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**THE NETWORK OF INTERLOCKING DIRECTORATES BETWEEN  
INTERNATIONAL ECONOMIC ORGANIZATIONS (2004)**

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## **Abstract**

As many international economic issues are interrelated, the competences of international economic organizations are not always clear-cut and their activities inevitably overlap. In order to avoid mutual conflicts and to guarantee the well functioning of the international economic system, these organizations need to interact. Various institutional cooperation arrangements have been concluded in this respect. In this paper, we suggest that international economic organizations also interact in a second, more informal way: As many officials and representatives combine mandates in several organizations, they personally constitute a linkage between these organizations. We analyze the extent of overlapping appointments – also defined as interlocking directorates – between a limited selection of international economic organizations, including the International Monetary Fund (IMF), the World Bank Group, the Bank for International Settlements (BIS), the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD). We examine possible explanations and determinants of the interlocking directorates, and we also explore the importance of these interlocking directorates for the functioning of the resulting network of international economic organizations. We argue that the interlocking directorates probably enhance communication flows and strengthen mutual trust between the organizations, in that way stimulating the institutional cooperation and coordination between the international economic organizations.

## **Keywords**

International economic organizations; interlocking directorates; interlocking directorships; organizational networks

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## **1. Introduction**

In the present international economic system, issues regarding international trade, international policy coordination, international financial flows, development cooperation, and others, require a global approach to be tackled properly. Some of these issues fall under the authority of a specific international economic organization, such as e.g., the WTO, the OECD, the IMF, etc. As a lot of the issues at hand are interrelated, international economic organizations must, at least to some extent, coordinate their activities and programs. In some cases organizations decide to even engage in close cooperation arrangements.

Over time, the mandates of many international economic organizations have become broader and, almost inevitably, vaguer. Therefore, the activities and programs of various international economic organizations tend to overlap increasingly. For instance, after the collapse of the Bretton Woods system in 1973, the International Monetary Fund (IMF) lost an important part of its *raison d'être*. In the meantime, the mandate of the Fund steadily evolved toward that of its sister organization, the World Bank. This example shows that organizations are organic structures, constantly adapting to changes in their environment.

One plausible reason for the tendency of organizations to expand their mandate is self-preservation. The resulting proliferation of overlapping mandates reveals a clear need for

consultation between the international economic organizations, in order to avoid serious conflicts.

The above-mentioned factors suggest that there is a rationale for international economic organizations to engage in institutional cooperation agreements. Such agreements can be extremely diverse: In some cases, the organizations limit themselves to the mutual exchange of official documents, while other arrangements give rise to the development of a joint program or even lead to the joint establishment of a new organization.

In this paper, we will endeavor to show that international economic organizations are not only linked via these institutional cooperation agreements, but also via the phenomenon of “interlocking directorates”. Interlocking directorates between international economic organizations are created when officials and mandataries take on positions in several organizations. This “personal” aspect (as opposed to the institutional aspect) of the collaboration between international economic organizations has received far less attention, if at all, compared to the official cooperation agreements between the organizations.

We will explore the intensity of interlocking directorates between the most important organs of six selected international economic organizations. In the past, similar research has been carried out for the corporate sector, such that a large and ever growing literature exists devoted to the phenomenon of interlocking directorates between corporations. However, by choosing a group of international economic organizations as field of study,

we are applying the methodology developed in the interlocking directorates literature, to another group of organizations. Our analysis considers members of all kind of organs of the organizations, such as councils, committees, working parties, etc. Consequently, the expression “interlocking directorates” is actually too narrow, as it suggests that only directors and directorships are considered. Nevertheless, for the sake of brevity and convenience, we opted for maintaining this established terminology.

In addition, we will endeavor to explain why mandataries are holding positions in several international economic organizations, and examine whether the resulting linkages facilitate coordination and consultative processes between the selected organizations.

## **2. Selection of organizations, data and working method**

We will investigate the pattern of interlocking directorates between the following six international economic organizations: The International Monetary Fund (IMF), organizations belonging to the World Bank Group<sup>1</sup>, the Bank for International Settlements (BIS), the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD). Increasing further the number of international organizations

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<sup>1</sup> Of the World Bank Group, we only took the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC) and the Multilateral Investment Agency (MIGA) into account. The International Centre for Settlement of Investment Disputes (ICSID), the fifth organization under the umbrella of the World Bank Group, is not included in the sample, as it functions as an autonomous international organization.

investigated would inevitably lead to a more complicated picture. By limiting the sample to six organizations, it will be easier to interpret the results obtained.

