Transnational communities and their impact on the governance of business and economic activity

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The collective endeavor that has culminated in the production of this volume has allowed us to explore an interesting diversity of empirical settings in which transnational communities could be identified and seemed to play a role. In this concluding chapter, we take stock of what we can learn from a systematic comparison of transnational communities and of their role in those very different settings. Through such a comparison, we get a clear picture of the peculiar nature of communities with a transnational scale and scope. In the first section of the conclusion, we outline some key findings in that regard. In the second section, we then reflect more particularly on the impact that transnational communities have on the governance of business and economic activity.

The nature of transnational communities: outlining some key findings

In the introduction to this volume, we suggested five structuring and defining features of transnational communities. First, they represent, for their members, one among several community affiliations. Second, members are cosmopolitans but usually of a “rooted” kind. Third, transnational communities are imagined communities of a fluid and dynamic nature. Fourth, they exhibit a fair amount of within-community diversity. Fifth and finally, transnational communities are time-bound, non-essential and non-permanent collectives. After our journey through a multiplicity of diverse empirical settings, we should reflect a bit more on those five defining features – asking ourselves, in particular, how they might play out in the governance activities of transnational communities.
Five defining features

First, transnational communities represent, for their members, one amongst several community affiliations. Membership in a transnational community generally comes on top of that in other community circles; it does not have to displace involvement in and the sense of belonging to these other circles. In that respect our transnational world seems to confirm Georg Simmel’s (1955 [1908]) insight that the progress of differentiation and individualization could lead to a multiplication of community circles and to more opportunity for social belonging. The different chapters document, in particular, a multi-level layering – where an individual can share in local, national, and transnational communities. Of great interest, naturally, is what takes place at the different points of interface. The dynamics bridging communities across different levels – and in particular across the national and the transnational levels – will be discussed more systematically below. The role that transnational communities play in governance cannot be understood without an exploration of those dynamics.

Second, and as a consequence of this multi-level community-belonging, we regularly find across the diverse empirical cases that members of transnational communities tend to be rooted cosmopolitans. However, the degree to which they are rooted (nationally) and/or the degree to which they have developed a cosmopolitan (transnational) identity vary quite markedly. In fact, transnational communities are themselves concentric circles, where the degree of activity and involvement can vary. Those members most actively involved in the characteristic project of a given transnational community will be more likely, on the whole, to develop a cosmopolitan identity. Comparing the different empirical cases, we can identify essentially three patterns. In a first pattern, local or national rootedness is so strong and powerful that it effectively creates obstacles and slows down significantly if not prevents altogether the construction and development of a cosmopolitan project and community (Fetzer or Harvey and Maclean in this volume). In a second pattern, we document an active and aggressive transnational community that often has a clear origin in a nation or a small group of nations and an expansive and imperialist project. Generally, in order to succeed, this project will require at least a partial weakening of the local or national rootedness of associated members in different countries but also some weakening of targeted institutions and arrangements in those same countries (see, for example, Morgan and Kubo or Ramirez in this volume). Those first two patterns tend to point to a zero-sum game between cosmopolitanism, on the one hand, and local or
national rootedness, on the other. But most of the empirical cases that are explored in this volume suggest a third pattern, in which the intensification of a cosmopolitan identity does not mean a weakening of (national) rootedness (see, for example, Schrad, Metiu, Dobusch and Quack, Mariussen, Bartley and Smith in this volume). In fact, transnational cosmopolitanism and national rootedness seem to combine and articulate with each other along complementary and mutually reinforcing lines. As we will argue below, this coexistence and complementary articulation might, in fact, be a key factor explaining the impact of a transnational community in a particular governance domain.

Third, not unlike other kinds, transnational communities are “imagined communities” (Anderson 2006 [1983]). Through time, a sense of reciprocal engagement around a common objective or project or around shared convictions, ideas, values, or practices progressively crystallizes into a sense of belonging and identity. As we know from the history of nation-states, the process of crystallization of an imagined community is a long and complex one. It calls for time, naturally, but also for powerful mechanisms of integration, socialization, and control. The different empirical settings explored in this volume show transnational community in process – being built and in the making but also maturing and declining (Schrad) or transforming (Dahles). A number of the chapters focus more particularly on temporal dynamics (Schrad, Plehwe, Eder and Öz, Dobusch and Quack). Other chapters adopt a transverse focus and provide a more static image of the community-building process at a particular stage (Metiu, Morgan and Kubo, Harvey and Maclean). In any case, the transnational communities explored in this volume are fluid and dynamic imagined communities, many of which are still very much in the making and some are even fragile and only weakly integrated (Fetzer, Harvey and Maclean, Eder and Öz). Considering the complexity of a community-building process but also the relative “youth” of most of the communities we explore – they are generally less than fifty years old and some are even much younger – the weakness and fragility of integration were to be expected. In fact, we were surprised in some cases by the speed and intensity of the community-building process (Dobusch and Quack, Morgan and Kubo, Mariussen). We will discuss below what the comparison of our different empirical settings tells us about the mechanisms of integration, socialization, and control in processes of transnational community-building.

Fourth, the transnational communities we have explored in this volume are bound to retain, over the long run, a fair amount of internal complexity and are likely to exhibit within-community heterogeneity and conflict (Bartley and
Smith, Mariussen, Dobusch and Quack, Ventresca and Hussain). In fact, one could probably argue that those communities will only be able to survive if they manage to strike a healthy balance between integration and differentiation. Because of the objective diversity and heterogeneity within those communities, a tight integration effort might actually endanger their very existence. The emergent common identity needs to be pluralist. It should be a container of diversities – keeping them within bounds while still accommodating them. The plurality of transnational communities does not have to be a source of fragility; but it could be, if the “inherent discordance subverts the apparent coherence which is expressed by the boundaries of the community” (Cohen 1985: 20). It could also be a source of strength and stability through the flexibility and adaptability that are associated with plurality and diversity. “The reed bends but does not break” (La Fontaine 2002 [1668]).1 As we will argue below, this weaker form of integration could also be a factor explaining the impact of transnational communities on different governance domains.

Finally, transnational communities appear to be “communities of limited liability” to a greater extent than traditional communities of the ascriptive kind (Janowitz 1952). Members are free to come and go, and their degree of involvement will vary from member to member but also through time for the same members. Furthermore, the communities themselves can grow and expand but also wane and even disappear (Schrad and Dahles in this volume). Interestingly and in a somewhat non-intuitive way, this feature can be a source of strength for the community. Members choose to belong, and they are free to go if and when a gap emerges between the collective identity and their own or between the collective project and their own. When they are in and as long as they do not leave, they may, as a consequence, invest much more into the community and into the common identity and project than they would in communities in which they were “born.” Even though there will be internal variability, as argued above, the members of those transnational communities are thus likely, as a whole and on average, to be quite involved, engaged, and active. This feature goes some way, we propose, in explaining both the presence of those communities in governance contexts and their impact and “efficacy” there. We use the term “efficacy” in the value-neutral sense proposed by Thrift (2006: 296), as the “capacity or power to produce an effect” or the “ability to produce the results” that the actors involved desire. We do not imply, through the use of this term, any form of necessarily progressive impact of transnational communities, far from it. Most cases show that transnational communities tend
to mobilize for influence, power, and different kinds of associated resources. As such they are far from neutral and benign and the somewhat “romantic” undertones often associated with the term “community” should not lead us to forget that. The transnational communities we have been talking about are political actors like others. They have an agenda, ideologies, and interests and they mobilize resources and strategies to further those. In the process, they might serve certain groups, weaken or destroy others. They might solve certain problems but they might as well create new ones, possibly more disturbing.

