, thereby creating the authority of the market (Hall 2007: 341). Hall argues that, in viewing the market as an exogenous given, there is an absence of genuine consent in market choices, which renders the selection of choices a highly constrained form of social action. Choice between alternatives cannot logically establish *consent* to the institutional constraints that structure *choices*. Hence, legitimacy is derivative of coercion—of power—because the social consensus upon which it is premised can be created by coercion, such as through the forcible generation of the “fictitious commodities” of land, labor, and money. Neoliberal ideas, while opposed to worldwide, have nonetheless attained hegemonic and authoritative status, particularly for the most powerful transnational economic actors, who in turn shape institutions—exercising institutional power—to ensure the stability of the status quo.

Market authority and power therefore exist in the same analytic space without a clear-cut division, as legitimacy may derive from coercion and/or trust, depending on how the structures of intersubjective public beliefs came about. Power, once legitimated, may become authority. However, authority also confers power, as in the case of NGOs’ employment of shaming tactics; and in many instances, authority is equivalent to power, seen in the expression of institutional and productive power.

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