To determine the intensity of interlocking directorates (or simply “interlocks”) between the six selected organizations, we collected the names of the most important representatives in the governing bodies, commissions and working parties of each organization. Moreover, we also collected the names of the senior officials, constituting the secretariat of the respective organizations.

The pattern of interlocking directorates between the selected international economic organizations is analyzed in two consecutive steps. In a first step, we dig relatively deep into the organizational structure of the respective organizations by examining the interlocks between the permanent governing bodies and between the lower, resp. subordinate organs. In a second step, we examine the interlocks between the most important permanent organs only.

The data were collected such as to make them comparable over the selected international economic organizations. The names of the member countries’ representatives in the plenary and the executive governing bodies were registered, followed by those of the senior officials, being the most important officials in the administrative organs (secretariat) of the organizations. For the analysis that includes the lower organizational level, we also considered the most important committees, commissions and working parties. Annex 1 and 2 give an overview of the organs that were included in our

empirical study for each organization, for the analysis including the lower organizational level and for the analysis of the higher organizational level respectively.

After alphabetically sorting the names of the directors and superior staff members, one ends up with a list of mandataries holding positions in more than one organization. We will call these mandataries henceforth common or multiple administrators, or “multiple directors”. Multiple directors create interlocking directorates between the selected international economic organizations.<sup>2</sup>

### **3. Pattern of interlocking directorates between the selected international economic organizations; analysis including the lower organizational level**

Table 1 below depicts per organization the number of officials and representatives that we have considered in a first analysis that includes the lower organizational level. In a second column, the number of multiple directors is shown. By definition, multiple directors hold positions in at least two of the selected international organizations. In a third column, the number of mandataries each organization has in common with the five other organizations is given (number of interlocking directorates). The numbers in the second and the third column differ, as one mandatary can connect more than two different organizations. In that case, one multiple director creates several interlocks. The

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<sup>2</sup> The expression “multiple director” falsely suggests that we only consider the board of directors of the organizations. We want to emphasize again that our analysis includes officials and mandataries of all kind of organs.

number of interlocks that is created by an official is a power function of the number of organizations in which he holds positions (for a more elaborate discussion, see Stokman and Wasseur 1985, 43).

**Table 1: Number of names included in sample, number of multiple directors and number of interlocking directorates, analysis including the lower organizational level, 2004**

Organization	Number of names included in sample	Number of multiple directors	Number of interlocking directorates
BIS	111	51	59
IMF	438	174	193
World Bank Group	532	164	187
WTO	3688	332	349
UNCTAD	1865	276	286
OECD	923	83	98
<b>Total</b>	<b>7557</b>		

Table 2 gives an overview of the interlocking directorates between the six international economic organizations. In many cases it is impossible to identify the “home” organization of the representatives. We therefore refrain from differentiating between “inside” and “outside” directors, nor do we differentiate between “sending” and “receiving” organizations. Consequently, Table 2 is a symmetrical matrix (for a more extensive discussion we refer to the literature on corporate interlocking directorates, see e.g. Schoorman, Bazerman and Atkin 1981 and Mizruchi 1996).<sup>3</sup>

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<sup>3</sup> In an earlier version of this paper we also related the number of interlocking directorates from Table 2 to the number of mandataries included in the sample for each organization (which can be found in Table 1). The relative figures thus obtained result in a pattern that is very similar to the matrix of absolute figures (Table 2). We therefore did not replicate the relative figures here.