### The relevance and importance of transnational communities

At first sight, the picture we draw of transnational communities suggests that they are rather fluid and unstable social formations. When we look closer, though, some of the features that could be interpreted as sources of weakness can, in certain circumstances, turn out to be factors of strength. Diversity and heterogeneity mean flexibility and adaptability (see Dobusch and Quack, Hussain and Ventresca, Mayntz in this volume). Limited liability can translate into stronger forms of involvement at least during the period of involvement (see Schrad, Bartley and Smith, Mariussen in this volume). Chapter after chapter in this volume, we see documented evidence of the presence, role, and significance of transnational communities. Specific communities may weaken or even disappear altogether, but the phenomenon as such persists. From a comparison of our different empirical settings, we argue that transnational communities turn out to be of high relevance in many fields of governance with an impact on business and economic activity. What the chapters in this volume suggest is that transnational communities may be a permanent fixture of the transnational governance of business and economic activity, but also of far more than this.

This seems to be particularly clear in the case of contemporary transnational governance, as the contributions by Ramirez, Metiu, Dobusch and Quack, Plehwe, Mariussen, and Bartley and Smith all show. There would seem to be a constant “sparking up” of transnational communities in the making, fueled by policy issues that are defined or redefined as cutting across national borders or as having by nature a global dimension (environmental issues, for example, or the governance of financial activity today). Different issues give rise to a flurry of attempts at collective sense-making and mobilization. The progressive constitution of an imagined community would seem to be a necessary precondition to the deployment of a
collective project and common goals and to their transformation into political action at a transnational level (Graz and Nölke 2008). This is reminiscent and compatible with the idea proposed by Nils Brunsson that organizational action requires the irrationality associated with a shared ideology. Irrationality in the form of ideology is not only unavoidable, it has also “a highly functional role and is fundamental to organization and organizational action.” Irrationality as ideology is the “rationality of action” (Brunsson 2000: 3). This perspective certainly can help us understand why the community dimension – development of shared meanings, references, and identities – is essential to the possibility and to the effectiveness of political action in a transnational context.

The importance and relevance of transnational communities in contemporary transnational governance is difficult to miss. But transnational communities apparently also played a role in other periods of history. The contributions by Schrad or Fetzer in this volume suggest and document this. We propose that it could be extremely interesting and useful to have more historical empirical cases documenting and exploring the role of transnational communities in the context of governance with a transnational scale and scope.

In the nineteenth and early twentieth centuries, there were transnational communities involved behind the (transnational) fights for the abolition of slavery or for the rights of women. The Workingmen’s Internationals also represent highly interesting historical precedents. We probably could learn a lot through a study of those movements from the perspective outlined in this volume. The First International was created in London in 1864, with the clear objective of becoming a transnational community united around the preoccupation for any and all governance issues having to do with the fate of the working classes.

This Association is established to afford a central medium of communication and cooperation between Working Men’s Societies existing in different countries, and aiming at the same end, viz., the protection, advancement, and complete emancipation of the working classes. (IWA 1864)

At this early stage, the projected community was an attempt to bring together around a common project and vision a great diversity and multiplicity of views, nationalities, and traditions. Hence, the need for a balance between integration and differentiation was expressed from the start, and another founding rule was that
While united in a perpetual bond of fraternal co-operation, the workingmen’s societies joining the International Association will preserve their existent organizations intact. (IWA 1864)

Partly in reaction to the fear of a Socialist and Communist threat, a movement mobilized across national borders in the nineteenth century in favor of social protection. There again, we could probably explore the process of emergence of transnational communities – in particular around various forms of social Christian identity – and their role in working towards reforms (Aerts et al. 1990; Kersbergen 1995; Kalyvas 1996). We could certainly learn a lot in the process. One could also turn to the transnational communities that emerged through international cartelization starting in the 1920s and contributed to the strengthening and tightening of the governance of transnational competition until World War II (Mezaki 1992; Maddox 2001). Going back further in time, there were unmistakably transnational communities involved in the formalization of the medieval merchant law (Trakman 1980; Michell 2008 [1904]). We could, along the same lines, explore transnational trading communities in the medieval Mediterranean (Quack forthcoming). The Hanseatic League, between the thirteenth and the sixteenth centuries, in all likelihood reflected, as an institutional and organizational construction, the importance and role of transnational communities. Once running and established as a structure, it also further nurtured, strengthened, and broadened those communities until it finally declined and disappeared in the seventeenth century (Wernicke 1983; Postel 1996).

Let us reiterate at this stage what emerges as a key common finding shared across this volume: transnational communities are important and relevant for the transnational governance of business and economic activity. Those communities are fluid and not rigid; they might be at various stages of integration and definitely allow for a fair amount of within-community diversity. They often develop as hybrid formations out of formal organizations and/or networks; in return, they can foster and sustain the development of organizations or networks. In any case, they play a role, quite often an important one, when it comes to transnational governance. In the process, they are likely to serve particular interests while marginalizing other actors and agendas. Transnational communities are potentially powerful arenas in governance processes but they are arenas that are themselves rife with conflict and power struggles. They are far from neutral and can even carry around certain forms of exclusion and violence. In the second section of this conclusion, we will articulate more systematically the ways in which those
communities matter and are relevant for the transnational governance of business and economic activity.

Social networks, movements, communities – and the temporal dimension

A systematic comparison of the different contributions to this volume makes it plain that there is both a justification and an intellectual value added to use the term “transnational communities” – over and beyond a focus on “transnational networks” or “transnational social movements” (Powell 1990; Smith et al. 1997; Keck and Sikkink 1998; Tarrow 2005). Naturally, the three terms are sometimes used in partly interchangeable ways. There is an interesting analytic distinction, though, on which we propose to build.

On the one hand, the use of the term “community” allows us to point towards an important feature of those transnational aggregates – a common “culture,” to use Mayntz’s term in this volume. Mayntz suggests that, in contrast to “network,”

[the notion of “community” emphasizes a different aspect of social reality, an aspect subsumed under “culture” rather than “institution.”] (Mayntz, this volume)

This common “culture” connects and binds together the members of those transnational aggregates. There is more than the “network” – or, in other words, the node-to-node set of connections – to those transnational aggregates. A transnational community is a transnational network, while the reverse is not necessarily true. The emergence of a transnational community reflects a process where node-to-node connections get progressively embedded and set, as it were, in a background frame of common meanings, references, and identity markers. In the meantime, the network may densify and expand, but, more importantly, it comes to develop a “cultural flesh.” In the different cases we explored in this volume, this progress of developing a common culture could be documented, although such development occurs with varying degrees of speed and intensity.

On the other hand, the notion of “transnational social movement” suggests, like that of “transnational community,” a collective frame and culture and the possibility for collective action. Arguably, transnational social movements are often one form of transnational community (see Mayntz, Schrad, Dobusch and Quack in this volume). But we propose that the term and the way it is often used lack a pointillist perspective. The notion of “transnational social movement” puts stronger emphasis on the overall common project, culture or action than on the individual nodes and connections that structure it in the background. However, the definition of community that we proposed in
Chapter 1 underscores the importance of the “mutual orientation and dependence of members.” Hence, nodes and the ways in which they connect and interact are important dimensions of this definition of community. The notion of community, as we define it, is therefore an interesting one if we want to reconcile a focus on what Tarde calls “inter-cerebral connections” with the way in which a multiplicity of such connections makes up broader patterns, currents, social movements, and flows (Tarde 2000 [1899]: 18–20). In other words, it allows us to reconcile explicitly the central structuring role of elementary nodes with the idea of a broad emergent collective that, in turn, can come to play a defining role for both members and non-members. Community-building is akin, we suggest, to a pointillist painting. The collective logic, culture or pattern emerges from the aggregation and, more importantly, from the mutual orientation and dependence of nodes (dots). In a community (particularly in the transnational communities we have explored), the shared culture is activated by a multiplicity of individual dots or nodes, leading to a fair amount of complexity and discontinuity. In turn, though, the nodes (dots) progressively come to be set and framed by a broader logic, culture or pattern, as the painting evolves or the community-building process moves along. The transnational communities we have explored in this volume are like many pointillist paintings – at least, this is a good simile when our perspective is a static one. If we step back and focus only on the social movement dimension, we might lose sight of the complexity involved and forget about the importance of the structure of the nodes or dots and their connections. If we move in too closely and focus on the network, on the nodes or dots and how they connect, we might then miss the collective logic and movement that is visible from afar.

