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Abstract (EN)

The United Nations Industrial Development Organization (UNIDO) was established in the second half of the 20th century to promote industrial development in the global South. From the beginning, UNIDO faced criticism of its efficiency and effectiveness, particularly from states in the Global North. Over the past twenty years, a total of eleven member states, including strong donor nations such as the United States, Canada, France, and the United Kingdom, have withdrawn from the organization. The withdrawal of industrialized countries has left a gap in the organization's budget and fueled debate about UNIDO's legitimacy. Through document analysis, this master's thesis analyzes the discourses surrounding the organization's mandate and identifies strategies UNIDO has taken to strengthen and maintain its legitimacy among member states. These include internal reforms and restructuring, strategic appointments to positions in the organization, agenda setting, and milestone management. The findings of this master's thesis are useful for research on international organizations (IOs) because of the strong focus on withdrawal contexts and the emphasis on civil society as a target group for legitimacy strategies.

Abstract (DE)

Die Organisation der Vereinten Nationen für industrielle Entwicklung (UNIDO) wurde in der zweiten Hälfte des 20. Jahrhunderts gegründet, um die industrielle Entwicklung im globalen Süden anzustoßen. Von Anfang an musste sich die UNIDO der Kritik bezüglich ihrer Effizienz und Effektivität stellen, insbesondere von Staaten des globalen Nordens. In den letzten zwanzig Jahren haben insgesamt elf Mitgliedstaaten, darunter starke Geberstaaten wie die USA, Kanada, Frankreich und das Vereinigte Königreich, die Organisation verlassen. Die Austritte wichtiger Industrienationen haben eine Lücke im Budget der Organisation hinterlassen und die Diskussionen über die Legitimität der UNIDO befeuert. Diese Masterarbeit analysiert mittels einer Dokumentenanalyse die Diskurse rund um das Mandat der Organisation und arbeitet Strategien heraus, die die UNIDO ergriffen hat, um ihre Legitimität bei den Mitgliedstaaten zu stärken und zu erhalten. Dazu zählen interne Reformen und Umstrukturierungen, strategische Besetzungen von Positionen in der Organisation, Agendasetting sowie Meilensteinmanagement. Die Erkenntnisse dieser Masterarbeit sind für die Forschung zu internationalen Organisationen (IOs) hilfreich, da ein starker Fokus auf die Kontexte von Austritten gelegt wird und die Zivilgesellschaft als Zielgruppe von Legitimationsstrategien beleuchtet wird.

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Abbreviations

4IR	<i>Fourth Industrial Revolution</i>
DFID	<i>Department for International Development (UK)</i>
G20	<i>Group of Twenty</i>
IDB	<i>Industrial Development Board</i>
IOs	<i>International Organizations</i>
LDCs	<i>Least Developed Country</i>
MDC	<i>Middle Income Countries</i>
MDG	<i>Millennium Development Goals</i>
MOPAN	<i>Multilateral Organisation Performance Assessment Network</i>
MTPF	<i>Medium-Term Programme Framework</i>
NIEO	<i>New International Economic Order</i>
NORAD	<i>Norwegian Agency for Development Cooperation</i>
OECD	<i>Organisation for Economic Co-operation and Development</i>
SDG 9	<i>Inclusive and sustainable industrialization</i>
SME	<i>Small and medium-sized enterprises</i>
UNESCO	<i>United Nations Educational, Scientific and Cultural Organization</i>
WED	<i>Women's Entrepreneurship Development Program</i>

1. Introduction

The United Nations Industrial Development Organization (UNIDO) has been through some turbulent times. The organization, which was founded in 1966 with the aim of promoting and accelerating industrial development, has been continuously criticized by industrialized countries throughout its existence. Those industrialized nations accuse the organization of not working effectively enough and question the relevance of the UN organization in the 21st century (see DFID 2011). Progress in promoting industrialization and poverty reduction in developing countries through the development of an industrial sector is also seen by some states as deficient. In addition, the organization's bureaucracy and internal processes are criticized as ineffective (see Goodenough 2011; Schaefer 2011). Furthermore, certain perspectives and goals of the organization are claimed to be outdated, which further fuels the rejection of the UN specialized agency.

As a result, UNIDO has already had to accept the withdrawal of several states. A total of eleven countries, mainly from Europe and North America, have left UNIDO, leaving the remaining countries to discuss industrial development at the UN level. The countries that have left include major donor countries such as Canada, France and the UK, as well as the United States as the global hegemon, but also smaller industrialized countries such as Australia, Belgium, Denmark, Greece, Lithuania, New Zealand and Portugal. According to Von Borzyskowski and Vabulas (2019, 343), this places UNIDO third in the ranking of international organizations with the most withdrawals. What are the reasons for the sometimes strong rejection of the organization in the field of development cooperation?

Nowadays, UNIDO no longer focuses exclusively on purely industrial development assistance in the form of technical expertise, but has broadened its scope and its work contributes to the achievement of the United Nations Sustainable Development Goals (SDGs). In particular, Goal 9 (Promote Industrial Development), aims to achieve inclusion of all segments of society and incorporate sustainability considerations into industrial development. UNIDO, which is headquartered in Vienna and employs about 2300 people, not only works on the implementation of specific industrial projects, especially in the Global South, but also deals with the external relations and relations of the Secretariat with the governments of the Member States, as well as the public image of the organization.

As part of this, UNIDO has for some time sought to maintain and promote its legitimacy as the UN industrial development body in the arena of international development. Numerous opportunities arise for the organization to portray the importance of its mandate to the outside world and to illustrate its own legitimacy. For example, each year UNIDO organizes several platforms, panel discussions, events, is present at trade fairs, etc., using language to the outside world that is intended to clarify the organization's mission and mandate. In my master's thesis, I would like to examine some of this public relations work in more detail, and to this end I have collected a range of literature and documents around the debates on UNIDO's effectiveness, and evaluated them in terms of legitimation strategies.

After the last major wave of withdrawals (mainly by European states) ended in 2016, there has been some quiet around criticism of the organization. At the same time, the first signs of rapprochement can be seen again. For example, the US. sent an observer delegation to the last General Assembly in November 2021, UNIDO's highest policymaking body. Under US President Biden, a US return to the ranks of international organizations in the name of multilateralism has not become unlikely. However, these speculations are enough for UNIDO's critics to re-position their arguments against the UN organization, and thus we can expect heated debates around UNIDO's mandate again in the future.

For this reason, I would like to pursue the following research question in my master's thesis: "What legitimacy strategies does UNIDO pursue in debates about the effectiveness and relevance of the organization?"

1.1. Objective of the Master's Thesis

By exploring this research question, I aim to contribute to the debates surrounding the legitimacy of international organizations (IOs) and how they deal with criticism. In this thesis, I examine UNIDO's substantive legitimacy strategies in the form of institutional change to shed light on how the organization counters criticism and what strategies have been employed to solidify its position as a UN development organization.

A universally popular tool in research on the legitimacy of international organizations is the analysis of texts, such as speeches or documents, published by the organization. Even though institutional legitimation strategies (cf. Gronau and Schmidtke 2016, 542) are closely related to communicative legitimation strategies, my focus in this master's thesis is rather on UNIDO's actual actions, e.g. its reaction to withdrawal announcements, its response to criticism, or its handling of crises. In doing so, my thesis will present UNIDO's behaviors, actions and methods

in the context of its legitimation strategies. My master thesis will also show what strategies UNIDO has used to gain the support of member states and the public and what UNIDO understands by a responsible and effective implementation of its mandate.

To date, research in international relations has shed little light on how international organizations develop their legitimation strategies and how recipients respond to those. To examine this in more detail, I take predominantly a top-down approach, referring in this context to the way legitimacy is disseminated from the top down. An alternative approach would be to examine how member states attempt to legitimize UNIDO (bottom-up approach).

1.2. My Position in the Research

I completed an internship at the Policymaking Organs Secretariat from October 2021, to January 2022, gaining insight into UNIDO's work processes. During this internship I also got the inspiration to write this master's thesis. However, this thesis is my own work, which came about without cooperation with UNIDO.

In writing about the industrialization of LDCs in this master's thesis, I am aware that I am doing so from a privileged perspective. I live in a highly developed industrialized country and have been able to grow up in the prosperity that most developing countries have yet to achieve through the process of industrialization. I have tried to be aware of this fact at all times while writing this thesis and not to take a biased perspective. However, I am aware that my view of how industrial development should occur, or what its goals should be, may differ from the views of others in the Global South.

1.3. Leading Research Interest

International organizations play an important role in solving global challenges such as poverty reduction, conflict resolution, and efforts to avert the climate crisis. However, for the UN or other multilateral organizations to work on these problems, it is essential that those organizations are perceived as legitimate by the public. Only legitimacy can ensure the success of these institutions in a democratic age, and thus enable them to work effectively. If an international organization loses legitimacy, it runs the risk of no longer being able to access funding and other resources and of no longer being able to work for the actual purpose of its foundation. Thus, the recognition of legitimacy is an essential factor in ensuring the long-term effectiveness of international organizations in today's global society.

By addressing a concrete case study, such as UNIDO and its legitimacy strategies, I aim to enrich previous research in the field of legitimacy of international organizations through a practical application, while also reviewing existing theories in terms of their applicability. Applying theories and concepts from the field of international relations, I aim to expand the existing body of research by highlighting and analyzing UNIDO's strategies in dealing with legitimacy issues. I examine the arguments UNIDO has used to respond to emerging criticism in the past and draw conclusions for strategies that could be relevant to other international organizations facing similar situations.

1.4. Relevance for the Master "Development Studies"

The master's program "Development Studies" at the University of Vienna can benefit from this master's thesis in terms of content, as international development cooperation is a central field of research, which the study program deals with critically and intensively from the very beginning. Also, the question of what constitutes the development of a nation is often traced back in the study to the degree of industrialization, which is also the central goal of UNIDO.

In development research, questions keep coming up that I address in this paper, such as the issue of targeting domestic production for export or import for development. Terms such as "import-substituting industrialization" or "structural adjustment programs" are often present in the literature on the history of economic development and are closely intertwined with the history of UNIDO and the orientation of the organization.

Since international organizations have so far been dealt with rather marginally in the course of "Development Studies" at the University of Vienna, this thesis aims to make a contribution to the question of the importance of development organizations such as UNIDO for international development in general and how their perception of legitimacy changes over time. My thesis will provide critical insight into UNIDO's current operations while helping the course develop a better understanding of how international organizations respond to criticism and challenges and attempt to maintain their legitimacy to member states and the public at large.

2. State of Research on the Legitimacy of IOs

2.1. What Makes an IO Legitimate?

Before discussing how international organizations can be legitimized and which relevant criteria play a role in this process, I will first explain what is meant by "legitimacy of international organizations" and how this topic area has been treated in the academic literature so far. A solid theoretical foundation is of great importance in this regard, as it provides deep insights into the legitimization processes of international organizations and complex dynamics of global institutions in general (cf. Gronau and Schmidtke 2016, 536). This chapter presents different understandings of what legitimacy can mean, what forms it can take, and to whom it can be directed.