**Table 2: Pattern of interlocking directorates, analysis including the lower organizational level, 2004**

	<b>IMF</b>	<b>World Bank</b>	<b>OECD</b>	<b>UNCTAD</b>	<b>WTO</b>	<b>BIS</b>
<b>IMF</b>	<b>X</b>	126	7	3	10	47
<b>World Bank</b>	126	<b>X</b>	17	10	23	11
<b>OECD</b>	7	17	<b>X</b>	16	58	0
<b>UNCTAD</b>	3	10	16	<b>X</b>	257	0
<b>WTO</b>	10	23	58	257	<b>X</b>	1
<b>BIS</b>	47	11	0	0	1	<b>X</b>

Table 2 shows a considerable number of interlocking directorates between the BIS and the two Bretton Woods institutions. The BIS does not have interlocks with the other organizations, except for one single common mandatory with the WTO. Given the substantial number of overlapping appointments between the IMF, the World Bank and the BIS, these organizations can be considered to form a cluster of international financial institutions. The collaboration between the IMF and the World Bank often focuses on a combined support of member countries, experiencing severe economic problems. Economists and financial experts of both organizations regularly discuss strategies that should be pursued to support member states in trouble. Such consultations between the IMF and the World Bank are necessary to set out coherent policy advice for these countries. In principle, World Bank experts primarily devote attention to the economic development of countries in the long term, while IMF experts emphasize that countries in distress should be able to build up a sustainable balance of payments position (Driscoll 1988). The Development Committee can be mentioned as the emanation of the institutional cooperation between the IMF and the World Bank, and consists of IMF and World Bank representatives; the Development Committee reports to both organizations.

The annual meetings of the most important organs of the IMF and the World Bank, i.e. the “Annual Meetings of the Boards of Governors of the International Monetary Fund and the World Bank Group”, are also jointly organized. The very close collaboration between the IMF and the World Bank has attracted fierce criticism, stating that the organizations’ activities and responsibilities widely overlap. In order to meet this criticism, the IMF and the World Bank laid down their respective competences in a treaty

in 1989<sup>4</sup>, which clearly specifies that both organizations should focus on their core activities. The IMF, for its part, should pursue stability in the international financial and monetary sector, while promoting economic growth and stability in its member countries. The World Bank, in turn, should combat poverty through its lending to various development programs in the developing countries. A thorough coordination is required to avoid inefficient overlaps between both organizations' activities, and should also avoid that the IMF and the World Bank give contradictory advice to countries they jointly support (IMF 2003 and IMF 2004).

The interlocking directorates between the BIS and the Bretton Woods institutions are mainly created by the governors of a number of national central banks: In principle, BIS member states delegate their central bank governors to the Annual General Meeting of the BIS. IMF member states normally delegate the same central bank governor to the Board of Governors of the IMF, which causes a considerable number of overlapping appointments between the BIS and the IMF.

From Table 2, we also learn that the UNCTAD and the WTO have 257 mandataries in common, and therefore constitute a second cluster of organizations, being of great importance to the international trading system. As a matter of fact, also the OECD can be considered as being part of this cluster. The intensity of interlocks between the OECD and the WTO is higher than between the OECD and the UNCTAD, which probably reflects the fact that the OECD, as a “club” of rich industrialized nations, is actively

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<sup>4</sup> This treaty is often designated as the 1989 IMF-World Bank Concordat.

involved in the areas of trade, capital liberalization and international services. As far as the interlocks with the UNCTAD are concerned, the OECD's role in the coordination of international development cooperation, through its Development Assistance Committee (DAC) should be mentioned. The composition of the DAC probably also explains why the OECD has almost as many overlapping appointments with the World Bank Group.

The high number of interlocking directorates between the WTO and the UNCTAD may probably also be due to both institutions having their headquarters in Geneva, Switzerland. Most member states of the WTO and the UNCTAD have Permanent Delegations in Geneva, representing them to the various international institutions there. A Permanent Delegation is led by an ambassador and is responsible for permanently linking up its national government to the international organizations. The same persons of the Permanent Delegation usually represent their country during the meetings of the WTO and of the UNCTAD, as the competences of both organizations are closely related. It should therefore not come as a surprise, that both organizations show a high degree of overlapping appointments. Only a few countries have separate Permanent Missions to the WTO on the one hand, and to the United Nations Organizations – including the UNCTAD – on the other hand (EDA 2004).

The collaboration between the WTO and the UNCTAD is also institutionally organized. E.g., within the United Nations System, the “International Trade Centre” (ITC) is jointly managed by the WTO and the UNCTAD. The ITC provides technical support for projects aimed at stimulating external trade in developing countries, and is in this respect

responsible for the implementation of projects financed by the “United Nations Development Programme” (UNDP). The governing bodies of the WTO and the UNCTAD annually confer on the policy directions that should be followed by the ITC.