As soon as we move beyond a static perspective, though, and adopt a longitudinal focus, then things become even more complex. We have to think in terms not only of a pointillist painting, but of an ever-changing, never completed one – to which dots could be added and erased, where they could get closer together or move further apart (leading to a more or less integrated whole), where the colors could change… The constitution of communities is a process that implies and requires time. The construction and progressive stabilization of a common culture, of an “imagined collective identity,” call for an investment in time. They also imply, on the way there, multiple conflicts and struggles; the triumph of certain actors and interests and the marginalization of others. Many of the chapters in this volume point indeed to the step-by-step and processual nature of community constitution – and possibly of community decline. They document either the dynamics of that process or its particular features at different stages. Again and again, the chapters appear to suggest a relatively clear pattern.
First, relational connections are prompted by and structured around a broadly common project and/or some common frames and references – that seem all the more “common” the further we stand from them. In reality, the degree of heterogeneity and conflict can be extremely significant at this stage, and this becomes all the more obvious as we get closer to the different nodes in the picture. Second, these relational connections stabilize through time in the form of networks that can be more or less systematically relayed by organizational arrangements – whether ad hoc and seasonal (i.e. conferences or meetings) or permanent. Third, more often than not, the web of relational connections expands in the process and becomes denser. Fourth, through the increasing density and regularity of those interconnections, the common frame of meaning and references is also being worked upon and tightened. This transformation of networks into a more integrated collective is effectively stimulated in situations when those collectives define their common project in policy-making or political terms.

The development we describe here does not lead towards a monolithic culture. However, time and again, the chapters document a tightening of the common frames over time. The focus becomes clearer, and the dots get closer to each other, becoming more interdependent in the process. Once again, this does not happen through benign convergence but will imply, most of the time, conflicts, power struggles, violence or exclusion. The speed of the process varies enormously, and the existence of a project that can be formulated in policy or political terms at the transnational level is unmistakably an accelerator, as the contributions by Plehwe, Schrad, Mariussen, Bartley and Smith, Dobusch and Quack all illustrate. Therefore, a sense of common identity and belonging builds up, step by step. This process can probably work backwards, as it were, even though there is less evidence of this provided in the chapters here. One mechanism for such a reverse process could be that the common project runs its course and loses its mobilizing stamina. Another parallel and complementary mechanism could naturally be the weakening of the networks over time, as organizational devices lose steam and key nodes redefine the intensity of their involvement and reorient their personal sense of priorities (Dahles and Schrad in this volume) or as conflicts and power struggles generate powerful interference.

**Mechanisms of integration, socialization, and control**

The constitution through time of “imagined communities” with a transnational scale and scope reveals the existence of integration, socialization, and
control mechanisms. Many of these mechanisms appear to be quite similar, in fact, to the mechanisms generally at work in the construction of national or even local imagined communities.

Chapter after chapter, we find evidence that direct contact, physical interaction, and face-to-face exchange are important mechanisms of integration, socialization, and control. They remain so, interestingly, in the world of transnational communities – even when they are not based upon physical proximity or direct and regular interactions within bounded territories. While physical and face-to-face encounters are rare in the world of transnational communities, they can have a degree of regularity (a yearly conference, quarterly meetings of working groups...). Precisely because they are so rare, but often eagerly anticipated if they are regular, these opportunities for face-to-face interaction can become highly symbolic. They can turn into real “totem” moments or events in which the community materializes (Durkheim 2001 [1912]). These types of encounters proved to be necessary and important even in transnational communities of the past, when they were complex and costly to organize (see Schrad in this volume). They are much easier to organize today but, in principle, should also be far less necessary, as multiple technologies allow for instant communication over great distances (Metiu and Dobusch and Quack in this volume). In spite of this, though, it is interesting that an opportunity for physical and face-to-face encounters retains its relevance and significance in contemporary transnational communities (see Plehwe, Mariussen, Bartley and Smith in this volume). These symbolic moments also enable people participating in them to go beyond a dry, formal exchange of information to more meaningful forms of expression and develop richer, denser, and more contextualized repertoires of interaction.

The regular exchange of documentation and information is also an important mechanism fostering integration. Historically, the density of information flows has increased with the sophistication of information technologies. The circulation of information is much more instantaneous today than it was in the times of the temperance movement (Schrad in this volume), but in both periods it played a key role in the process of bringing the different nodes of an emergent community closer together. The circulation of information and documentation will become all the more powerful as an integrator, if and when it is combined with the systematic standardization of patterns of information collection and presentation. Another powerful factor of integration, naturally, is the standardization of language. While in the context of historical transnational communities, the circulation of information required translation into multiple languages (see Schrad in
this volume), in contemporary times this circulation often takes place in English. Today, the working language of many transnational communities has de facto been standardized – it is English. The circulation of information includes the broad diffusion, within the collective, of “best practices,” which are packaged strategies or solutions that have been decontextualized and are proposed as having “universal” value and applicability across the emergent collective. If and when they effectively spread and are appropriated, they do indeed become key factors of integration, socialization, and control. They provide an ever-ready frame with which the members of the community can define problems and find solutions. They shape not only behaviors but also the conceptual reading of situations. In modern language, “best practices” can have a “performative” role (MacKenzie et al. 2007). They “change the world” and, in the process, become constitutive of the community that adopts and appropriates them.

While the circulation of information, documentation, ideas, or practices is important, integration, socialization, and control can also happen through more in-depth processes of acculturation. The time element, here again, is key. Let us think about imagined communities we know quite well, nations and nation-states. A powerful way for nations to construct and stabilize themselves as coherent imagined communities is through a national education system. To inscribe common meaning and reference patterns early on in the heads of young (future) citizens is certainly the most potent way for a nation to invent itself. This process of national coherence-building is often concomitant with exclusion or destruction of previously strong identities, whether subnational or even supranational ones. Following the break-up of Yugoslavia, for example, history books were rewritten in Croatia, Serbia, and Slovenia. The cultural and literary heritage was redefined. Curricula, from primary school to university, were reinvented. In each case, new heroes and new symbols were introduced and/or rediscovered. To some extent, transnational communities might be able to use similar kinds of mechanisms and can generate parallel patterns of exclusion and destruction. Transnational communities might be able to build upon the basis of a strong, pre-existing acculturation. A common educational credential, shared beyond nationality and national borders, can serve, for example, as an entry point into those communities (see, for example, Morgan and Kubo or Harvey and Maclean in this volume). Transnational communities in the making can also contribute, either directly or indirectly, to the progressive homogenization or standardization of acculturation frames. They can create their own training programs or missions and their own educative modules that can be potentially
connected to annual meetings and events. More interesting, even, is the indirect role transnational communities can come to play through their influence on education systems, transnationally. For example, the indirect role of the Mont Pèlerin Society (MPS) has been unmistakable in this respect over the past decades (see Plehwe in this volume, Djelic 2006). As it was building itself up as a community, the MPS was also powerfully extending its reach and leverage through an indirect impact on and involvement in the reforms of economics and business-school curricula in many parts of the world. In a similar way, the constitution through time of a transnational accounting community has had a progressive, sometimes indirect impact on accounting programs and curricula in many parts of the world (Ramirez this volume, Botzem and Quack 2006). These transformations in powerfully structuring acculturation and education patterns are bound, in turn, to reinforce further and strengthen the transnational communities with which they are associated.