Buchanan and Keohane understand legitimacy as the right to rule and define an international organization as legitimate in the sociological sense if it is generally accepted as having the right to rule (Buchanan and Keohane 2006, 405). Tallberg and Zürn use the term "authority" instead of "rule" and argue that an international organization is legitimate if the public is convinced that its authority is exercised appropriately. The authors emphasize that legitimacy is a process of justification and contestation that aims to shape such beliefs (Tallberg and Zürn 2019, 538). Moreover, not only rulers but also international organizations have the need to legitimize themselves and therefore have to justify themselves (cf. Biegoń et al. 2013).

Tallberg and Zürn (2019, 585) emphasize that the legitimacy of an international organization arises solely from the beliefs and perceptions of its audience. An organization's ability to implement norms, values, and moral standards may influence the audience's beliefs, but it is secondary to its own legitimacy. Similarly, Gronau and Schmidtke see authority and its acceptance or legitimacy as the basis for legitimacy. However, the author also emphasizes that this basis must meet normative criteria such as democracy or justice (Gronau and Schmidtke 2016, 538).

An institution, as described by Buchanan and Keohane in terms of a global governance institution, must have certain qualities in order to successfully transmit knowledge. Specifically, Buchanan and Keohane speak of "epistemic virtues" (Buchanan and Keohane 2006, 405) that enable interaction with other actors and organizations outside the institution as well as critical reflection.

Legitimacy is, in a sense, a stock of trust in an institution that depends independently on short-term outcomes of distribution. Therefore, the concept of legitimacy differs from that of support, as the latter can be determined by instrumental cost-benefit calculations (Tallberg and Zürn 2019, 587). Buchanan and Keohane also take up the cost-benefit calculus, emphasizing that legitimacy should not be confused with optimal effectiveness and efficiency (Buchanan and Keohane 2006, 422). Nevertheless, the authors emphasize the importance for international organizations to be effective and efficient. If an organization does not make enough effort to optimize its efficiency, this may call its legitimacy into question, as it could indicate that the organization's management is not motivated enough and has not sufficiently brought out the benefits of the organization. However, these benefits are essential to justify the organization's existence (cf. Buchanan and Keohane 2006, 422). Some authors, such as Gronau and Schmidtke, go one step further and describe effectiveness as the primary source of legitimacy of international institutions (Gronau and Schmidtke 2016, 544).

2.1.1. The importance of legitimacy for international organizations: How do they benefit from it?

When an international organization is seen as legitimate, this has positive implications for both the organization and other stakeholders, such as member states. The legitimacy of an international organization greatly affects its ability to successfully enforce international rules and norms, as Tallberg and Zürn point out (2019, 582). International organizations that have legitimacy deficits are often limited in their ability to act because their room for maneuver is limited.

An international organization that is seen as legitimate by its audience is able to demonstrate credibility and provide public goods to resolve conflicts in a rules-based and peaceful manner (Buchanan and Keohane 2006, 408). In addition, legitimacy can reduce transaction costs and overcome commitment problems (ibid.). Legitimacy is valuable to international organizations because their work provides norms and information that can be influenced and coordinated by member states and other actors (ibid.). Ongoing support from member states is in the interest of the respective states, especially when an international organization provides coordination or other benefits (ibid.). Thus, for Buchanan and Keohane support of an international organization is imperative to ensure its legitimacy. Ege, on the other hand, believes that international organizations are primarily guided by state interests and thus serve as instruments for the influence of individual states (Ege 2020, 578).

Tallberg and Zürn emphasize that legitimacy is not only sought by international organizations, but in some cases, member states may also seek legitimacy before an international organization. According to the authors, states actively seek the approval of the United Nations Security Council because this gives their actions international legitimacy and enhances the UN's reputation (Tallberg and Zürn 2019, 582).

2.1.2. Relationship between Legitimacy of IOs and Political Interest

Approval of an international organization and its associated legitimacy vary by party and can also depend heavily on the political orientation (Buchanan and Keohane 2006, 409). Nationalist and anti-globalization governments often tend to delegitimize international organizations, which can affect international rule-making. A loss of legitimacy of powerful international organizations can seriously affect the system of multilateralism (Tallberg and Zürn 2019, 582). An example of the consequences of delegitimization is former US President Trump's attacks on the World Health Organization (WHO). Delegitimization led to a loss of trust and credibility for the international organization and affected the promotion of global health during the COVID-19 pandemic. The dispute between Trump and the WHO is an appropriate case study to show that legitimacy disputes not only raise moral issues for institutional actors, but also involve the question of whether those to whom the institution addresses its rules should view it as an authority (Buchanan and Keohane 2006, 411).

In her research on the vitality of international organizations, Eilstrup-Sangiovanni has achieved a result worth mentioning that allows conclusions to be drawn about which types of organizations are particularly likely to enjoy legitimacy and which are not (Eilstrup-Sangiovanni 2021, 287). According to this result, organizations dealing with security policy issues are particularly at risk of being dissolved over time, while organizations with a primarily technical character have a longer lifespan. It is possible that this is because member states are more likely to credit technical organizations with solving problems for which they were created than political organizations. Another possibility is that conflicting parties have less divergent interests in technical organizations than in more political issues negotiated in international organizations. Indeed, security policy organizations "die" twice as often as technical ones (see Eilstrup-Sangiovanni 2021, 287).

2.1.3. Criteria for IO Legitimacy: An Analysis

But how can we judge whether an international organization is acting legitimately? Buchanan and Keohane argue for the introduction of a standard of legitimacy that should be considered

from "different moral standpoints" and need not be as demanding as a standard of justice (Buchanan and Keohane 2006, 409).

In their article, Buchanan and Keohane attempt to provide a set of criteria by which the legitimacy of international organizations can be evaluated:

We have noted that a central feature of the circumstances of legitimacy is the persistence of disagreement about, first, what the proper goals of the institution are (given the limitations imposed by state sovereignty properly conceived), second, what global justice requires, and third, what role if any the institution should play in the pursuit of global justice. Moral disagreement is not unique to global governance institutions, but extends also to the appropriate role of the state. (Buchanan and Keohane 2006, 418).

The authors explain that meeting these criteria is a prerequisite to maintaining the legitimacy of member states. Finally, if a member state grants legitimacy to an international organization, this is not necessarily a weak consent that is abandoned if a single act is not carried out in the member states' interests. To illustrate this, the authors draw on the example of membership in an association: once a member state has agreed to join the association, it abides by the rules of the association and follows it even if it does not find all the rules to be good and even considers some to be useless (cf. Buchanan and Keohane 2006, 411).

On the question of when an organization is considered legitimate, Eilstrup-Sangiovanni (2021, 290) writes that this depends on the extent to which the organization is able to adapt to changing circumstances or how well it can respond to external shocks (ibid.). The location of the organization can also affect the legitimacy of an international organization because of its geographic/political choice, as can the nationalities of the staff working in the organization (cf. Gray 2018, 2). The UN, for example, is careful to consider a distinct geographic origin of its staff when hiring and has chosen Geneva and Vienna, in addition to New York, as locations in then-independent countries.

2.1.4. Growing Interest in the Issue of Legitimacy of IOs

If an international organization wants to make a difference in global politics, its legitimacy is of central importance (cf. Tallberg and Zürn 2019, 581). Increasing internationalization since the past decades has increased the authority of international organizations, as they are expected to solve pressing problems of the day (ibid.). In order to carry out the policies and practices necessary to solve the problems for which the international organization was established, legitimacy in the eyes of governments and citizens is critical, the authors argue (ibid.). Buchanan and Keohane (2006, 407) also emphasize the importance of the democratic public as an assessor of legitimacy for an international organization. In times of democracy,

the perception of legitimacy is increasingly essential to the success of an international organization, the authors argue (*ibid.*). Tallberg and Zürn also see a shift in political priorities at the global level. According to them, the preservation of democratic values requires that international organizations also align themselves with basic democratic values in order to be seen as legitimate by citizens (*cf. ibid.*).

The legitimacy of international organizations fundamentally depends heavily on a democratic understanding of their stakeholders. Delegitimization of an international organization is often accompanied by a democratic deficit, as emphasized by Tallberg and Zürn (2019, 582). If a global governance is unable to establish or maintain the necessary democratic norms, this can affect legitimacy. To avoid this, Buchanan and Keohane recommend that both international institutions and external actors maintain or establish a "transnational civil society channel of accountability"

For these reasons, in the absence of global democracy, and given the limitations of the democratic channel described earlier, legitimacy depends crucially upon not only the epistemic virtues of the institution itself but also on the activities of external epistemic actors. Effective linkage between the institution and external epistemic actors constitutes what might be called the transnational civil society channel of accountability. (Buchanan and Keohane 2006, 432)

According to Biegoń et al. the scope of the concept of legitimacy is currently expanding (Biegoń et al. 2013, 2). While discussions on legitimacy used to mainly include the assessment of nation states, today's research shows a growing interest in questions around the legitimacy of international organizations, transnationally operating companies and non-state actors (*cf., ibid.*). Another research aspect is the management of legitimacy, as strategies are often created by management decisions (Gronau and Schmidtke 2016, 535). It is therefore advisable to examine the inner workings of an international organization and to fathom what decisions are made and how they are intended to increase the legitimacy of an international organization. In previous publications, scholars have already begun to understand how decisions are made in international organizations and why international organizations as actors act as they do (*cf. Ege 2020, 578*). For some time now, research on international relations has focused less on bureaucratic aspects related to business and more on issues such as "responsibility and responsible action" (Ege 2020, 593).

2.1.5. Reasons for the Loss of Legitimacy of IOs

In discussions about the legitimacy of international organizations, it can be observed that they have recently been subject to increased criticism and are confronted with acceptance problems in society (*cf. Biegoń et al. 2013, 3*). This phenomenon underlines the relevance of the topic.

One reason for this is that legitimacy of international organizations concerns a broad audience. International organizations are increasingly scrutinized in their work and have to justify themselves to national governments and citizens. One example of this is evaluation reports produced by independent commissions on behalf of national governments to assess the effectiveness and relevance of international organizations. However, this endeavor is often politically tinged and not always scientifically sound, as I found in my master's thesis.

In the past, criticism of international organizations came mainly from smaller academic circles. Today, however, the group of critics has grown and is spread throughout society. One consequence of this is that some international organizations are increasingly being seriously questioned by national governments and citizens (cf. Biegoń et al. 2013, 3). If international organizations lose legitimacy as a result of this criticism, they risk losing their role as a central forum for solving problems and coordinating tasks (cf. Tallberg and Zürn 2019, 582).

The UN has been used several times as a prime example in studies of the legitimacy of international organizations (cf. Biegoń et al. 2013, 10). Their work, for example, examines the self-legitimacy of UN spokespersons by analyzing their public speeches. In contrast to other international organizations such as the EU, this work finds that the UN particularly often legitimizes itself and emphasizes its relevance more than other international organizations (ibid.).

However, this picture is distorted by the strong presence of UN-speakers that outnumber the utterances of EU-spokespersons by more than twenty percent although the latter disposes by far of the most resources. With almost half of all UN-related propositions, speakers representing the UN dominate the entire debate and play a significantly more important role than, for instance, civil society speakers, whose statements amount only to 16.3 percent of all legitimacy propositions referring to the UN. (Biegoń et al. 2013, 14)

Biegoń et al. conclude that by constantly and disproportionately emphasizing its own relevance, the UN tries to invalidate a wide range of possible criticisms in advance (Biegoń et al. 2013, 18). However, this often results in UN representatives strongly emphasizing UN achievements but failing to substantiate them or point to a normative foundation (ibid.). By emphasizing only the particular strengths of its own organization, debates about problematic aspects of its own legitimacy are avoided (ibid.). The authors emphasize that in one third of all UN statements self-legitimization is practiced, which is not sufficiently substantiated (ibid.). The study's findings show that the UN fails to address current realities and to respond to civil society demands for increased education on the legitimacy of international organizations such as the UN (Biegoń et al. 2013, 19). Although societal demands and public criticism directly affect the UN, its representatives do not feel compelled to incorporate this criticism into their legitimacy

strategies (ibid.). The study also confirms the image of the UN as an inert organization that has difficulty reacting to changes and societal transformations and is slow to adapt (ibid.).