In turn, the OECD is an important forum for informal consultations, aiming at fostering economic growth in the member states. Moreover, the Development Assistance Committee (DAC) of the OECD plays an important role in the coordination of the international development cooperation and assistance by most industrialized countries. The issues under discussion during the OECD meetings are consequently closely related with the responsibilities of the WTO, the UNCTAD and the World Bank. The representatives in the many committees of the OECD, therefore often take on additional posts in one of these three organizations.

It seems to follow from the above picture that the WTO plays a central role – in terms of meeting place and communication forum for international civil servants and mandataries – in the network of interlocking directorates between the international organizations we considered in the present analysis. In particular, the Ministerial Conference of the WTO seems to establish a prominent meeting place for mandataries of the organizations. The WTO was only established in 1995, finally fulfilling the long-standing intention to institutionalize the GATT agreements. Since then, the organization has fundamentally changed and in the meantime managed to secure its position in the international economic system. A first factor is the substantial increase in membership. By the end of 1985, right before the start of the Uruguay Round negotiations, 89 countries had signed

the GATT agreement. The WTO currently consists of 148 member countries. Moreover, the powers of the WTO today are far more elaborate than those of the former GATT. The WTO is not only qualified for external trade in goods, but also for trade in services and the trade related protection of intellectual property rights.

#### **4. Pattern of interlocking directorates between the selected international economic organizations; analysis of the higher organizational level**

To determine the intensity of interlocking directorates between the six selected international economic organizations at the higher organizational level, we restricted the analysis to the permanent plenary and executive governing bodies of the organizations, however including the senior officials of each of the organizations. It should be noted that for this analysis, the participants at Ministerial Conferences have not been taken into account. While Ministerial Conferences are highly important for the policy formation process of the organizations, they cannot be considered as permanent organs. A detailed overview of the organs included in our analysis at the higher organizational level, can be consulted in Annex 2.

By analogy with Table 1, Table 3 shows the number of names included in the sample, the number of multiple directors and the number of interlocking directorates. While the analysis including the lower organizational level took 7557 mandataries into account, this number is now limited to 1662.

**Table 3: Number of names included in sample, number of multiple directors and number of interlocking directorates, analysis of the higher organizational level, 2004**

Organization	Number of names included in sample	Number of multiple directors	Number of interlocking directorates
BIS	104	46	53
IMF	428	155	162
World Bank Group	534	122	129
WTO	171	51	51
UNCTAD	317	51	51
OECD	108	0	0
<b>Total</b>	<b>1662</b>		

The lower number of mandataries that was taken into account in this second analysis has obviously also an impact on the resulting number of interlocks, and therefore leads to a matrix clearly different from the one discussed in section 3 (Table 2). The pattern of interlocking directorates at the higher organizational level of the selected international institutions is shown in Table 4.

**Table 4: Pattern of interlocking directorates, analysis of the higher organizational level, 2004**

	<b>IMF</b>	<b>World Bank</b>	<b>OECD</b>	<b>UNCTAD</b>	<b>WTO</b>	<b>BIS</b>
<b>IMF</b>	<b>X</b>	119	0	0	0	43
<b>World Bank</b>	119	<b>X</b>	0	0	0	10
<b>OECD</b>	0	0	<b>X</b>	0	0	0
<b>UNCTAD</b>	0	0	0	<b>X</b>	51	0
<b>WTO</b>	0	0	0	51	<b>X</b>	0
<b>BIS</b>	43	10	0	0	0	<b>X</b>

The pattern found now, not only reveals a considerably lower degree of overlapping appointments between the six international organizations, but the interlocks also connect fewer institutions directly. The cluster of international financial and monetary institutions we could identify earlier, remains intact. However, the OECD is now totally isolated from the other organizations in the network. This observation can probably be explained by the Development Assistance Committee (DAC) of the OECD not being included in the present analysis of the higher organizational level. Also the WTO loses its central position; the higher governing bodies of the WTO do not seem to act as a meeting place for mandatories holding positions in several international institutions.<sup>5</sup>

## **5. Possible explanations and determinants of the interlocking directorates between international organizations**

The organs of the international economic organizations consist of two different categories of mandatories. Mandatories belonging to a first category represent a particular member state to an international organization and are in principle delegated by their national governments. A second category consists of the senior officials; they constitute the administration of the international economic organizations and are directly employed by these organizations. A large part of the interlocks between the six selected international economic organizations is created by the first category of mandatories, representing the