At first sight, it would seem that transnational communities, in contrast to the more classical Gemeinschaft-type ones, would have to forego direct forms of control and would have to rely instead on the softer mechanisms of interaction, imitation, persuasion, or acculturation presented above. As argued in the first part of this chapter, membership in transnational communities tends to be chosen and voluntary. Members are free to come and go, and those communities do not seem essential, in a profound way, to the identity of individual members. In contrast to nation-states, furthermore, transnational communities do not have the legitimate power to try to prevent or to punish deviant behavior – the type of behavior that questions or threatens the common identity. So, it would seem at first that transnational communities cannot use coercive mechanisms to control their members or to foster integration. In reality, things are not so simple. First, direct interaction and the different mechanisms of socialization, whether face-to-face or technologically mediated, create the conditions for a more or less strong type of peer pressure. Such peer pressure, particularly when it is strong, can feel quite coercive. Second, when transnational communities develop or embrace a governance project and are ultimately successful in imposing their preferred solution, they create the conditions for a more coercive influence. “Deviant” behavior and resistance then become much more costly. Hence, in spite of their voluntary nature in appearance, transnational communities have the capacity to generate and use coercive resources.

Those different, broad types of mechanisms will not always be present or used. In the early periods of their lives, transnational communities rely mostly
on direct interface and indirect socialization mechanisms, mainly through the circulation of information, ideas, and templates. This is documented in most contributions to this volume. Mechanisms of acculturation will only emerge when transnational communities have reached a degree of maturity, stability, integration, and strength. They will also generally require a capacity to gain leverage well beyond the boundaries of the community itself. Finally, stronger forms of coercive mechanisms will tend to reflect what we could call an institutionalization of transnational communities, particularly in the form of an influential governance project with an identifiable impact. Such institutionalization reflects the “efficacy” of the community and its ability to turn a project into a legitimate framework for governance.

**The dynamics bridging communities across levels**

Transnational communities are an important fixture of transnational governance, but they are so to some paradoxical degree when they articulate with nationally rooted communities. Saskia Sassen suggests that the transformations we classify under the broad label of globalization take place inside national territories to a larger extent than we generally suspect (Sassen 2006). She calls this process globalization through “denationalization” – the hollowing out of particular components of the national through “structurations of the global inside the national” (Sassen 2003: 5). As a consequence, she argues that

> [s]tudying the global . . . entails not only a focus on that which is explicitly global in scale, but also a focus on locally scaled practices and conditions articulated with global dynamics, and a focus on the multiplication of cross-border connections among various localities fed by the recurrence of certain conditions across localities. (Sassen 2003: 3)

We prefer the concept of “transnationalization” to that of “denationalization” – as the former affirms more clearly the continued role and importance of the national. Still, this volume and the collection of empirical chapters it contains confirm in many ways the multi-level nature of globalization identified by Sassen (2003, 2006). Globalization – as captured in this volume through our preoccupation for transnational governance – is not, we find, a process taking place simply and neatly in a global arena, beyond and over local and national territories. Globalization is a complex, multi-level process, with a lot of fluidity and movement in different directions across levels (see also Djelic and Quack 2003; Djelic and Sahlin-Andersson 2006). The introduction
of the notion of “communities” allows us to be somewhat more precise here. What needs to be understood are the mechanisms connecting and articulating “global dynamics” with “locally scaled practices and conditions” (Sassen 2003: 3). Those mechanisms, we propose, are to a significant extent about the dynamics bridging communities across levels – and particularly about the dynamics bridging transnational and national communities.

From the empirical contributions in this volume, we identify three main patterns. First, transnational communities can be progressively – and possibly quite slowly – built up, structured, and stabilized through the interplay and interaction between different, often local and national communities (Harvey and Maclean, Schrad, Eder and Öz, Mariussen). This interaction or interplay articulates around the awareness and realization of the existence of a common interest, project, activity or preoccupation that may either have a transnational scope and reach from the start (Mariussen) or else be progressively constituted as such (Schrad, Harvey and Maclean, Eder and Öz, Dobusch and Quack). In this case, heterogeneous groups – mostly with a local or national basis – realize in a step-by-step manner that they have compatible, either similar or complementary, interests, activities, and preoccupations. The dynamics, then, are both lateral and bottom up – at least during the initial period. Lateral interactions between different local or national communities come to suggest the existence of a broader, shared community and identity. This is a long and slow process that involves a lot of lateral learning, adaptation, transformation, conflict, power struggle, compromise, and hybridization but also the eventual acceptance of a fair degree of remaining heterogeneity (Bragd et al. 2008). The transnational community that emerges from these lateral and bottom-up dynamics can become more or less integrated and more or less organized. In time, it may be able to affirm its autonomy as an entity from its component parts, leading then to a stronger reverse pattern of influence – from the “top” (transnational community) “down” (national or local components). The contributions by Schrad, Eder and Öz or Mariussen in this volume all show such an evolution, which can happen, naturally, at different rates of speed. The chapter by Harvey and Maclean focuses on an earlier stage of the process and leaves the question of possible further integration open for now.

Looking through our cases, we identify a second pattern, which might be seen arguably as a variation on the first one. Interestingly, a transnational community can emerge out of a common defensive reaction against transnational pressure, transnational developments, or transnational projects that appear to endanger nationally based identities, rights, practices or
prerogatives (see also Böhm et al. 2008). In the contribution by Fetzer in this volume, nationally based labor communities initially came together at the European level mostly around the “determination to prevent negative repercussions of European developments on national industrial democracy achievements.” (Interactions between locally or nationally rooted communities around such a defensive agenda might ironically contribute, in time, to the construction and stabilization of a sense of community that crosses national and local boundaries. Nationally rooted communities working together to protect their national rootedness might turn into a transnational community in the process. Lateral dynamics with a defensive goal might pave the way, in time, for the emergence of a transnational collective with community features. This emergent community might then come to redefine progressively its own agenda in a more constructive, and even offensive way.

The contribution by Fetzer in this volume shows indeed that the defensive nature of the transnational community of trade unions in Europe faded somewhat over time. Instead, the transnational community – which had grown more integrated through the years – came to define more offensive European-level challenges and agendas for itself and its national members. Another instructive example of such a transition from a defensive towards a more constructive and offensive community is the World Social Forum, which originally started in 2001 as a direct counter-reaction to the annual World Economic Forum in Davos and as a defensive campaign against neoliberal economic policy (Smith 2004). Since then, the experience of collective mobilization has brought a broad range of individuals and (mostly) civil society organizations closer together. This initial common, defensive experience gave rise progressively to a more proactive – though still rather loose and heterogeneous – community, which now appears to be geared towards the voluntary construction of an active transnational civil society (Della Porta 2004).

Third, some of the contributions in this volume point to a third pattern. The dynamics there are more top down. They start with the constitution of a small transnational group and its self-definition around a particular agenda. From this small transnational base, the next stage will then be the attempt to try to root this agenda in different local and especially national contexts (Plehwe, Morgan and Kubo, Ramirez). There are different ways in which this can be attempted. The transnational community can identify and connect with those local or national groups or individuals that are more likely to be interested and seduced by the pursued agenda. The articulation, in other words, between the transnational community and the local or national
communities that are seen as potentially receptive is certainly one way to go (see Djelic 2004). The transnational community can deploy different strategies, using direct contacts, seduction and persuasion, advocacy tools and strategies, or the manipulation of various kinds of resources (material or symbolic) and hence more or less potent forms of coercion. Local or national communities can be receptive to these for different reasons. They may have their own agenda that would be helped and reinforced by the agenda of the transnational community. They may be attracted by the resources associated with the transnational community and by the potential local or national leverage such a connection could give them (Kleiner 2003; Morgan and Kubo in this volume). They may be seduced through co-optation into what can be seen as an exclusive elite club or worry about exclusion (see Plehwe in this volume). Another way in which transnational communities can go about rooting their agenda locally is by gaining more macro-influence on governance frames or education systems (Ramirez, Plehwe in this volume). Instead of co-opting local or national communities into a given agenda through seduction and peer pressure, the idea here is to shape national institutions in ways that will in turn have a transformative impact on local and national communities. The pressure is thus more indirect, but arguably also more coercive. We are closer here to the construction of hegemony than to the exercise of raw power.