One possible cause for doubts about the legitimacy of international organizations is not necessarily social acceptance problems in civil society. The withdrawal of member states from an international organization may raise concerns among the remaining member states, as this may lead to higher costs and an increase in responsibility for these states. This could call into question the cost-benefit of membership (see Von Borzyskowski and Vabulas 2022). Also, after the withdrawal of one or more members, the resumption of institutional negotiations may become more difficult (ibid.). However, the impact of withdrawal depends heavily on who is leaving the organization. The exit of a global hegemon or a regional heavyweight has more serious consequences for the legitimacy of an international organization than the exit of a small state. The exit of the former could lead to the emergence of alternative forms of cooperation that might call into question the original relevance of an international organization (ibid.).

2.2. Max Weber's View of Legitimacy

In delving into the literature on the legitimacy of international organizations, it became clear to me quite quickly how important the preliminary work of Max Weber, with his texts on "Economy and Society," is in this area. Early on, Weber developed a concept of rational-legal legitimacy in his text on "procedure as a rule of legitimacy" that emphasizes the proper application of rules by duly appointed authorities (cf. Tallberg and Zürn 2019, 594). Administrative personnel play a central role in the recognition of authority. Thus Weber continues (cf. Biegon et al. 2013, 6).

Although Weber assumed that legitimacy comes from rulers in the form of governments, in my master's thesis I examined the legitimacy of UNIDO as an administrative authority. This is a supranational organization with no binding effect. Although Weber's texts have rarely been considered in terms of public relations and relationship management in research, they can still enrich discussions of legitimacy and leadership, as Wæraas points out (cf. 2007, 281). Weber argues that all organizations are doomed to cultivate support for a particular myth about themselves in order to maintain trust and belief in their right to exist. But what exactly does Weber mean by the term "myth"? Wæraas interprets Weber's point as that myth can undermine belief in an organization's legitimacy, but it also emerges as a kind of "good story" that justifies an organization's existence and privileges and thus legitimizes its operations (ibid., 282).

A more balanced word for "myth" would probably be "legend," which, like myth, tells a kind of story that conveys the meaning or plausibility of something to an audience (not only governments of nation-states, but also civil society). Weber views myth in the context of the legitimacy of international organizations as a tool that can be used to deflect criticism of an organization. It is not a matter of whether the myth is true or false-as long as one believes in it, legitimacy is not doubted, Wæraas analyzes (cf. *ibid.*, 283). Thus, sufficient external support is needed to sustain the existence of an organization and ensure its dominance (cf. *ibid.*, 282). Thus, the existence of an international organization still depends on its relations with member states. This "logic of public relations activities" therefore requires compelling environmental support to ensure the continuation of an international organization's existence (cf. *ibid.*, 282).

However, legitimacy occurs when an organization operates in a way that is inconsistent with its expectations of dominance. If an organization does not respect its limits of dominance, it may have to give up its privileged position (*ibid.*, 284). Biegoń et al. see Weber's work more in terms of the perspective of the rule of those affected. By considering the actions of an organization legitimate, its authority also becomes legitimate (cf. Biegoń et al. 2013). At the same time, political elites seek to maintain an organization's legitimacy with respect to its supporters. In empirical research on this, researchers take the role of observers by measuring the legitimacy assessments of citizens and the public (cf. Biegoń et al. 2013, 2). Empirical legitimacy research can thus follow Max Weber's texts on legitimized rule by examining "the social recognition of international institutions by those subject to their rule" (Gronau and Schmidtke 2016, 538). By examining the nature of regime support and its (re)production, researchers contribute to empirical legitimacy research.

For Weber, claiming legitimacy is a pervasive activity of political leaders (Biegoń et al. 2013, 4). These "political athletes" (*ibid.*) carry out the concept of legitimacy in a top-down process by focusing on themselves as elites (cf. *ibid.*, 5). Biegoń et al. thus illustrates how legitimacy is also actively produced from the top down. However, Weber also sees governments as legitimacy-producing actors. Biegoń et al. (cf. *ibid.*, 539) provide another argument for why legitimacy should not be viewed exclusively as a bottom-up process. According to the authors, the bottom-up perspective is too narrow to capture the legitimation process as a whole, as an "interactive political process between rulers and subjects" (Gronau and Schmidtke 2016, 539).

With this realization that legitimacy can be conferred not only from the bottom up but also from the top down, I am left with the question of the form in which legitimacy can be conferred in a top-down approach. Usually, international organizations develop certain strategies to secure or

spread legitimacy. In the following chapter, I will take a closer look at these strategies, starting with an approach to the term itself.

2.3. Literature Research on Legitimation Strategies of IOs

2.3.1. What are Legitimation Strategies?

As Gronau and Schmidtke explain, legitimation strategies pursue the goal of building and maintaining a reliable base of diffuse support for a political regime by its social constituency. These strategies are guided by social norms and aim to generate or signal legitimate authority that conforms to established social norms. This becomes observable, for example, when representatives of international organizations explain to the public the purpose and importance of the organization (Gronau and Schmidtke 2016, 542).

Insights into legitimacy strategies are an important aspect of research around the topic of legitimacy of international organizations. An external relations department is often an important component of legitimacy strategies to maintain legitimacy. Through this work, an organization is able to expand its relationships and engage its environment in communicating the organization's goals, values, and attributes (cf. Wæraas 2007, 285).

According to Gronau and Schmidtke, the urge of international organizations to legitimize themselves is due to the fact that they lack coercive means and state compliance with their work is limited. This creates incentives for international organizations to justify themselves (Gronau and Schmidtke 2016, 544). Most international organizations share this situation. But what can legitimation strategies look like? Tallberg and Zürn cite the creation of new bodies and committees, substantive policy changes, and new public relations measures as examples (see Tallberg and Zürn 2019, 588). The authors particularly highlight the example of institutional reforms, which are often heavily promoted by international organizations and represent a mix of discursive and behavioral practices.

Legitimation strategies also aim to bring about a change in recipients' beliefs about an international organization. This involves weighing the advantages and disadvantages of an international organization in order to legitimize or delegitimize it. However, these evaluations of features of an international organization may vary from person to person, depending on priorities (ibid.).

2.3.2. Internal and External Legitimation Strategies

In their article, Biegoń et al. distinguish between different legitimation strategies, namely internal/external and explicit/implicit strategies (Biegoń et al. 2013, 1). Since I focus on external legitimation strategies in my paper, I will refer more to the latter.. Here, an international organization reaches out to external groups such as member states in an attempt to gain trust and promote a positive image through communicative measures. This is a strategy in which more people can be reached, as Biegoń et al. point out (cf. 2013, 6).

In contrast to internal legitimation strategies, in which an international organization attempts to justify its legitimacy through certain structures or processes within the organization, external legitimation strategies are distinguished by their interaction with actors and organizations outside the institution. Biegoń et al. describe the concept of internal legitimation strategies as action that takes place within small elite political circles within an international organization and is often limited to bureaucratic processes (Biegoń et al. 2013, 6). Internal legitimation strategies are usually based on bureaucratic processes that are handled through the secretariat. Bureaucrats, as the "key engine of international organizations," are the primary basis for legitimacy (Gronau and Schmidtke 2016, 544) and aim to cultivate an institution through conformity to formalized procedures and adherence to impersonal rules (ibid., 545).

External legitimation strategies concern the relationship between international organizations and external actors. In particular, those actors within the international organization who are confronted with influencing the external image and public relations are affected. Tallberg and Zürn refer to these actors as "intermediaries" and emphasizes that they must adhere to recognized procedural patterns in order to avoid offering their opponents (in this case, actors who doubt the legitimacy of an international organization) a target for attack (Tallberg and Zürn 2019, 594). Nevertheless, should a challenge to the international organization and its procedures arise, the external relations department must resort to "alternative legitimacy narratives" and point to its strengths in meeting other procedural and performance standards (ibid., 594).

As an example of external legitimation strategies, Biegoń et al. mention published papers of an international organization, its public relations work or reform plans. Rituals or ceremonies can also contribute to public perception, as can discussions or dialogues. Summits, as regularly organized by the EU or the G8, are a good example of such rituals. Group photos are often taken at these meetings to convince citizens of the work of the political elites (Biegoń et al. 2013, 9). Direct ways in which international organizations can pursue their legitimacy strategies

include collecting data through public opinion polls or advertising on social media (Tallberg and Zürn 2019, 589). Reforms are also among the external legitimization strategies, including not only symbol politics but also communication politics and, in particular, institutional, organic reforms (Gronau and Schmidtke 2016, 536).

2.3.3. Target Groups of Legitimation Strategies

What is important here is that the legitimization strategies are actually received by the audience, as Tallberg and Zürn points out (cf. 2019, 596). This means that it is not only of central importance whether the audience is convinced of the services and procedures of an international organization, but also that they are receptive to the communication. The authors assume that legitimization practices will resonate and influence audiences if they consider the organization's performance important (ibid.). But who exactly is meant by the audience? Biegoń et al. concretize that it is those individuals who "receive the self-legitimizations of political elites, i.e., hear, read, see, etc." (cf. Biegoń et al. 2013, 6). The general public plays a central role in legitimization strategies. While it was often not considered a relevant group in the past because it had little influence on international organizations and often did not hold clear views on international politics, it is now more important than ever. As Gronau and Schmidtke point out, the public has become a significant source of legitimacy, for example, through mass protests against international organizations as in the G8 protests or against the WTO (Gronau and Schmidtke 2016, 546). Nevertheless, nation-states remain the most important addressees of legitimization strategies (ibid., 543), as they are often also responsible for funding.

Tallberg and Zürn identify three actors as triggering a legitimacy crisis: first, member states; second, the bureaucratic level; and third, the general public. The degree of legitimacy of an international organization among its target groups can vary widely, as the authors point out (Tallberg and Zürn 2019, 586). While an organization may enjoy high legitimacy among member states, it may at the same time be frowned upon by civil society (ibid.).

2.3.4. Importance of Legitimation Strategies and their Potentials

Legitimation strategies can help maintain or regain audience trust and support for an international organization (Gronau and Schmidtke 2016, 540). It is also a fairly new research topic (ibid., 545). Legitimation strategies, moreover, have the potential to influence the beliefs of others, according to Tallberg and Zürn (2019, 588). Strategic actions for legitimization make it possible to promote norms and influence beliefs among target groups (cf. ibid.). In this way,

an international organization's own claims can be given more weight (cf. Gronau and Schmidtke 2016, 539).

By dividing recipients of legitimacy strategies into different target groups, different strategies can be applied (Gronau and Schmidtke 2016, 537). Thus, officials in bureaucracies, member state governments, and the general public each have different approaches to being convinced of the legitimacy of an international organization. By analyzing these strategies, it is possible to determine how communication and institutional change evolve within an international organization and why some strategies are more successful than others (ibid.).