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<sup>5</sup> It should be emphasized again that neither the WTO's Ministerial Conference, nor the Ministerial Conferences of the UNCTAD and OECD, were taken into account in the analysis of the higher organizational level.

member states. To the extent that interlocks are the result of a conscious choice (so-called “intentional interlocks”) by the mandataries or the member states, we will consider this choice to be made by the member states and not by the international economic organizations themselves. In this respect, the interlocks clearly differ from interlocking directorates between companies: A first observation relevant for the interpretation of the observed network structure between the selected international economic organizations in terms of communication, coordination and efficiency. We can also assume that possible explanations and determinants of the observed interlocks must be different from those of interlocks between companies.<sup>6</sup> Contrary to the situation of the latter, it seems that e.g., “uncertainty reduction” is not relevant for an interpretation of the pattern of interlocking directorates between international organizations as the six selected organizations are financially independent and do not really need common mandataries to have better control or influence over their environment.

Following Kono (1998), geographical proximity of international institutions (Washington, Geneva) can be listed as a possible explanatory factor for interlocking directorates of international economic organizations (see also above regarding the high degree of overlapping appointments between the WTO and the UNCTAD). It can be argued, however, that geographical proximity is not really a determinant of interlocks,

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<sup>6</sup> Extensive literature exists on the possible explanations of interlocking directorates between companies. The following determinants for the creation of interlocks are often advanced: Power and control, corporate reputation, uncertainty reduction, etc. Also personal and individual elements, as well as aspects related to social class are mentioned. For a good and complete overview of the related literature, see Mizruchi 1996.

but rather a factor contributing to the intensity of the interlocks, since geographical proximity probably facilitates its creation.<sup>7</sup>

Another possible determinant for interlocks can be found in the individual motivation of the mandataries. There are only a handful of capable candidates to fill the executive positions with the international economic organizations, such as e.g. the position of permanent representative to the WTO or the OECD. As certain member states systematically recruit their representatives from the same circle of people with the suitable background, birth or abilities, interlocks are often created in this way. For developing countries in particular, this reasoning seems to hold true. For mandataries from countries where these ability limitations are less stringent, however, it can be argued that their income, personal status and personal network will expand, similarly to the situation in international business life (Zajac 1988, 437), which makes multiple executive positions in international economic organizations an important vehicle in career building.

Another explanatory factor that can be advanced, is the time pattern that can be observed in international consultations and in the process of international consensus building between countries. International economic organizations, having the aspiration of coordinating international cooperation between countries, will go through a process of intensive consultations, as it is often troublesome to reach an agreement between

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<sup>7</sup> It should be noted, that the extent to which member states can be held responsible for the creation of interlocks, probably differs between industrialized and developing countries: Many developing countries only have a very limited number of staff in their resp headquarters, or they do not have a permanent representation at all.

countries that have diverging opinions. Therefore, international consultations aiming at realizing a broad consensus normally follow a certain time pattern. To illustrate this point, consider e.g., the harmonization and coordination of international development cooperation. In a first phase consultations take place within a limited group of powerful industrialized nations. The consensus eventually reached during this process, is later extended toward a larger group of industrialized countries within the OECD. In a later phase, the common position of the industrialized countries thus reached, is presented and discussed in international organizations with a more extensive or universal membership, such as the IMF and the UNCTAD, where developing countries are represented as well. Obviously, as these consultations are moving from one forum to another, and from organization to organization, according to a specific time frame, the overlapping appointments between the international economic organizations involved will ease the confrontation of positions and will consequently facilitate the process of consensus building. Mandataries will represent the viewpoints of their country and during the consultations they have to remain within the negotiating space set out by their national government. If the same representative is delegated to the deliberations in several international organizations, it seems almost obvious that he/she will take on a consistent negotiating position, such that inconsistent voting behavior of a country in the various organizations is discouraged (see Luard 1977, 283). As a result, consultative processes will be much smoother, and the way toward a broad consensus will also be quicker and more efficient.<sup>8</sup>

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<sup>8</sup> If the same person represents a country in the different steps of the negotiations, the opposite situation might also become manifest if the mandatary starts to adopt a kind of consistent blocking behaviour. The