Beyond the differences that set those patterns apart, what seems clear across the different contributions in this volume is that a certain form of articulation and fluid interplay between transnational and national or local communities is a necessary, albeit not sufficient condition of impact and “efficacy” when it comes to governance. The complementary articulation between a degree of transnational cosmopolitanism and a form of national rootedness is what we find across the different chapters time and again. This articulation certainly explains the coexistence of what Tarde calls “the repetition of phenomena” across multiple localities and the “adaptation of phenomena” in each locality (Tarde 2001 [1895]). Transnational communities, in their cosmopolitan dimension, can produce “imitation” or “repetition” (Tarde 2001 [1895]). However, in their rooted dimension and connections (often national), transnational communities are also powerful mechanisms of “adaptation” and “translation” (Czarniawska and Sevon 1996); Tarde 2001 [1895], and also of appropriation and recombination (Quack and Djelic 2005). We propose that this capacity to articulate “repetition” and “adaptation” is an important explanation of the impact and “efficacy” of transnational communities when it comes to governance.
Exploring the impact of transnational communities on governance

After bringing together our common findings on the nature of transnational communities, we now turn to the question of impact. The contributions to this volume show that transnational communities play a role – sometimes a quite significant one – in the governance of business and cross-border economic activity. We outline below the characteristic features of this impact as we saw them emerge from a systematic comparison of our rich empirical cases. For our understanding of governance we build on recent scholarship. Our contemporary episode of economic globalization is one in which privatization and deregulation, fostered by neoliberalism, have combined with an explosion of rule-setting and rule-monitoring activities at the national and transnational level (Majone 1991; Vogel 1996; Levi-Faur and Jordana 2005; Djelic and Sahlin-Andersson 2006; Graz and Nölke 2008, Schneiberg and Bartley 2008).

Patchwork forms of governance

The governance of cross-border economic activity is much more complex, if we follow recent scholarship, than earlier perspectives opposing “states” to “markets” had envisioned (Boyer and Drache 1996). Transnational governance suggests “a complex compound of activities bridging the global and the local and taking place at the same time within, between and across national boundaries” (Djelic and Sahlin-Andersson 2006: 3). First of all, transnational governance is characterized by changes in the range of actors involved. We note, in fact, a proliferation of actors with a role in governance. Multiple private or non-state actors play a significant, albeit non-exclusive role. Nation-states, supranational authorities, and inter-governmental organizations remain actively involved. However, they no longer have an exclusive role and responsibility when it comes to governance (Rosenau and Czempiel 1992; Cerny 2006). The literature provides clear evidence of an unmistakable expansion of governance constellations that transcend the state/non-state, public/private divides (Levi-Faur and Jordana 2005; Djelic and Sahlin-Andersson 2006; Graz and Nölke 2008).

Transnational governance also implies a consequential redefinition of modes of coordination, rule-making, and rule-monitoring. The boundaries between rule-setters and rule-followers tend to blur – as the latter are often actively involved at different stages of the governance process. The governance
“products” that emerge tend to be “soft” – norms, standards, and “soft law” (Brunsson and Jacobsson 2000; Mörth 2004). Hence, many transnational governance systems are hybrid in character. They involve both state and non-state actors and combine top-down with bottom-up efforts (Kersbergen and van Waarden 2004). Transnational governance arrangements exist in many global policy domains, such as trade or finance but also environment, health, and security. They have direct and indirect regulatory effects on business and cross-border economic activity in many different sectors (Djelic and Sahlin-Andersson 2006; Mayntz 2009).

In many of these policy domains, but also as a broad phenomenon in itself, transnational governance exhibits a patchwork character – with coexisting and often overlapping forms of self-coordination, public regulation, and complex linkages between them (Héritier 1996). In a number of transnational industries, we find attempts at self-regulation coordinated by multinational companies (Cutler et al. 1999; Cashore et al. 2004). Social movements and non-governmental organizations also exert significant pressure on business actors to address issues of public interest such as fair wages, acceptable working conditions, and the protection of natural resources. Private standard-setting (Brunsson and Jacobsson 2000; Tamm-Hallström 2004) and certification or labeling initiatives (Bartley 2007; Overdevest 2005) have crossed multiple boundaries. They have generated encompassing rule-systems and rating and ranking schemes (Hedmo et al. 2006) that apply across many different jurisdictions. Still, competition between different rule-systems or schemes, on the one hand, and enforcement, on the other, remain the two main Achilles’ heels of transnational governance.

The situation is not very different in the emerging field of global administrative law (Kingsbury et al. 2005). Inter-governmental institutions like the United Nations or the World Trade Organisation, informal inter-governmental networks (Slaughter 2004), and hybrid public-private bodies (Quack 2007; Dilling et al. 2008) have all been involved. The result is a burgeoning of principles, practices, and legal mechanisms, but again of a patchy and fragmented nature. The European Union, arguably the most developed supranational political construction in the world today, also works through a variety of governance modes. It has “hard” law-making capacities (Stone Sweet et al. 2001; Plehwe with Vescovi 2003), but it also uses experimentalist governance schemes (Dorf and Sabel 1998; Sabel and Zeitlin 2008). In the end, “hard” and “soft” law combine and overlap in many different policy fields (Mörth 2004; Falkner et al. 2005; Trubek and Trubek 2005).
Thus, while documenting a surprising proliferation of rule-setting and monitoring activities, current research also points to the weak points of transnational governance. Transnational “governance activism” (Djelic and Sahlin-Andersson 2006) is striking, but it is a giant with “feet of clay.” The patchwork character of transnational governance is clearly visible in the competition that exists between different governance constellations. Such competition, as it crosses over multiple jurisdictions, regularly leads to governance contradictions or even loopholes (Fischer-Lescano and Teubner 2004; Picciotto 2008). This has raised doubts, naturally, on the capacity of transnational governance, as it exists today, to handle effectively complex challenges such as, for example, global warming, financial risk or corporate ethics.

There are different explanations for this observed fragmentation, its associated contradictions, and, in some cases, its incoherence. First, it needs to be related to the polycentric and multi-layered nature of transnational governance – where activities traverse the national and the transnational but also the different and partly overlapping policy domains and arenas (Braithwaite and Drahos 2000; Djelic and Sahlin-Andersson 2006; Bartley and Smith in this volume). Second, it reflects the absence, in the transnational governance world, of an ultimate seat of legitimacy. Problems of accountability abound and are compounded by the weakness of enforcement and sanctioning mechanisms (Power 2007; Black 2008, Dilling et al. 2008). This means, ultimately, that transnational governance can have the feel of what Nils Brunsson calls “organized hypocrisy” (Brunsson 1989). Sometimes, it might not be much more than a discourse. Naturally, this discursive character does not mean it is unimportant, far from it (Brunsson 1989; Grant et al. 1998; Bragd et al. 2008). Yet it does point to a major limitation of transnational governance, in a number of situations.

Another weakness of transnational governance is that while attempting to reduce existing uncertainty, it often generates new uncertainty. Transnational governance, as it functions today, produces rules that are open and flexible and therefore can be interpreted, adapted or translated according to need and circumstances (Djelic and Sahlin-Andersson 2006). As a result, while the overarching objective behind transnational governance is to reduce uncertainty in cross-border economic transactions, it also tends to generate new uncertainties and new accountability issues (Power 2007). Djelic and Sahlin-Andersson (2006: 380f.) attribute this effect to a “distrust spiral” that is fostered and reinforced by three broad forces operating in transnational governance fields: scientization, marketization, and deliberative democracy.
Others have pointed to the ambivalence of rule interpretation in general, and more particularly in the context of pluralistic, multinational, and multicultural environments (Quack 2007; Picciotto 2008).

**Communities in transnational governance**

As far as collective action in the transnational sphere is concerned, a lot of research has hitherto concentrated on the role of organizations and networks. This is true for world society theory (Drori *et al.* 2006) as well as for international relations approaches to world politics and the European Union (Kohler-Koch and Eising 1999; Barnett and Finnemore 2004). Social movement theory similarly has pointed to the importance of activist networks and non-governmental organizations (Keck and Sikkink 1998; Tarrow 2005). There is no doubt that these social formations play a significant role in transnational rule-setting and monitoring.