Member states' belief in its legitimacy is essential for an international organization if it is to continue to exist (ibid.). By interpreting legitimization strategies as purposeful activities, the cause of an international organization's support or delegitimation can be examined, just as it can for a political regime by its electorate (Gronau and Schmidtke 2016, 556). In addition, the autonomy of an international organization can be strengthened vis-à-vis its member states (Gronau and Schmidtke 2016, 456).

Finally, legitimacy strategies among recipients lead to a debate about whether or not an international organization is legitimate based on complete information (Tallberg and Zürn 2019, 590). The research field offers many unresolved questions regarding the legitimacy of international organizations. Through my research, I hope to shed light on this area. An impact can already be made by addressing this topic in general, as the number of publications on this topic is manageable.

Surprisingly, research on legitimacy in general and the legitimacy of international institutions in particular has hardly drawn attention to the question of how, and by which means, political elites and institutions attempt to shape legitimacy actively, and whether such self-legitimation efforts are an effective means of stabilizing the legitimacy basis of political institutions. (Biegoń et al. 2013, 1)

To date, little research has been conducted on how international organizations develop their legitimization strategies and how recipients respond to them. In light of increasing demands on international organizations, particularly from civil society, more research should be conducted to examine the impact of legitimization strategies on political support. Through research in this area, we could gain a better understanding of legitimization processes and the "inner workings" of international organizations (see Biegoń et al. 2013, 4). Such research is also necessary to learn more about how legitimacy is perceived by different audiences (cf. Gronau and Schmidtke 2016, 540).

Scholarly studies on the legitimacy of international organizations enrich the debates on this topic. Biegoń et al. (cf. 2013, 1) argue that not only the legitimization of a democratic public sphere from the outside, but also self-legitimations, as described by Max Weber, require further empirical investigation. We still know little about the facts and processes that trigger and shape beliefs regarding legitimacy, even though legitimacy is of paramount importance for global governance in the contemporary era (Tallberg and Zürn 2019, 582). A thorough conceptualization of self-legitimation can make empirical research findings more accessible (Biegoń et al. 2013, 4).

According to Ege (2020, 594), there has also been little research on the "guiding principles of international officials' actions". Future research could also help examine the ways in which international organizations shape policy and contribute to the behavioral norming of international officials (ibid.). A systematic study of the consequences of legitimacy could cover an area that has so far needed much clarification, according to Tallberg and Zürn (2019, 601).

As mentioned above, numerous international organizations - including the UN - have sought to strengthen their legitimacy and influence public discourse. It turns out that the UN is particularly effective at this compared to other international organizations such as the G20 or the EU. Nevertheless, the question remains why some organizations are more successful in implementing their legitimacy strategies than others. There is still a need for clarification and research here (cf. Biegoń et al. 2013, 15).

2.4. Loss of Legitimacy of IOs and Its Consequences

States join international organizations because they see their needs addressed by the organization. Therefore, it is of great importance for these organizations to adapt to new challenges and developments (cf. Eilstrup-Sangiovanni 2021, 288). If an organization does not succeed in solving common cooperation problems (ibid. 290), there is a risk that its legitimacy will be questioned. This can lead to a loss of trust in the organization and endanger its long-term existence.

When an international organization is established to mediate or resolve conflicts, member states may be persuaded to withdraw after the conflict has been successfully resolved. This is because the purpose and meaning of the organization has been fulfilled (see Gray 2018, 6). However, conflict does not necessarily mean the end of the organization unless it was established solely for conflict resolution. After a conflict is resolved, member states often reflect on the reasons

why they joined the organization and continue their cooperation, as Wessel explains (2016, 203).

Although states can also conclude trade agreements outside international organizations, negotiations within an international organization are much more cost-effective than bilateral agreements. This is especially true for small states, which often only get the opportunity to establish direct contact with other (possibly hegemonic) states and sign treaties through an international organization. However, if this advantage of an international organization disappears, for example because the organization is no longer able to conduct negotiations successfully, this can result in delegitimization (see Bakaki and Böhmelt 2022, 13; Buchanan and Keohane 2006, 414). The size of an international organization can also affect its legitimacy. The more member states are represented, the higher the risk of delegitimization and dominance of one state's withdrawal (cf. Eilstrup-Sangiovanni 2021, 287).

In recent years, partly nationalist and populist sentiments have replaced international cooperation, as Blokker (2021, 2) observes. Often, these sentiments lead to the delegitimization of international organizations that represent the multilateralism. When the disadvantages of membership outweigh the advantages, this can lead to delegitimization, as Blokker (*ibid.*, 11) points out. In the past, withdrawals from international organizations were not uncommon, as were reentries (cf. *ibid.*, 15; cf. Allen 1985, 409). Thus, the withdrawal of a member state from an organization need not necessarily lead to the delegitimization of the entire organization, but may reflect a natural phase of the international organization, as (Felicity and Vabulas 2022, 1) have already noted.

3. Sustainable and Inclusive Industrial Development

3.1. Is "Industrial Development" Still Relevant Today?

When I speak of "industrial development" in my master's thesis, I refer to a process of change and development of industries aimed at increasing the wealth and improving the living conditions of a nation. I place the term "industrial development" in the context of development policy with the assumption that industrialization is one of the main pillars in the development of a nation, or as Pauli and Ofuebe (2021, 117) write: "Consequently, the most identified dynamic driver of collective wellbeing and prosperity of any nation is industrialization."

Industrial development varies greatly around the world. Countries with high productivity, competitiveness and advanced infrastructure are predominantly found in Europe and North America, while African and, to some extent, Asian countries have largely been unable to achieve significant progress in their industrial development to date. These underdeveloped¹ countries are still waiting for the "great leap forward" (cf. Aiginger and Rodrik 2020, 190) and are often still dependent on agriculture and traditional sectors, which often provide little income. Thus, "industrialization" as a transition process from an agrarian economy to an industrialized nation is often the goal of industrial policy in developing countries.

A country's industrial development is usually guided by industrial policy and aims at a structural change² involving the transition from a traditional economy to modern industrial production. In the past, industrial policy was associated with government guidance and intervention in production dynamics (Di Tommaso et al. 2020, 310). Nowadays, industrial policy is mainly about managing and promoting structural change in order to achieve economic growth and development goals (ibid.). The authors emphasize that technological advances such as new

¹ I would like to explain the term "developing country" in the context of my master's thesis. I am aware that this term can be perceived as stigmatizing for low-income countries. Nevertheless, I use it knowing that each country is in a different stage of development and should be considered individually. I also use other terms such as "Global South" or "special needs countries" to describe countries with low gross domestic income. It is important to emphasize that my use of these terms is not intended to devalue or stigmatize countries, but rather to provide a clearer distinction and analysis of the different stages of industrial development.

² In the context of industrial development, I understand structural change as the transition from an agrarian society to an industrialized society with several intermediate stations. Structural change is accompanied by new technologies that change the way of working and create new possibilities of doing business.

inventions (e.g., modern machinery), as well as environmental issues and global commodity chains, necessitate constant change in the industry.

3.2. What Are the Goals of Industrial Development?

The goal of any industrial development should be the successful implementation of a structural transformation that examines the potential causes of failure from environmental, economic, and social perspectives, according to Di Tommaso et al. (2020, 310). But are there also other goals of industrial development? First and foremost, industrialization aims to fight poverty and make the step to becoming an emerging economy (Aiginger and Rodrik 2020, 201). The prospects for a country that is able to industrialize are tempting: in the long run, wages rise, education levels increase and gender equality advances, argue Aiginger and Rodrik (ibid.).

The idea that industry drives a country and brings a variety of positive effects through its productivity persists. Some countries experienced an economic boom in the second half of the 20th century with the help of industrial development, allowing large European nations such as Germany, France and Italy (as well as Japan in Asia) to establish themselves as industrialized nations. Industrialization is still a means to the prosperity of a nation. In this context, the author cites Vietnam, South Korea, and Thailand as examples that are relatively recent "newly industrialized" nations (ibid.). These countries have experienced significant economic growth, technological progress and improvement in living standards.

Even today, industrial development promotes a nation's growth and competitiveness as well as productivity and innovation through complex processes of structural change. This can generate synergistic effects such as territorial and social balance, environmental sustainability, and economic and political independence from other countries (see Di Tommaso et al. 2020, 310).

Although industrial development plays a fundamental role in transforming national production systems and the global distribution of goods (see Andreonie, Chang and Scazzieri 2019, 1), there is considerable room for improvement in terms of public interest in this topic. Is industrial development therefore a relic of the past that plays a subordinate role in achieving development goals, or is it the key to a prosperous future? It would be interesting to determine where the public interest in industrial development lies and in which areas policy makers can expect more support for their ventures in the future. Is industrial development seen as essential to improving living standards, and if so, where in the world? How is industrial development viewed in industrialized countries? At this point, I would like to emphasize that it is difficult to determine when a country can be considered "industrialized." Finding a definition is difficult because the

transformation from an agricultural nation to an industrialized nation is difficult to measure and is gradual. In general, however, it can be said that a country is considered industrialized when industry accounts for a significant share of gross domestic product and has a well-developed infrastructure.

There is no doubt that industrial development is closely linked to the challenges of our time. By linking global developments such as population growth, urbanization and the rising standard of living in emerging countries with the earth's limited resources and the great demand for food, water and energy (Mantlana and Malebjoa 2020, 345), the importance of industrial development in society could be increased.

3.3. Why Industrial Development Is Regaining Importance

Although the topic of industrial policy is not yet sufficiently linked in society to the pressing problems of our time, industrial development is becoming increasingly important as a development goal. Although industrial development is often considered in a national context, the field of development research is also increasingly found on a supranational level. Industrial policies in Europe are not only implemented at the national level, but also at the EU level (see Landesmann and Stöckinger 2018, 1). For example, in 2020, the EU presented its industrial strategy in a policy document. However, the document was published at an unfortunate time: shortly after the presentation, the outbreak of the COVID-19 pandemic was declared by the WHO. However, even if the pandemic briefly eclipsed the EU industrial strategy, the COVID-19 pandemic also showed how differently affected states handled the impact, regardless of the level of industrialization. The pandemic shows how vulnerable individual economies can be and how important a functioning industrial sector is for the reconstruction or even the response to a pandemic (in terms of the production of medical goods against the virus, for example). Thus, the social and economic collapse caused by COVID-19 gave new impetus to the relevance of this functionalist perspective of industrial development (cf. Ferrannini et al. 2021, 9).

New technologies play a crucial role in industrial development. In particular, the COVID-19 pandemic has given an enormous boost to digitization in all sectors. Oldekop et al. (2020, 2) write in this regard: „Given the potential threat of infection transmission through the physical space of places, the virtual space of flows has gained expedited relevance and centrality.“ Independent of the COVID-19 crisis, the question arises as to what triggers the new interest in industrial development. Rapid digitization and the “Internet of Things” have revolutionized previous forms of work and are contributing to the emergence of the concept of “Industry 4.0,” write Aiginger and Rodrik (2020, 190). Moreover, the increased focus on social and

environmental goals inevitably forces us to question industrial development as it affects the structure of economic activity in general (ibid., 191). Is this new focus a good or bad phenomenon for development research? Arguably, a shift in our understanding of industrialization as an environmentally damaging and outdated process is necessary to enable sustainable development.