In addition to consensus building between countries, it can also be argued that consensus building between international mandataries is relevant. In this respect, the process during which a common ideological frame of reference is created, is of paramount importance. The OECD e.g., plays an important role as “think tank” in the system of international economic institutions, in spite of the often informal and noncommittal character of its meetings. The significance of meetings between high-positioned mandataries of international economic organizations on the one hand, and business leaders and CEOs of large multinational corporations on the other hand, such as e.g. within the Trilateral Commission, the International Chamber of Commerce, the World Economic Forum and the Bilderberg Conferences, should not be underestimated either as facilitating such creation of a common ideological framework (Carroll and Fennema 2002, 416).

## **6. The pattern of interlocking directorates between international economic organizations: a communication, coordination and efficiency approach**

In the previous section it was pointed out that interlocks can be explained by the need of country groupings to coordinate international policy in specific fields (monetary policy, development cooperation, international trade policy, etc.). In this respect, information and communication flows within the network of international economic organizations are of crucial importance.

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rank and position of the national representatives is also of importance, as higher ranked mandataries (e.g. ambassadors) can act more autonomously and have the authority to legitimize changes in their position.

The quality of these flows depends on network characteristics, such as the density and intensity of the interlocks and their durability. Some scholars have contested, however, that the density and intensity (multiplicity of the lines) of the network are necessary conditions for smooth communication and information flows in a social network: An efficient network, by definition, consists of a small number of lines connecting as many organizations as possible. If several paths exist between two organizations in a network, the linkages that connect both organizations should be considered as redundant (e.g. Carroll and Fennema 2002, 415). It then follows that the network of interlocking directorates between international economic organizations is not very efficient in terms of circulation of information.

However, following Coleman (1990) and Kogut (2000, 407), it can be argued that multiple linkages between organizations, although redundant from the point of view of the circulation of information, are playing a crucial part in the coordination process. Coordination arises from regular interactions between the organizations, based on a strong form of trust. Multiple linkages better ensure this coordination. Continuous interactions and stable relations between the organizations make the network partly “self-organizing” and give rise to the so-called “Coleman rents”<sup>9</sup>.

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<sup>9</sup> Kogut (2000) has noted that part of the value of the firm can spring from its participation in an economic network. Cooperation and coordination between firms in a network give rise to certain advantages that accrue to individual actors (firms). These advantages, or rents, and their distribution, mainly depend on the specific network structure. Kogut therefore distinguishes between a “Burt network type” and a “Coleman network type”. The Burt network type typically concerns sparse networks with non-redundant links between the firms. The Coleman network type is characterized by dense links between a limited number of

The existence of Coleman rents and the equal (or at least fair) distribution of these rents over the organizations in such a network (or sub-network), in turn, are a *conditio sine qua non* for the future cooperation between the institutions, and for the stability of the network patterns and structure (Kogut 2000, 414-415).

The network of international economic organizations analyzed in this paper, accords to the Coleman network type. The relations in the network are solid and supported by a large number of multiple connecting lines. Moreover, the organization of the network is such, that there is no prevalent hierarchic structure between the different organizations. It therefore can be safely concluded that the considerable number of interlocking directorates between the selected international economic organizations plays an important part in the process of creating and maintaining relations based on mutual trust between these institutions. In addition, the organizations have a shared history of mutual cooperation, which largely contributes to the stability of the network relations. All conditions are thus met for the creation of Coleman rents in the network, and the organizations involved are reaping the benefits of improved coordination, a fruitful exchange of know-how and learning effects (see Heracleous and Murray 2001, 140 regarding corporate networks).

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actors. Intense interactions between these actors can lead to benefits for the whole network, mainly in terms of improved coordination. These benefits are called “Coleman rents”. We here apply Kogut’s typology to the network of international economic organizations.

## **7. Some conclusions**

In this paper, we have analyzed the network of interlocking directorates between some important international economic organizations. However, our analysis was not limited to directors in the narrow sense, as we considered officials and representatives of various councils, committees and working parties. We limited the sample to six institutions, actively involved in the areas of international trade, development cooperation and monetary and financial cooperation: The International Monetary Fund (IMF), the World Bank Group, the Bank for International Settlements (BIS), the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD).