However, the contributions to this volume suggest that there is also a community dimension to transnational governance that so far has been largely neglected. The chapters point to various forms of transnational communities. The members of those communities share projects, interests, values, and normative orientations. Over time, after many struggles and possibly some destruction along the way, this interpersonal orientation, magnified by direct and indirect interactions, has a bonding effect and contributes to social integration. In the case of transnational communities, this integration takes place across national boundaries but also across formal organizations and/or networks or even across nationally or locally based communities. While many of the transnational communities analyzed in this volume are depicted as relatively fluid, unstable, and loosely integrated, they nevertheless seem to add a crucial dose of social structuring to the transnational sphere and, by reflection, to transnational governance. They produce “emergent effects by virtue of the fact that the expertise, skills or convictions which are their basis guide the autonomous behavior of the community members” (Mayntz in this volume). This is very much in line with Morgan’s (2001) statement that the contribution of transnational communities to transnational governance seems to lie in “background processes.”

In our view, the additional value of the community dimension for understanding transnational governance arrangements lies in their potential to align the cognitive and normative orientations of their members over time. Therefore, the inclusion of transnational communities will enrich accounts of cross-border governance, which so far have focused primarily on the role of...
formal organizations and networks (Kohler-Koch and Eising 1999; Drori et al. 2006). This inclusion shows how vital cognitive frames and, to some extent, cognitive alignment can be for the effectiveness of coordination and governance activity on many levels. Transnational communities are able to generate these effects because they are able to integrate -- through mutual interaction, socialization, learning, mutual adjustment but also social control, coercion or exclusion -- the practices, beliefs, norms, and identities of many different individuals. Each of those individuals is personally involved in multiple spheres of commitment, be they organizations, networks, nations, or even other communities, particularly at the national or local level.

In this sense, transnational communities have an affinity to forms of coordination that involve many actors and levels and diverge from the command-and-control conceptions of governance. As Bartley and Smith (in this volume) put it, transnational communities are likely to be cause and consequence of non-bureaucratic types of governance, not least because of the blurring of boundaries between rule-setters and rule-followers (Schneiberg and Bartley 2008). This affinity, however, does not mean that communities are the only social formations contributing cohesion, integration, and cognitive alignment to the transnational sphere -- in part through processes of hegemony construction. But we have focused in this volume on transnational communities and their particular impact.

Understanding the role of transnational communities in the governance of business and economic activity implies a "study of process and emergent features" (Morgan in this volume; see also Mayntz in this volume). It requires following the interactions of individuals and groups and the sense of belonging that these interactions generate. It suggests an exploration, in turn, of how this sense of belonging enables coordinated action at a distance, or what Tarde (2001 [1895]) would have called "repetition of phenomena" across multiple types of organizations, networks, associations, cultures, and nations.

The exploration of "process and emergent features" should start with a consideration of multiple community affiliations (Simmel 1971; Djelic and Quack in Chapter 1 of this volume). Many contributions to this volume provide evidence of self-reinforcing processes. Certain individuals see their horizon of action extend progressively beyond national borders and national communities. As these actors become enmeshed in an emerging set of transnational interactions, social networks, and organizational arrangements, their transnational horizon of action broadens in parallel (see, for example, Morgan and Kubo, Bartley and Smith, Dobusch and Quack, and Schrad in this volume). From the contributions to this volume, we see though that processes
of transnational community-building did not always live up to this potential to the same degree. Several chapters in this volume refer to cases of transnational communities that at the time of observation were still at an embryonic stage. This is most evident in the account of board directors in transnational companies located in France and Britain (Harvey and Maclean in this volume). Fetzer’s analysis of European trade unions shows here an interesting evolution (Fetzer in this volume). Nationally rooted trade unions started to work together initially in order precisely to protect and defend this strong national rootedness. Ironically, a sense of belonging was progressively constructed around this initial common defensive objective. In time, this emerging sense of belonging became the basis for a more proactive and even offensive collective mobilization at the European level!

### Playing different roles

The contributions to this volume suggest that the governance impact of transnational communities has several dimensions. When it comes to the governance of business and economic activity, transnational communities can play different roles. The empirical cases we have explored show, furthermore, variable combinations of those different roles.

### Defining and framing

At a basic level, transnational communities can play an instrumental role in the definition of governance problems and issues. This will be particularly the case in situations requiring cross-border coordination and revealing, initially, broad heterogeneity. The elaboration and expression of a common definition is an important first step to the framing of problems and issues as domains of public attention (Dewey 1938). The chapters in this volume document quite clearly that transnational communities also play a key role when it comes to framing and creating a transnational public “problem space” – where a multiplicity of actors actively search for solutions. Framing then also generates new opportunities for strategizing. A multiplicity of individuals, organizations, and associations meet each other in this transnational “problem space,” with different goals and strategies. These encounters can be conflict-ridden, but they also tend to foster and encourage, in time, community-building and the emergence of an overarching identity – in spite of and beyond competitive strategizing.

As the diverse contributions to this volume show, it is by no means easy to predict which issues will be identified as such and framed as requiring
transnational attention and possibly governance. Defining and framing transnational “problem spaces” is, in other words, a historically and contextually contingent process. As illustrated by Schrad’s chapter in this volume, the rise of temperance as a transnationally relevant policy issue was not rooted in any statistical increase in drunkenness, but was rather based on subjective assessments concerning the inappropriateness of drunkenness in different countries at a given point in time. Similarly, environmental protection (Bartley and Smith in this volume), access to a digital commons (Dobusch and Quack, and Metiu in this volume) or global warming (Mariussen in this volume) have all been shaped and constructed as issue-fields calling for transnational governance. In all those cases, the role of emerging transnational communities has been unmistakable.

At a broader or even a meta-level, it is important to underscore the pivotal role of certain comprehensive discourse communities. In his description of the Mont Pèlerin Society and emerging neoliberal movement, Plehwe (in this volume) does not actually document the framing of an issue but, as it were, the framing of a “framing scheme” with an hegemonic potential (see also Djelic 2006). Clearly, this was Friedrich Hayek’s vision from the start in 1949, when he called for the articulation of a “liberal utopia,” a “truly liberal radicalism” (Hayek 1949: 432). He saw a role for an avant-garde liberal group of original thinkers:

We need intellectual leaders who are willing to work for an ideal, however small may be the prospects of its early realization. They must be men who are willing to stick to principles and to fight for their full realization, however remote. (Hayek 1949: 433)

This case shows how a transnational community has been instrumental in shaping a broad ideological structure that has come, in time, to influence and frame the principled beliefs, worldviews, and practices associated with many transnational governance processes – irrespective of the nature of the issue (see Hall 1993 for the parallel influence of the Keynesian paradigm until the 1970s and Hayek 1949 on the role and power of socialism).

Framing has also been identified as a constitutive activity in processes of market formation (Callon 1998; MacKenzie and Millo 2003). Framing leads to mutually shared expectations and norms that make it possible to deal with coordination problems in markets (Beckert 2009). Chapters in this volume make it plain that markets are not “born global,” but that they are typically (and often only progressively) framed as transnational markets (Morgan and Kubo, Mariussen in this volume). Since the framing of transnational markets involves actors originating from different countries, with distinct institutional
and cultural traditions, it generally demands intense and complex collaborative efforts. Those heterogeneous actors need to work together to elaborate shared justifications and definitions of value, compatible business models, and common rules of exchange and competition (Quack forthcoming 2009). Hence, the framing of markets – and particularly of transnational markets – is bound to coevolve and interplay with processes of community-building. Transnational communities can be either challenging or defending different “control conceptions” of markets (Fligstein 2001). Those transnational communities will be, in the process, constructing themselves as communities. Eder and Öz (in this volume) suggest, for example, that an emerging community of trading practice fed back into the operation of the informal shuttle trade in the Laleli market in Istanbul, generating trust and thereby reducing the risk involved in these informal market exchanges (see Dahles, in this volume, for a failed example of using ethnic ties to overcome market uncertainty). Morgan and Kubo (in this volume) show that the formation of a global market for private equity was supported by a community of private equity practitioners that was “transient yet powerful in impact” (see also Hussain and Ventresca for parallels in global financial markets, and Ramirez in global accounting markets). Finally, Mariussen (in this volume) documents the role of scientific and expert communities as they enter “narrative competition” with the aim to gain a first-mover advantage on the emerging market for carbon capture and storage. The latter account confirms ongoing research in other issue-fields – for example, what takes place around CO2 emissions trading (Engels 2006) or around new medical treatments for breast cancer (Mützel forthcoming).