Industrial development is enjoying growing interest not only because of the consequences of crises but also because of changing global circumstances:

The changes in global value chains have restructured national and regional industrial systems as well as the geography of production and international trade. Emerging technologies and their integration into complex technology systems are redefining value creation and capture dynamics in production, especially manufacturing production. In particular, the increasing application of automation, robotics, and digital technologies – coupled with new developments in nanotechnologies and biotechnologies – are altering manufacturing processes and production technologies, increasingly blurring the boundaries between physical and digital production systems – the so called ‘4 th industrial revolution’ (4IR). (Andreoni et al. 2021, 2)

As a result, new jobs have been created and economic growth spurred in regions that previously had lower productivity on a global scale. The question arises, however, as to how the introduction of digital transformation can better support the achievement of development goals in general (cf. Ufual et al. 2021, 837).

Developing countries have recognized that industrial development is an effective means of eradicating poverty, inequality and social as well as environmental problems (cf. UNIDO 2016, 3). The interest in industrial development is also a reaction to the disappointing market fundamentalist approach of the Washington Consensus³, as analyzed by Aiginger and Rodrik (cf. 2020, 189). The financial crisis of 2008 had partly devastating effects on many economies and led to discontent among the population, as the neglect of the industrial sector and the unsteadiness of growth resulted in negative structural effects (cf. Landesmann and Stöllinger 2018, 1).

The return of the topic of "industrialization" to the political agenda is also driven by a new appreciation of industry as an engine of prosperity and a pillar of the middle class (cf. Aiginger and Rodrik 2020, 191). Fatigue with the goal of industrialization in the 1980s and 1990s has meant that calls for stronger industrial policy are now louder (cf. Landesmann and Stöllinger 2018, 1). This is also reflected at the multilateral level, and a number of countries would again

³ The Washington Consensus had as its goal the promotion of the economy in developing countries and consisted primarily of recommendations to privatize the economy, liberalize markets, and deregulate the state.

formally adopt industrial policies (ibid.). Instead of market liberation, these countries are now increasingly focusing on diversification as a goal (ibid.).

Overall, it is clear that industrial development is seen as a key strategy to fight poverty and inequality. Industry is increasingly seen as an important driver for sustainable growth and development. The idea of industrial development being an engine of development is not new: In Latin America, the strategy of import-substituting industrialization⁴ reached its peak in the 1950s and 1960s. Today, states rich in mineral resources, such as Bolivia with its lithium strategy, are once again trying to build their own independent industries.

Although the focus of industrial development is primarily on developing countries, industrialized countries in Europe or North America should not rest on their achievements in industrialization either. Many industrialized nations face the threat of "deindustrialization," which can be caused by structural changes, globalization or even crises. The dismantling of a country's industrial sector in favor of the service sector, as is the case in the UK for example⁵, can have negative effects on a country's employment situation and infrastructure.

Industrial development as a development goal is not a new topic. But today, development goals are increasingly inclusive and call for democratic values such as participation more than ever before. Increased demand for a greater voice of the society has been triggered by drastic global events that have made us aware of the urgency of action. Past and upcoming global crises will make policies more selective and aimed at promoting certain targets of the economy, such as specific industries, technologies, companies, or territories, as Di Tommaso et al. describe (see 2020, 309).

3.4. What Does the Term 'Inclusive Development' Mean?

According to today's understanding, inclusion is an important aspect of industrial development. Inclusion is understood to mean the inclusion of as many population groups as possible, especially marginalized groups. In the context of inclusive industrial development,

⁴ An industrial development concept in which a national industry is promoted through import restrictions in order to reduce dependence on foreign goods. By replacing imported consumer goods with domestic production, the aim is to increase value creation in the home country.

⁵ In the UK, deindustrialization was driven by the liberalization of the economy at the end of the last century. As a result, heavy industry continued to decline. To compensate for this change, the service sector was expanded and now dominates, as in many European countries.

socioeconomic aspects will be considered so that these groups can also benefit. Industrial development will not only focus on economic goals, as has been the case in the past, but will also take into account social dimensions that enable sustainable development. The exclusion of women from the process of industrial development is most visible in this regard. Gender equality is crucial for industrial development. Only when a social balance is restored between men and women in terms of education, employment, and access to health care can a sustainable improvement in living conditions be guaranteed. Kouton (2020), for example, sees the inadequate inclusion of women as the reason why high poverty rates and widespread inequality continue to prevail in African countries despite high growth rates. „Regarding inclusive growth, the good economic performance of the majority of African countries actually hides several issues including persistently high poverty rates, underemployment, limited jobs creation, high unemployment rates and high socioeconomic inequalities.” (Kouton 2020, 147)

In the past, however, there has been a shift in the focus of industrial development: In recent years, policy makers have increasingly focused their attention on growth that is supported by the entire population and that reduces inequalities and poverty, as Kouton points out (cf. *ibid.*).

The exclusionary practice of women leaves many skills and capacities unused that would have the potential to address pressing issues of our time. A particular example of this is the innovation landscape. Abbas et al. conducted a study to examine the gender aspect of environmental innovation. In doing so, they examined the extent to which gender inequality is a problem in OECD countries for fully realizing the potential of green financing for eco-innovation (Abbas et al. 2022, 1). The authors concluded that women in leadership positions increase the likelihood that green innovations will be advanced (*ibid.*, 6). However, they also find that gender inequality affects the impact of green finance on eco-innovation (*ibid.*, 17).

Although the exclusion of women from any progress in development is most salient globally, there are other social groups that are essential to successful industrial development. According to Ufual et al. (2021), in addition to women, these groups include children and youth, nongovernmental organizations (NGOs), local authorities, workers and unions, business and industry, science and technology, and farmers (*ibid.*, 843).

Industrial development can be an effective lever to address existing inequalities. According to Di Tommaso et al. (2020, 312), a positive balance between the partial interests of a society (such as territories, sectors, classes, and generations) can be sought through balanced industrial

development. This can help to ensure that the dynamics of structural change are continuously challenged.

3.5. Aspects of ISID in Focus: A Consideration of the Different Dimensions

ISID stands for “inclusive and sustainable industrial development”. But the compatibility of the terms "sustainability," "inclusion," and "industrialization" raises questions. The research literature contains numerous definitions and interpretations of sustainable development in relation to industrialization. While the goal of sustainable development is generally to achieve a balance between economic, environmental, and social sustainability, sustainable industrial development focuses specifically on promoting industry. This is to be achieved by minimizing the environmental footprint and improving social inclusion (see Yuan 2020, 2). Ulbrych (2020) sees the goal of sustainable industrial development primarily in improving the quality of life and protecting the environment. Meaningful human activity should be in the foreground instead (ibid, 109-111.)

Sustainable development is usually considered from the point of view of environmental protection, according to Ulbrych. But the economic dimension - such as economic policy instruments that encourage companies to use natural resources wisely and new technologies that save on the consumption of raw materials - are also important areas (ibid.). Industrial development in particular can address environmental challenges while taking productivity into account, according to Ulbrych (ibid., 110):

The variation which is characteristic of the present-day world – also in terms of the organisation and structure of industrial production – drives the search for new solutions orientated towards the symbiosis of technological and economic progress with social and environmental advancement.

Linking industrial development and sustainable development requires enormous efforts. In order to change the image of industry as the main producer of greenhouse gases, a greening of industry must take place quickly. For example, industrial policy must apply economic policy instruments aimed at structural adjustments of the economy to the requirements of sustainable development (ibid., 114). Thus, new demands are being made on industry with regard to a sustainable orientation, which are to be implemented within the framework of a "green economy." This is not a new phenomenon. A large number of publications on this topic have already accumulated in the literature, which can be found under keywords such as "Green New Deal," "Green Economy," "Sustainable Development," "Sustainable Industrial Development," and "Green Industrial Policy" (ibid., 123).

4. My Methodological Approach

4.1. Overview of Sources in My Qualitative Research

In my research, I primarily used articles from academic journals dealing with international organizations but also with international relations or industrial policy. In addition, I have used reports from UNIDO that are available online, as well as publications from governments, nongovernmental organizations, and think tanks that have published independently or on behalf of governments about UNIDO. I also used monographs, including two works by UNIDO staff members who published on their respective fields of expertise while active at the organization, focusing on UNIDO. To complement my empirical analysis, I also used other online sources such as blog posts, online newspaper articles, and articles from the UN Chronicle magazine, which provides in-depth analysis on UN issues. I decided early on to use a qualitative research method in order to gain a deeper understanding of my research subject. As Granek (2013) describes, qualitative research can unearth more profound and detailed results than quantitative research. As in my master's thesis, legitimacy is difficult to measure and contexts are difficult to quantify, so qualitative research was the right tool of choice. I have always been critical of the sources used in my master thesis. As Coffey points out, documents used for elaboration represent only a portion of documentary reality, and reflect organizations, social environments, and lives only to a limited extent (cf. Coffey 2014, 368).

My master's thesis should produce safe and valid results that can be useful for further research. For this reason, in the following part I will extract some quality criteria of qualitative research and analyze why and how I applied them in my thesis.

4.2. Quality Criteria in My Work: Claims, Challenges, and Methods for Evaluation

4.2.1. Range

First, I would like to present the scope of my work as a quality criterion. Since my research question does not refer to a specific population and does not include a sample, I wonder if my results are transferable to other phenomena in international organizations. However, since the topic of my thesis can be extended to other areas of global institutions, in the following I will try to clarify whether the results of my thesis can be generalized and whether the analysis of UNIDO's legitimization strategy can be extended to other UN bodies.

What criteria did I use to select into my sample? Although there is no standard for qualitative studies as there is in quantitative research regarding the assessment of sample size (see Malterud

et al. 2016, 1754), this exposition on my part is intended to provide a framework. As mentioned earlier, my master's thesis is a document and literature review in which I downloaded a variety of documents available to me on the Internet for research that address the relevance and effectiveness of UNIDO. My research process started with the online catalog of the library of the University of Vienna and was supplemented by several search engine queries on Google Scholar. While my research on the theoretical part of my thesis was mainly limited to the literature of the University Library and Google Scholar, I also used Google for the research on the empirical part. I proceeded strategically by compiling a list of terms and running them through the search masks one after the other. Searching the web on my topic quickly yielded a plethora of articles of varying usability for my master's thesis. However, from the abundance of articles and materials that access to libraries offers, it was necessary to clearly delineate which criteria could not serve as sources for my work (cf. Moravcsik 2014, 49). For example, I did not consider sources that deal purely with technical components of industrial development.

So how could I be sure that I had collected enough data? The concept of saturation is often mentioned, but without explaining how to understand it and how to justify the number of texts selected, write Malterud et al. (cf. 2016, 1753). So how do I achieve saturation in my master's thesis? This account of how I achieved saturation in my thesis should also serve transparency (ibid., 1754). According to Malterud et al, saturation occurs when the researcher no longer receives information that complements the theory developed (ibid., 1759). I combed through the available articles and created a list of the approximately 60 most relevant scientific articles based on estimated relevance. Previously, I had divided the 30 articles into three groups: industrial development in general, sustainable and inclusive industrial development, and adapted industrial development in relation to UNIDO. I also included non-scientific sources from the fields of methodology and theory of international organizations in my literature. In addition, I used the snowball system and, in some cases, moved from articles that seemed particularly relevant to further reading. I also made sure that my master's thesis had a strong informational power. This includes clear research objectives, dense specification, and case-based analyses. If these factors are given, Malterud et al. (2016, 1756) argue, only a small number of sources would also be needed.