The activities and programs of the selected organizations partly overlap, which prompts them to devote attention to mutual collaboration and coordination. In some cases, collaboration and coordination arrangements have resulted in new institutional structures, such as the “Development Committee” reporting to both the IMF and the World Bank, or the “International Trade Centre”, jointly established by the UNCTAD and the WTO.

Much more frequently though, such collaboration and coordination arises from, and is stimulated by, common mandataries in the organizations. We mapped out the common mandataries holding positions in the governing bodies of several international economic organizations. The number of interlocking directorates thus detected, turned out to be substantial and should therefore be considered as constituting important linkages between

the selected organizations. A closer inspection of the resulting network revealed two clusters of intensive overlapping appointments. One cluster consists of the IMF, the World Bank Group and the BIS and a second cluster of the WTO, the UNCTAD and the OECD. Moreover, the WTO seems to hold a central position in the network. However, restricting the analysis to the highest organizational level only (thus leaving out a.o. the Ministerial Conferences of the WTO, the UNCTAD and the OECD), the number of interlocks decreased dramatically. Moreover, the overlap between the two clusters disappears altogether and the OECD is split off from the second cluster.

While the observed clusters largely reflect institutional mechanisms and arrangements between the selected organizations, we also looked into the literature on interlocking directorates between companies for some possible determinants and explanations of the phenomenon of interlocking directorates between international organizations. We have argued that the geographical proximity of certain institutions can facilitate the formation of interlocks, and that the time pattern followed by consultations and coordination between countries on certain issues, can explain the overlapping appointments between the selected international institutions as important and in some way also as a reflection of this process.

It seems to us that communication and coordination between the selected international economic organizations are the most important explanatory factors for the observed overlapping appointments, as well as for their intensity and stability. While it can be argued that a social network made up of multiple linkages is inefficient in terms of the

circulation of information, the multiple lines involved do play a crucial part in the intensive collaboration and coordination between the institutions. The resulting Coleman rents, and their distribution among the selected organizations ensure that the collaboration and coordination process remains durable and stable.

Intense and stable interlocking directorates between the international economic organizations therefore allow permanent consultation between the organizations, and in this way the institutional collaboration and coordination between the international economic organizations is both enabled and stimulated.

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## Annex 1: Included organs, analysis including the lower organizational level, 2004

<b>IMF</b>	<b>World Bank</b>	<b>BIS</b>	<b>OECD</b>	<b>WTO</b>	<b>UNCTAD</b>
1°			Ministerial Conference	Ministerial Conference	Ministerial Conference
Board of Governors	Board of Governors	General Meeting*	Council	General Council*	Trade and Development Board
2° Executive Board	Executive Board	Board of Directors	Executive Committee		
3° Senior Officials	Senior Officials	Senior Officials	Senior Officials	Senior Officials	Senior Officials
4° International Monetary and Financial Committee			Development Assistance Committee (DAC) High Level Meeting	Council for Trade in Goods*	Commission on Trade in Goods, Services and Commodities
	Development Committee*			Council for Trade-Related Aspects of Intellectual Property Rights*	Commission on Investment, Technology and Related Financial Issues
				Council for Trade in Services*	Commission on Enterprise, Business Facilitation and Development
5°		Chairmen G-10 committees	Chairmen of all OECD committees and working parties	Chairmen of all WTO committees and working parties	
			Chairmen semi-autonomous institutions		

\* Implicitly derived from other participation lists, in the absence of direct participation lists

- level 1° Plenary governing bodies (mainly strategic policy formation)
- level 2° Executive governing bodies (mainly day-to-day management)
- level 3° Senior officials of the administration (secretariat)
- level 4° Most important councils, committees and commissions
- level 5° Councils, committees and commissions of a lower level OR organs that are relatively independent from the mother organization

**Annex 2: Included organs, analysis of the higher organizational level, 2004**

<b>IMF</b>	<b>World Bank</b>	<b>BIS</b>	<b>OECD</b>	<b>WTO</b>	<b>UNCTAD</b>
1° Board of Governors	Board of Governors	General Meeting*	Council	General Council*	Trade and Development Board
2° Executive Board	Executive Board	Board of Directors	Executive Committee		
3° Senior Officials	Senior Officials	Senior Officials	Senior Officials	Senior Officials	Senior Officials

\* Implicitly derived from other participation lists, in the absence of direct participation lists