Mobilizing collective action

Transnational communities are platforms for the mobilization of collective action. This is indeed a second important role that they can play in governance processes. While transnational communities are often loose and transient in nature, they nevertheless are able to reach decisions, to jointly control resources, and to strategize for their goals, often to the detriment of other actors and interests. A number of chapters provide evidence that communities were able to mobilize diffuse agency and to direct it in a common direction – towards a jointly defined and framed issue, goal or interest (Eder and Öz, Dobusch and Quack, Schrad in this volume). Transnational communities also often gave birth to or co-opted other kinds of collective actors, such as formal organizations and associations (Schrad and Fetzer in this volume). In most cases, the relationship between communities and those other associated actors was synergetic and reinforcing (see Hussain and Ventresca in this volume on
an archipelago of associations; see also Dobusch and Quack in this volume). In particular, the malleability of transnational communities gives, as Bartley and Smith (in this volume) suggest, new actors “a seat at the table.” Amongst those “new actors” entering the definition and negotiation arenas, we find multiple kinds of non-governmental organizations (NGOs), civil society associations, think tanks, and various consulting or expert organizations (Dobusch and Quack, Bartley and Smith, Schrad, Metiu, Plehwe, and Mariussen in this volume). Particularly striking in that respect is the contribution by Metiu (in this volume). It shows the enabling effects of the open source software community on skill development among programming communities in developing countries (see the parallel openness in Dobusch and Quack in this volume).

Delineating public arenas

A third important role for transnational communities is to delineate – or serve as – public arenas, within which discussion, contention, and conflict are possible but contained. As Bradg et al. (2008) argue, discourse can be a means to create a community. Discourse and deliberation are essential features of transnational communities of practice, episteme, and interest. Many of the transnational communities discussed in this volume are not simply quiet arenas of compromise and agreement. They are also social spaces where opposition and conflict are voiced – but also contained – and where different views, norms, and interests confront each other. The community of practice of certification specialists depicted by Bartley and Smith (in this volume) is, for example, a community where different perspectives and even interests collide. Being a transnational space where contrasting and sometimes conflicting perspectives can be confronted and discussed and where compromise can be sought, this community contributes – like others around global warming (Mariussen in this volume) or open content (Dobusch and Quack in this volume) – to the alignment of preferences and to the generation of broadly and on average acceptable solutions to transnational public policy problems. Insofar as communities do actually nurture discussion, discourse, or even deliberation in a more organized sense, they become public arenas where compromise solutions to complex governance issues can emerge (Quack 2007).

Contributing to preference transformation

Over time, transnational communities can also come to play another important role. They can foster preference transformation in some or all of their
members. This role is, in part, a direct consequence of the three previous ones. Preference transformation does not necessarily lead to preference alignment of all community members. As a community develops and matures, though, centripetal pressures will emerge, and preferences will move closer to each other. Consequently, the transformation of preferences will tend, in that phase, to facilitate coordination across different interest groups. The transformation of preferences can be a result of learning processes, but it can also be an expression of mutual adjustment under peer pressure or even of coercion through more or less formal sanctioning and the threat of exclusion. Furthermore, it can take place in such a way that actors from different backgrounds end up bringing their differences and heterogeneities under the umbrella of more encompassing principles, as in the advocacy networks discussed by Keck and Sikkink (1998). Examples for such processes are provided by the chapters in this volume that deal with alignments of informal practices and formal standards but also, ultimately, of underlying principled beliefs. The emergence of an informal market of shuttle traders studied by Eder and Öz (in this volume) shows nicely how shared routines and mutual expectations evolved over time out of rather instrumental exchanges between ethnically and socially distinct market actors. Ramirez (in this volume) shows how conceptions of professionalism in France were transformed by the integration of the French accounting elite into the transnational accounting community (see also Morgan and Kubo for transformations of the Japanese private equity community). Braithwaite and Drahos (2000) in their seminal book on “Global Business Regulation” argued that “webs of dialog” were often more effective in generating transnational coordination than the top-down implementation of rules. The findings of our studies support their conclusion while further elaborating the community dimension of what they referred to as “webs of dialog” in a rather loose way. Even though we do not have evidence of this in this volume, one might wonder, finally, whether the decline of certain transnational communities, as analyzed by Schrad in this volume, could not also be explained by a transformation of preferences. This time, though, pressures would be centrifugal. Transnational communities would tend to weaken or even decline when the preferences of their members began to diverge or when control mechanisms started to weaken.

**Participating in rule-setting**

When it comes to transnational governance, transnational communities are also instrumental because they stimulate and participate in rule-setting. We find them both in situations of private rule-setting and in cases where public
actors (national governments, supranational authorities, international organizations with a public stature, or inter-governmental bodies) are much more central. As understood here, this role goes beyond that of framing and agenda-setting, which Haas (1992) associates with epistemic communities. It also differs from the preference-changing impact of political communities of practice, as described by Adler (2005). Transnational communities are powerful instruments for generating rules that can help to overcome the institutional fragmentation characteristically associated with transnational governance. The defining features of those communities – in particular their ability to traverse organizational membership and national citizenship, their limited liability, and their internal heterogeneity – are all extremely important here. They allow transnational communities to cut more pragmatically across entrenched perceptions and interests than organizations, whether public or private, can generally do. In other words, transnational communities are often able to generate the type of cognitive and normative alignment that is necessary for the setting of rules in contexts where many different institutional traditions overlap (Oberthür and Gehring 2006). In addition, transnational communities can often draw on rather unique and up-to-date pools of knowledge and experiences relevant for rule-setting in specific policy domains. Schrad (in this volume) shows how the transnational temperance movement served as a powerful conveyor belt – framing policy initiatives, transforming them into legislative rules, and carrying them across borders to multiple national jurisdictions. Bartley and Smith (in this volume) show how a transnational community became innovative – turning certification into a new form of private transnational governance. Adherence to a certification scheme creates, as Glnski (2008: 63) argues, immediate legal obligations for the certified company and may have a ripple-like impact on many companies (including non-certified ones) by defining what constitutes fair business conduct under tort law. Transnational professional communities also played a significant role in the rule-making process and associated legislative lobbying that have led to the widespread adoption of the IFRS as a new set of global accounting standards (Ramirez in this volume; Botzem and Quack 2006).

Sanctioning and exerting control

Finally, transnational communities can have a profound impact in governance processes as they exert their capacity for informal sanctioning and social control. This role proves to be particularly important in the later phases of governance, when the time comes for rule implementation, compliance, and monitoring. This capacity takes various forms. Benchmarking and peer pressure are undeniably a
conduit for social control. Systematic, “transparent” comparisons through labe-
lization, certification, accreditation, or ranking are a strong and institutionalized
form of social control. Those mechanisms can be “neutral” benchmarks and
comparisons, but they can also be morally weighed. Moral suasion, particularly
through naming and shaming, can be a powerful mechanism of social control
indeed (Boli 2006). The recent elaboration and officialization by G20 members
of a “black list” of tax-haven countries is an example (G20 2009). Ultimately, the
strongest source of sanctioning power is the threat of exclusion from or refusal of
admission into an existing community – particularly when this community is
associated with significant resources and legitimacy.