4.2.2. Intersubjectivity

In my thesis, I paid attention to the criterion of intersubjectivity by always keeping in mind when the documents were created and why they were written during the analysis. Since documents are always created and used within social circumstances, it was important for me to

understand them in their context (cf. Coffey 2014, 370). Coffey recommends that when reading documents and processing literature, we perform "strategic analyses" that allow us to place them in the proper social context. As social actors, we can use documents to make sense of the world, Coffey explains (2014, 371). Moravcsik shares this view. Evidence must always be interpreted and seen in its respective documentary, historical, strategic, cultural, and social context, he says (cf. Moravcsik 2014, 48). This also involves weighing alternative resources and interpretations (ibid.).

I have created references between the documents. This is clearly evident in the empirical portion of my master's thesis when I present texts that were specifically produced in response to others, such as when UNIDO responds to a previously published study that offers criticism. When looking for these argumentations, I have always noticed how different actors try to create their own kind of reality. Often the documents I analyzed were created with a specific motivation. I have identified these and presented them in the chapter "Contextualization".

4.2.3. Reflexivity

Reflexivity means that researchers should reflect on and be transparent about their own assumptions, experiences, and biases. By being aware of their own assumptions and biases, they can ensure that their findings are not limited to their own experiences or perspectives, but have a broader reach. I have completed an internship at UNIDO myself and I am aware that my master thesis might have been influenced by my internship experience. To explore this aspect in more detail, I will outline my position in the research process in the context of the insider-outsider debate (cf. Moravcsik 2014, 48) below. Although I am no longer employed by UNIDO, I still have insider knowledge that allows me to conduct an investigation "from the inside." According to Evered and Louis (1981, 385), such an investigation is characterized by the experience of the researcher, and can also prevent a certain distance from the research. I have deliberately chosen to research UNIDO's external legitimacy structures in order to explore the mechanisms by which an organization such as UNIDO enjoys authority among its Member States. My research on UNIDO's legitimacy strategy will also help to increase the level of transparency and trust in the organization and thus influence support for the organization. Another reason for researching UNIDO's external legitimacy strategies was also my proximity to my work in UNIDO. I interned in the External Relations Division, which is responsible for maintaining relations with Member States.

I decided to conduct a type of research that would be accessible to people who are not familiar with UNIDO and its work. The vast majority of the documents are either available through Google or accessible through my university's library. In this way, I created an outsider's view of the organization in my master's thesis (cf. Evered and Louis 1981, 287). I can use the advantages of my perspective as a former insider and now outsider in many ways for my master's thesis. As an insider, I had the opportunity to understand UNIDO's relations from the inside by being on the ground and learning about the internal processes. After I have completed my internship, I now get the opportunity to analyze UNIDO from the outside through my thesis. Another advantage of research "from the outside" is that useful concepts and theories are created in the process, which serve the organization (Evered and Louis 1981, 388). In my case, however, no arrangement was made by me regarding further collaboration with UNIDO. This will also better enable me to integrate my theory into the empirical part of my thesis. With my approach to research "from the outside," I am not alone, for most research projects take an outside perspective, according to Evered and Louis (cf. 1981, 39).

My internship experience allowed me to incorporate insights into my master's thesis, both as an insider and as an outsider. Thus, I can claim without a doubt that the knowledge I gained during my internship has been incorporated into my thesis. In this way, as Griffith (cf. 1998, 362) points out, I may come to different conclusions than someone who only conducts research from the outside. As an insider, I may be able to contribute knowledge about UNIDO that is not available to others. For example, if I approach my master's thesis as an outsider, I may not understand the full implications of terms such as "ISID", which are ubiquitous and widely used in UNIDO.

4.2.4. Transparency

The most important quality criterion in my master's thesis is transparency. I strive for a transparent approach to my research in order to keep the ethical standards of my master's thesis as high as possible. It is important to me that my master's thesis does not undermine the public's trust in research and that every single step is presented in a comprehensible way. By presenting my method and results in detail, I want the readership to be able to judge for themselves whether the results I obtained are reasonable.

Originally, I had planned to conduct a survey among UNIDO staff during my internship as part of a self-designed project that would measure UNIDO's performance over a period of time. I planned to expand this project into my master's thesis. However, since I forgot to indicate in

the basic questionnaire that I would like to use the results in my master's thesis, I decided not to use the collected data and instead choose a new topic and conduct qualitative research for it. I also made sure that as many sources as possible were publicly available and all were written in English to ensure a transparent approach. Access to the sources of my thesis should not only be available to German speakers, but to all English speakers (cf. Moravcsik 2014, 48). In my methodological approach, I made sure to clearly highlight all components from other authors in my master's thesis. This principle is essential in science, as it builds trust and underpins research and scholarship through clear citation (ibid.). Not only should a paper reflect as accurate a reproduction as possible (cf. Aguinis and Solarino 2019, 1291) of cited sources, but it should also provide the reader with the ability to quickly and easily access basic data and look up cited sources (Moravcsik 2014, 48). For this reason, I have also included the links to the sources in my bibliography.

By describing why I used my method the way I did and how the process of writing my master's thesis changed in terms of method, I aim to create greater transparency. One effect of this, according to Moravcsik (2014, 49), is to avoid selection bias. For example, if I had conducted the interviews I originally planned with UNIDO staff, these data might have been highly biased due to the limitation to UNIDO staff. Through my current analysis of all sources from authors of diverse backgrounds, I was able to find a wide range of opinions and views about UNIDO and its role in industry development.

The goal of my thesis is to produce a paper that better empirically anchors the theory on the legitimacy of international organizations (cf. Moravcsik 2014, 50) while being as transparent as possible. To this end, I conducted a literature and document review with a clearly defined research objective and research questions. As a next step, I skimmed all the literature I had selected and marked the most relevant passages, then made notes. A good dozen scholarly articles proved irrelevant to my thesis in the course of reading because the topic diverged from my research question or they offered little substance for argumentation. Overall, my master's thesis writing process took the form of mainly reading and receiving literature for the first half of the entire thesis writing process, while the second half of the time was spent collecting citations, creating an outline, drafting the text, revising sections, critically evaluating literature, and finally putting the finishing touches on the thesis.

5. History of UNIDO

5.1. From the Idea to the Foundation

In order to better understand UNIDO's mandate, priorities, objectives and relevance, it is advisable to first take a look at its history. The history organization is closely linked to the political upheavals of the second half of the 20th century, a period marked by rapid successive milestones of global development. UNIDO has always sought to adapt to new realities and integrate them into its mandate in order to be prepared for the future. As Plasil-Wenger (1977, 188) states: "The [...] evolution of UNIDO should be viewed in the historical perspective of its establishment."

After the founding of the United Nations in 1945, the world was in a state of transition as colonialism began to crumble in the 1940s and 1950s. More than thirty countries in Asia and Africa were able to end their centuries-long rule under European nations between 1945 and 1960, often gaining formal independence after protracted struggles for freedom (Belyay 2018, 27). However, this new freedom began in poverty for the former colonies, which were now referred to as "developing countries." The colonial powers had plundered raw materials from the colonies and then shipped them to Europe in order to create the basis for industrial development there (cf. Pauli and Ofuebe 2021, 125). Thus, wealth in the world was already very unequally distributed at the beginning of the 20th century, which led to considerable disparities within countries, societies and regions (ibid.).

Decolonization awakened in the (former) colonial powers the need to now promote development in their former territories. Uneven development had already created an extreme North-South divide⁶ in the world, and anti-colonial movements in the now independent states found many supporters in some cases. Not only anti-imperialist movements, but also the spread of communism and the accompanying criticism of the prosperity of the industrialized countries posed a threat to the industrialized countries. To deprive communism of its basis of legitimacy, the Western powers pushed to reduce inequalities and promote development in the countries of the global South. At that time, the UN also entered the international development arena. Initially, special agencies started technical cooperation on behalf of the UN (Magariños et al.

⁶ I use the term North-South divide to describe the differences between economic development and the unequal distribution of wealth and resources in the Global North and South. Furthermore, I refer to aspects such as educational opportunities and different stages of development in general. I capitalize the terms "Global South" and "Global North" to emphasize its importance and to distinguish it from other regions.

2001, 81). The UN budget grew rapidly and by 1950 was \$ 20 million⁷ to promote cooperation between states (Magariños et al. 2001, 81). In the 1950s (Belyay 2018, 25), the United Nations Industrial Development Organization began to take shape: The UN Secretariat prepared several industrial development studies that addressed the rapid industrialization of developing countries (ibid., 29). These studies provided the basis and legitimacy for the further institutional expansion of the UN's industrial division. They addressed such issues as small-scale industrial promotion, environmental planning, industrial management in developing states, capital-intensive industry, and capital investment and productivity (Magariños et al. 2001, 81).

In the mid-20th century, the development goal of industrialization also gained importance in connection with the East-West conflict. During the Cold War, the UN was composed of two hostile blocs that differed fundamentally in their economic systems, but both saw industrialization as the engine of development. The antagonistic attitude between capitalist and central economic states led to verbal repartee within the organization (UNIDO 2016, 3). European and Western nations are maturing to support the development of the new states in order not to lose the African and Asian states further to the socialist bloc. US President Kennedy, for example, called before the UN General Assembly for the establishment of a development program to reduce the North-South divide, fight poverty, and promote modernization (UNIDO 2016, 3). However, the road to economic equality has proven to be a long one to this day and is still ongoing (see Belyay 2018, 29).

The era of decolonization also meant internal changes for the UN, as the number of developing countries increased sharply in the late 1950s and early 1960s (Magariños et al. 2001, 82). This new situation also affected the balance of votes in the UN (Belyay 2018, 2) and gave the Global South a stronger voice. The new member states brought new dynamics to the debates around industrial development and while the representatives of former colonies demanded socioeconomic priorities, industrialized nations tried to put a stop to these demands, Bredel (2003, 125) summarizes.

The United Nations Development Programme (UNDP) established its own "Development Centre" in the Industry Division of the UN Secretariat in 1959 and 1962. These centers were to be a kind of precursor to UNIDO (Khane 1977, 234). A "Standing Committee" on industrial development had previously recommended the establishment of such a center. The purpose of

⁷ In the course of my master thesis, I will mostly quote amounts in euros, but sometimes also in dollars and in a few cases also in the local currency. I have used the currency given in the source when quoting.

the center was to prepare reports, provide analysis, and promote the exchange of experience of technical assistance programs to promote industrialization. In addition, the center should coordinate all activities related to industrialization, including the regional economic commissions and their specialized agencies (Magariños et al. 2001, 82).

Several conferences dealing with industrial development were held in the 1960s. Thus, the first United Nations Conference on Trade and Development, hosted by UNCTAD in Geneva, and the Conference on the "Application of Science and Technology with Capacity Building in Less Developed Regions," hosted by UNCTAD in Belgrade, addressed this issue (Plasil-Wenger 1977, 188). According to the authors, the first tensions between the developing countries and the industrialized countries on the issue of priority setting occurred as early as the UNCTAD Conference on Trade and Development in 1964. According to Magariños et al. (2001, 82), the concrete goal of the developing countries was to increase industrial production by shifting production from North to South in a controlled manner and to stabilize commodity prices.

The accusation that there were too few industrially related activities in the mid-1960s (Bredel, 2003, 127) further drove the debate on uneven industrial development. Developing countries' dissatisfaction with the status quo also became increasingly evident in other fora such as the Economic and Social Council (Bredel 2003, 126). As a result, developing countries felt neglected in the 1960s. There were increasing calls for a body that was more responsive to the needs of developing countries. The numerical superiority of the developing countries in the UN was used to their advantage. By doubling their votes, they had more power than the industrialized nations, which contributed to the establishment of UNIDO (Bredel 2003, 126).

5.2. Foundation of UNIDO

On November 17, 1966, on the recommendation of a panel of experts, the UN General Assembly passed a resolution establishing UNIDO (UNIDO 2016, 27). The goal of the new organization was to "bring about the industrialization of developing countries" (ibid.) and coordinate industrial development activities (Magariños et al. 2001, 83). Henceforth, UNIDO was the focal point for technical assistance and sponsor for 14 industrial projects in developing countries (Baark and Strahl 1995, 442). Although UNIDO began operations on January 1, 1967 (Stermann 1969, 61), it took until 1986 for the organization to be officially granted the status of a "specialized" agency (Baark and Strahl 1995, 442). This was because, despite the organization's clearly defined tasks and relatively straightforward accession procedure, countries were in no hurry to ratify the UNIDO Statute (Belyay 2018, 35), so it was not until December 1985 that the minimum number of states was reached. After a large number of

member states proposed their location for UNIDO's headquarters (UNIDO 2016, 27), Vienna was chosen as the site in a secret ballot (*ibid.*). Only a liaison office remained in New York to maintain contact with the UN there (Stermann 1969, 61).

As long as the technical cooperation activities were still in the planning stage, UNIDO's main task at the beginning was to continue the tasks of the Center for Industrial Development and to provide normative and analytical functions (Magariños et al. 2001, 83). UNIDO was to address industrial development issues in greater detail than the UN did before and do more in-depth substantive work (UNIDO 2016, 25). Magariños et al. write that the creation of UNIDO was a compromise between the developing countries around the Group of 77 and the industrialized countries. Developing countries demanded a specialized agency that had its own policy-making bodies and pursued normative activities (see Breidel 2003, 127), while developed countries preferred a lower-profile organization under the direct control of the General Assembly (Magariños et al. 2001, 82). As a result, the first years of UNIDO were marked by particular tensions between the Global North and the Global South.

UNIDO initially started with three departments, which were mainly concerned with holding seminars, creating designs, and managing projects (Magariños et al. 2001, 83). Three years after its official establishment, some 650 people from 45 countries were working for UNIDO, including industry consultants, professionals, and administrative staff (Stermann 1969, 61). From the beginning, UNIDO was geared toward efficiency and aimed to operate in a non-bureaucratic manner. In 1969, the Stermann recommended that if the staff were to be increased, the number of industry experts should be increased rather than administrative experts (*ibid.*).

5.3. 1970s and a New International Economic Order

After the many discussions surrounding the creation of UNIDO, the financial support it received in the early 1970s brought relief in fulfilling its mandate. As Magariños et al. (2001, 84) write, the volume of technical cooperation increased from € 12.7 million to € 40 million. The authors attribute this increase to an increased demand or need for industry-related technical cooperation on the part of developing countries that had direct access to UNDP funding pots (*ibid.*). This is also confirmed by the BoIOA report (1976, 122), which notes that technical assistance in 1975 increased from \$ 24.1 million to \$ 33.5 million over the previous year (*ibid.*). In view of these grants, it is important to note the purpose for which they are used. UNIDO does not usually provide capital assistance, but rather networks, advises, mediates, and provides training, conferences, and the like (*ibid.*).

By 1974, UNIDO had implemented a substantial number of projects in the engineering, metallurgical, chemical, pharmaceutical, and paper industries, as well as in industrial facilities, most of which were funded by the UNDP country program (*ibid.*). The staff also grew steadily. In 1974 and the following year, there were already 1,041 people working in the headquarters and field offices. These experts promoted industrial development by training personnel in developing countries and conducting studies and surveys in advance of investments (*ibid.*, 121).

UNIDO established itself at a time when debates about an international political order were also increasing (Bredel 2003, 125). Starting in 1973, the previous economic world order began to crumble due to crises such as currency fluctuations, energy problems, miserable economic situations and sudden changes in the balance of payments (Khane 1977, 235). Many developing countries, which were particularly hard hit by the crises, turned away from the previously established Bretton Woods system⁸. The accusation from developing countries was that the international monetary and financial order primarily benefited the founding members and thus prevented greater participation of developing countries in the global economy. The view that this system perpetuated global inequalities as well as unequal exchanges between the Global North and the Global South found strong support among developing countries.

The UN responded to this criticism by adopting at its General Assembly in May 1974 the creation of a New International Economic Order (NIEO), which called for interdependence and cooperation among all states (Belyay 2018, 33-34). This "revolutionary concept" (Bredel 2003, 127) challenged the economic order by rejecting the institutions and laws created by industrialized countries. The NIEO held that transnational cooperation was complicit in existing injustices and thus blocked the development of poor states. Established practices would aim at maintaining dependency relations between industrialized and developing countries (*cf.* Bredel 2003, 127-128), according to representatives of the NIEO. South-South cooperation gave developing countries the opportunity to take their industrial development into their own hands, according to Bredel (*ibid.*). The debates on a new economic order and the declaration adopted at the 1974 General Assembly were echoed in UNIDO.

⁸ The Bretton Woods system was a monetary order that aimed to create a basis for international trade and financial cooperation between nations. It relied on the US dollar as a reserve currency, which was pegged to the exchange rate of gold.

5.4. Lima Declaration of 1975

From March 12 to 27, 1975, a UNIDO conference was held in the Peruvian capital Lima. The Lima Declaration, adopted by delegations from 11 countries, set concrete targets for industrial development for the first time, namely a 25% share of world industrial production by the year 2000⁹ (see Bredel 2003). In addition to this goal, member states also sought to expand UNIDO's current operational activities and planned a system of permanent consultations at all levels to enable equitable use of resources and redirection of industry. The redistribution of production capacity was to facilitate the establishment of new industrial facilities in developing countries, and there were plans to establish an industrial center for the development of new products (ibid.)

Today, the Lima Declaration is considered seminal in understanding global cooperation and has strengthened UNIDO's position as a focal point and thought leader in this area. The aim was to promote not only technical developments but also other sectoral levels of cooperation. UNIDO should coordinate technical projects that primarily serve South-South cooperation and take into account the scarcity of resources in these countries. In addition, the issue of energy was of particular importance, as the demand for energy in the countries of the global South was already growing steadily at that time. Environmental concerns and energy security for future generations did not play a role at UNIDO at the time of the Lima Declaration, according to Bredel (2003, 129).

The declaration was finally adopted in an all-night session after a roll call vote of 82 to 1. The United States was the only nation to vote against adoption of the Declaration, while Belgium, Canada, the Federal Republic of Germany, Israel, Italy, Japan and the UK abstained. There was disagreement particularly on issues of sovereignty over natural resources, colonialism, producer groups, plastics, and the implementation of the relevant provisions of the "New International Economic Order" and the "Charter of Economic Rights and Duties of States" (BoIOA 1976, 123). In the "President's Report to Congress for the Year 1975," the US government gives its own view of things, highlighting the deep rift between the Global North and the Global South.

The failure to reach consensus at Lima had been expected. One reason for this was that the developing countries had been unwilling to negotiate and narrow differences in advance at the December and January meetings of the Permanent Committee called specifically to prepare for UNIDO II. (BoIOA 1976, 123)

Other issues adopted without a vote at the second General Conference in Lima included specializations on the problems of LDCs, landlocked and island developing countries, the

⁹ At the time of the Lima Declaration, its share was about 7%, (Khane 1977, 234).

selection of appropriate industrial technologies, and the human aspects of industrial development (see BoIOA 1976, 123).

The organization's budget had already increased eightfold since its inception by the time of the Lima conference. However, a sensible use of resources and a successful implementation of the declaration had yet to be proven. Whether the global consultations set out in the Declaration were really feasible would only become clear in the decades that followed. At the very least, according to Kahne (1977, 234), there was a realization that greater financial support from member governments was needed to promote industrialization (*ibid.*).

Finally, in 1979, the UNIDO Statute was adopted (Joint Inspection Unit¹⁰ 2017, 2) and UNIDO became a specialized agency. Those states that had argued in advance to transform UNIDO into a separate UN body instead had been outvoted (Bredel 2003, 128). Even today, UNIDO's mandate derives from the 1979 Constitution, which established the organization's central role in coordinating all activities related to industrial development (Baark and Strahl 1995, 442).

5.5. Expansion of Activities in the 1980s

However, due to reservations among developing countries about UNIDO, there were delays in the ratification process. It was not until 1985 that the necessary number of signatures was achieved, as the UNIDO constitution stipulated that the mandate would not enter into force until at least 80 states had ratified. On this occasion, the first session of the new General Conference was held in Vienna between August 12 and 17, 1985 (UNIDO 2016, 3). From the beginning of 1986, UNIDO was able to start its activities with its own program and budget and through contributions from its member states (Magariños et al. 2001, 86). The budget grew steadily, especially through increasing voluntary contributions that were available in addition to UNIDO's regular budget. The volume of technical cooperation was still \$ 40 million in 1976 but increased to \$ 92 million by 1982 (*ibid.*).

As the decade progressed, UNIDO focused on promoting investment and export growth in its member states and also implemented aspects of sustainability and South-South cooperation for the first time (UNIDO 2016, 2). Baark and Strahl write that UNIDO was also eventually one of

¹⁰ The Joint Inspection Unit is an external oversight body of the United Nations system charged with conducting assessments, inspections, and investigations throughout the system.

the key agencies in implementing a new international economic order in the 1980s. However, the mandate was "too broad," making it difficult to meet expectations (Baark and Strahl 1995, 443). Although the volume of UNIDO's technical cooperation continued to grow and its expertise was in demand in various projects, UNIDO remained outside management decisions and instead participated as a project partner.

UNIDO also focused on eastern states in the 1980s. For example, UNIDO opened an industrial development office in Moscow, allowing the Soviet Union to sponsor projects in Russia. Similarly, an office was opened in Beijing to which developing countries could send personnel to bring investment to their countries (see Callick 1989).

What was not yet incorporated into strategic planning at that time, however, were environmental concerns. The decision to do so was justified by the fact that environmental concerns were already being addressed at the project level (Baark and Strahl 1995, 459). For example, waste reduction control systems were developed in 1982. Low-waste technologies and recycling of waste were used in various industrial sectors (*ibid.*, 449). The first UNIDO report to include environmental concerns at all appeared in 1988, but it did not include organizational changes or general frameworks for ideas (*ibid.*, 460). However, this was to change in the 1990s.