The chapters in this volume suggest the importance of such informal sanct-
ioning, although it is sometimes difficult to document it explicitly. Within the
open software and open content communities, for example, those who violate
the principle of sharing are likely to face informal mechanisms of naming and
shaming but also run the risk of exclusion (Metiu, Dobusch and Quack in this
volume). The loose certification community described by Bartley and Smith (in
this volume) exerts pressures for public comparison and benchmarking between
different programs and thereby threatens the reputation of those who do not
comform or perform according to the standards defined by or through the
community. When transnational communities are ultimately successful in
imposing their preferred solution and the latter is indeed appropriated by various
public authorities, they create the conditions for a more coercive impact. For
example, once the European Union had decided to make international financial
reporting standards (IFRS) legally binding, membership in the transnational
accounting community became all the more unavoidable. From that moment, an
accountant who chose not to make the effort to adapt to or comply with the
 cultural frame of the new transnational community found himself or herself
marginalized in professional terms. Hence, the professional community of
transnational accounting experts was able from then on to exert even stronger
pressure on the French accounting profession (Ramirez in this volume) and
naturally on other national accounting communities as well (Botzem 2009).
Altogether, the voluntary nature of transnational communities should therefore
not lead us to overlook the coercive resources they can muster and manipulate,
both directly and indirectly!

Creating order and legitimacy in a complex world

Transnational communities generate and foster the development of practices,
standards, and different kinds of “soft law” (Mörth 2004, 2006). In parallel,
transnational communities also need to engage in justification and legitimacy-building – showing how these practices, standards, and rules are useful and implementable but also arguing that they are superior to existing or possible alternatives (Quack forthcoming 2010). This is an important, necessary – albeit not sufficient – condition for the broad sharing of those blueprints within the community but also for their impact well beyond it. The chapters in this volume indicate that communities engage in the justification of competing “orders of worth” (Boltanski and Thévenot 2006). The open source and open content communities analyzed by Metiu, and Dobusch and Quack (in this volume) are clear and univocal when it comes to their justification strategy; they argue for the unmitigated superiority of sharing knowledge over traditional copyright regulation. Some of the other communities deploy more complex justification strategies and even find themselves standing simultaneously on different sides of the fence in certain cases. Environmental and labor certification, for example, reconciles awkwardly a justification of market principles in rule-setting and monitoring with a preoccupation for long-term economic and environmental sustainability (Bartley and Smith in this volume; Engels 2006). The community studied by Mariussen (in this volume) is searching for ways to limit the negative externalities of profit- (and market-)oriented business activity while, at the same time, being itself actively involved in the creation of a new market around carbon capture and storage.

In most chapters in this volume, transnational communities function also as “legitimacy communities” (Black 2008). They issue legitimacy claims just as much as they are the audience to which legitimacy claims are addressed. Their role might change over time. In their early stage of development, communities are more likely to act as challengers and to contest the legitimacy of existing rules. After a while, they might turn into stabilizers and protectors of specific governance rules and monitoring systems (see, for example, Morgan and Kubo, Ramirez, or Hussain and Ventresca in this volume). Ultimately, though, the current financial crisis indicates that the stabilizing function of communities and their legitimacy claims can always be contested and threatened irrespective of the strength of the position achieved.

An interesting feature of the cases analyzed in this volume is that transnational communities, in a number of cases, started off as relatively small, interpersonal networks or social groups. Typically, there was a small rather elite core group who then initiated a broader community or social movement (Schrad, Plehwe, Dobusch and Quack, and Mariussen in this volume). We also found interesting differences with regard to the social openness or closure
of communities over time. Questions emerge, naturally, as to the performance and “efficacy” of these different types of communities with regard to leadership and governance. Smaller communities can lead and coordinate more easily. Still, it often takes a broader community to effectively mobilize and widely cultivate particular types of discourse, standards, and practices. Broader and more inclusive communities are also able to incorporate and take advantage of the diversity of experiences, knowledge, and practices of a large community membership, marshaling this vast experience in the service of the common project.

Exclusive communities, as illustrated by the neoliberal discourse community or the transnational community of accounting professionals, tend to maintain an elite character and tightly restrict the admission of new members. If they do not manage to link up with broader and more inclusive audiences, though, small and exclusive transnational communities run the risk of establishing expert governance regimes that operate in a rather top-down, bureaucratic fashion with, ultimately, limited support and impact. Reflecting in 1949 on the broad impact of socialism, Hayek showed how important it was for a small group of original thinkers to articulate their ideas and then connect with broader circles of what he called “second hand dealers in ideas” (Hayek 1949: 418). Such a combination, he believed, would also be key to the future ideological and political impact of liberalism. Inclusive communities, on the other hand, like the open source and open content movement in particular, have fluid boundaries. Not only are they interested in continuously attracting new members but they also try to orchestrate a balance between the core and the broader membership of the community that allows in principle for reciprocal exchange and collective learning (Bohman 2007). Inclusive communities may be more difficult to manage, but they ensure a broader reach. They also make it possible for a large diversity of experiences, knowledge, practices, and ideas to be brought into the common project of the community (see Metiu, Dobusch and Quack, Bartley and Smith and Schrad in this volume).

In conclusion, the chapters in this volume document the rather comprehensive impact of transnational communities on the governance of business and economic activity. This impact is comprehensive in at least a double sense. First, we find that the impact of transnational communities extends well beyond the early stages of the policy cycle – where earlier literature has often tended to confine it (Haas 1992; Plehwe in this volume). Second, we also find that the role of transnational communities does not stop with intergovernmental politics. This is not only true for the comprehensive discourse
community analyzed by Plehwe (in this volume) but also applies to other types of transnational communities analyzed here, including those of practice, episteme, and interest operating in various fields of transnational governance. Returning to the key issues of the research agenda outlined by Adler and Haas (1992) more than fifteen years ago for the study of (epistemic) communities, this volume suggests that there is still a lot to be discovered by following a reflexive approach to world politics that includes various types of communities in which ideas, practices, and interests are intermediating between international structures and individual and collective agency.

This volume constitutes an attempt to assess systematically the role of communities in transnational governance. There is renewed interest, currently in sociology and business studies, for the concept of community. Most of this interest, though, tends to focus on a classical understanding of the notion of “community” – bringing us back to local communities of belonging with often an ascriptive character (Lounsbury and Marquis 2007; Marquis and Battilana forthcoming). This volume shows that a renewed interest in the notion of community is indeed important. However, we argue that it should come with at least a partial redefinition of the notion and with an enlarged focus to include transnational imagined communities, often of the limited liability kind (Janowitz 1952). All contributions to this volume show that the organization and governance of contemporary business and economic activity connect, to a significant degree, with the emergence and development of complex overlaps among geographically widespread transnational communities. The transient and hybrid nature of transnational communities means that their effects on transnational economic governance can be determined only by taking account of the full social context in which they operate. We have shown, in this volume, that transnational communities often evolve out of markets, networks or organizations and that they, in turn, can generate the structuration of those other types of social formations. In other words, transnational communities develop and evolve in tightly intertwined ways with many other kinds of social entities or aggregates. Therefore, it is both methodologically and substantively difficult to isolate precisely the impact of transnational communities per se in the complex ecology of contemporary transnational governance. Still, as this volume has shown, this is far from meaning that transnational communities do not make a difference. We have argued and provided illustrative evidence that they do! This volume, though, is only the beginning of the journey. It is an invitation to explore further the complex aspects of community in global economic governance.
NOTES

1. “Le roseau plie et ne rompt pas.”
2. Pointillism is a postimpressionist school of painting, with roots in France at the end of the nineteenth century. The work of painters like George Seurat, Paul Signac, or Camille Pissaro is representative of that school. The technique associated with this school is characterized by the application of paint in small dots and brush strokes. *Point* in French, from which the name *pointillisme* derives, means “dot.”

REFERENCES


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