5.6. 1990s: "Greening" a Technical UN Organization

The 1990s were a decade of change for UNIDO, with a new understanding of sustainability taking hold. The organization has shifted its focus from purely technical aspects to more environmentally friendly approaches, writes Luken, who has worked for the organization himself and served as a senior environmental consultant (2009, 159). In 1992, industrial development projects still accounted for 98% and environmental projects only 2%. But by 2004, the share of environmental projects had risen to 57%, while the share of industrial development projects had fallen to 43% (*ibid.*). Thus, from 1988 to 1991, the number of environmental projects doubled from 84 to 150 (*cf.* Baark and Strahl 1995, 443). According to Magariños et al. (2001), the financial volume of technical cooperation projects fell from \$ 169 million in 1990 to only \$ 91 million in 1996, due to the decline in UNDP's financial activities (Magariños et al. 2001, 86).

In the 1990s, the focus was on the protection of natural resources within the industrial production process (Bredel 2003, 130). Previously, the analysis of industrial production was based on the three pillars of value creation, transformation, and labor process, whereas today it

is based on capital interest, labor interest, and environment (ibid.). However, since these new three pillars are difficult to reconcile with each other, according to Bredel (2003), a lot of pressure is arising on UNIDO and other international organizations (ibid.).

Baark and Strahl (1995) argue that financial constraints and inter-agency conflicts, as well as the adaptation of UNIDO staff to the new realities of the time, which placed greater emphasis on environmental protection, were triggers for UNIDO's "greening" (Baark and Strahl 1995, 466; Luken 2009). UNIDO staff initially had an ambivalent relationship to emerging efforts in the area of environmental protection. As an organization focused primarily on the industrial development of developing countries, environment-related issues were viewed by some as rather unimportant. A 1989 internal UNIDO survey, cited by Baark and Strahl in their 1995 publication, outlined the differing opinions and viewpoints within the organization on the environmental program. The results showed that some employees were concerned that prioritizing industrialization would suffer from environmental protection (Baark and Strahl 1995, 451):

There is also evidence that in the process of project formulation or selection some staff members at UNIDO believe that, by down-playing environmental concerns, they serve the interests of many government representatives from developing countries who see environmentalism as a barrier to industrialization. (Baark and Strahl 1995, 463)

The reorientation of UNIDO was also a question of funding, because the states of the Global North, which financed the projects to a large extent, increasingly demanded sustainability aspects. At the same time, they also monitored the implementation of sustainable industrial development in the projects very closely (cf. Baark and Strahl 1995, 463). Nevertheless, in 1991, the number of projects with minimal energy use in UNIDO was still low, as noted by Baark and Strahl (1995, 456). One consequence of the late adoption of environmental considerations in project implementation was that UNIDO lagged behind other UN agencies in implementing environmental measures. The necessary structures were either not in place or were introduced too late (see Baark and Strahl 1995, 451).

From now on, sustainability was to be increasingly established, as Baark and Strahl report in their work (1995, 452). In 1991, up to 400 UNIDO staff members participated in training on environmental issues. But while UNIDO was preparing for the new millennium, the environmental faction was still in the minority, as Baark and Strahl point out in their book (1995, 460). Ideas and innovations regarding clean technologies continued to be marginalized (ibid.). The authors attributed this to the poor relations between the environmental coordination unit and the operational departments within the organization that prevailed at the time (ibid.).

Overall, the environmental discourse in UNIDO started under poor conditions. The late 1980s saw economic imbalances around the world as world prices for export goods fell and a debt crisis set in. The previous strategies of many governments from the Global South, which had relied on rapid industrialization with the help of debt, proved to be a fallacy. The resulting structural adjustment programs forced the economies into direct competition with international markets, which resembled a struggle for survival for the economies (see Baark and Strahl 1995, 464).

In 1991, the UN General Assembly proclaimed the goal of increasing the manufacturing output of developing countries by 130% by the turn of the millennium (UNIDO 2016, 26). A year later, UNIDO was appointed as the implementing organization of the "Montreal Protocol".¹¹ The organization has been particularly successful in promoting innovative technologies based on ozone-friendly chemicals and clean manufacturing processes to reduce emissions of gases that affect both the ozone layer and climate change (Gains 2015, 7). UNIDO successfully implemented over 1,200 projects in more than 90 countries over the next 20 years under the Protocol, including social considerations to make industrialization processes more equitable (Belyay 2018, 39). UNIDO's participation in the Montreal Protocol was widely supported in various regions (ibid.).

By 1995, the environmental discourse had fully arrived at UNIDO. The organization strongly advocated the transition to clean industries and supported ozone-friendly technologies for developing countries to phase out ozone-depleting gases (UPI 1995). The commitment to sustainable industrial development was reinforced by a business plan in 1997. This plan sought to incorporate the conflicts between economics, labor, and the environment into UNIDO's work to pave the way for industrialization (Bredel 2003, 130). In addition to new priorities such as "greening," the business plan also entailed drastic cuts to individual programs and staffing levels (UNIDO 2016, 35).

The 1990s also brought a change in UNIDO's orientation. Whereas in the early days UNIDO recommended "import substitution" strategies to create a stable industrial base without dependence on foreign products, the 1990s saw the establishment of a consensus that development could best be achieved through a *laissez-faire* market economy combined with sustainability efforts (see UNIDO 2016, 3). By advocating private sector empowerment and

¹¹ The Montreal Protocol is a milestone in environmental protection and was signed in 1987. The goal is to reduce chemicals that lead to the depletion of the ozone layer.

diversified sources of finance, UNIDO sought to address the challenges of the new millennium, which were: Reducing unemployment and inequality, and combating climate change (see UNIDO 2016, 2). Also in 1996, the UNIDO constitution came into force, transforming it into the 16th UN organization (cf. Bredel 2003, 127). Still, some countries were not convinced of UNIDO's mandate. Because of its status as a separate organization, there was a danger of losing voluntary contributions (cf. Magariños et al. 2001, 86).

5.7. Concept of "ISID" from the 2000s to Today

At the turn of the millennium, UNIDO could successfully look back on its first decades of existence. The number of member states increased from 130 in 1975 to as many as 155 in 2004 (Luken 2009, 164). UNIDO remained true to its focus in the new millennium, continuing to espouse the free market theory of promoting industrial development, even after the financial and economic crisis of 2008. By increasing support to the private sector, UNIDO hoped to offset the dwindling budgets of industrialized countries (UNIDO 2016, 36).

In the early 2000s, the UN system heavily promoted the Millennium Development Goals (MDGs), which were intended to reduce poverty and deprivation in the world by 2015. However, as 2015 approached, it became increasingly apparent that the goals would not be met (see Belyay 2018, 43). Although poverty rates in sub-Saharan Africa improved under the MDGs, over 800 million people continued to live in extreme poverty (ibid.).

With the expiration of the MDGs¹², the UN set new goals, namely the 2030 Agenda for Sustainable Development with its 17 SDGs (UNIDO 2016, 36). Of particular interest to UNIDO is SDG 9 (industry, innovation and infrastructure). In planning the SDGs, UNIDO's mandate was explicitly taken into account, which underlines the relevance of the organization in the UN system.

Finally, in 2023, UNIDO initiated the concept of "inclusive and sustainable industrial development" (ISID), which has placed greater emphasis than ever before on the link between industrial development, sustainability and social responsibility. Although the concept seems supportable at first glance, countries that have neglected environmental aspects on their path to industrialization are coming under pressure. With the new focus on sustainability,

¹² The Millennium Development Goals were agreed in 2000 and were to be achieved by 2015. They aimed to reduce poverty and promote environmental protection, health and education.

decarbonization of the industrial sector has become the biggest challenge for some national governments and global regulatory systems (see UNIDO 2016, 53).

Another important aspect is inclusion on the path to industrial development. Having failed to achieve Goal No. 3 of the MDGs, namely gender equality (cf. Belyay 2018, 43), UNIDO is now focusing its attention again on the issue of gender equity. A contribution to the integration of women in inclusive and sustainable industrial development was made by Chambalu. As former UNIDO Coordinator for the Integration of Women in Industrial Development, her 2007 article "Integration of Women in Industrial Development" addressed the promotion of women's issues within the organization including in UNIDO's mandate. Chambalu describes chronologically how gender equality has been promoted within UNIDO and its member states. As an expert on gender issues, she received funding from UNIDO in the mid-1980s to hold workshops on the integration of women in industrial planning and development processes in various countries. The author emphasizes that the integration of women into UNIDO's work depends heavily on the attitude of its leadership. UNIDO Executive Director Genearal Abd-El Rahman Khane championed industrial development in the least developed countries, but gender issues were not a priority for him. Pressure to promote gender equality came less from the Secretariat than from member states, particularly northern European countries. Within UNIDO, the process of industrialization was seen as independent of gender issues. Overall, Chambalu concludes that the promotion of gender equality within UNIDO varied widely but was mostly inadequate: "I was always amazed how UNIDO, as part of the UN system, could neglect women's issues for more than a decade after the abolition of the unit for the integration of women in industrial development." (Chambalu 2011, 152) When UNIDO was asked by Northern European countries to be more inclusive of women, this request was not initially considered and not followed up.

6. UNIDO Today

6.1. Structure and Composition of the Organization

After this foray through UNIDO's history, I would now like to take a look at the organization's situation today. For this purpose, it is suitable to study the annual report of UNIOD, which lists the results and achievements in a condensed form. The currently available annual report is from 2021 and, in addition to the financial aspects, also provides information on new distribution and partnerships. But first, the hard facts: As of December 31, 2021, the organization had 171 Member States¹³ (UNIDO 2021) and employed 682 staff and 1691 consultants from 135 countries (as of December 31, 2021). The gender distribution among employees is 43% women and 57% men (UNIDO 2021).

Currently, the 2022-2025 Medium-Term Programme Framework (MTPF) is being implemented. This framework aims to pursue medium-term development goals and further sharpen the strategic direction of the organization. Like the 2018-2021 Medium-Term Programme Framework (MTPF), this programme is strongly integrated with the 2030 Agenda for Sustainable Development and has 4 priorities: advancing economic competitiveness, creating shared prosperity, safeguarding the environment, and strengthening knowledge and institutions (MOPAN 2019, 5).

From its headquarters in Vienna, UNIDO coordinates a field network of 28 regional and country level offices and advisory offices. There are also 15 so-called "desk offices" in UNDP and a number of technical offices at the country level (OECD 2007, 18). With the help of this external network, UNIDO was able to cover 156 countries with its service in 2021 (UNIDO 2021). UNIDO's remit is characterized by a dual role. On the one hand, it acts as a global forum for industrial policy debates and, on the other, as a channel for technical assistance in industrial development. Tarasov and Achamkulangare (Joint Inspection Unit 2017, 4) sum up the basic governance structure of UNIDO:

As established under the Constitution, the governance structure of UNIDO is composed of three principal organs: the General Conference, the Industrial Development Board (the Board) and the secretariat. The Programme and Budget Committee (the Committee) acts as a subsidiary body of the Board. Member States have not established other permanent subsidiary organs, technical committees or working groups. (Joint Inspection Unit 2017, 4)

¹³ The following states never became members of UNIDO: Singapore, Iceland, Estonia, Latvia, and in the Pacific region: Kiribati, Solomon Islands, Palau, Micronesia, Marshall Islands and Nauru.

In this regard, Baark and Strahl emphasize the importance for UNIDO to always interact with other external influences and forces. Every activity within UNIDO is subject to a four-year plan, which is reviewed every two years in cooperation with government representatives (Baark and Strahl 1995, 462). A central role in this process is also played by the Industrial Development Board (IDB) (*ibid.*), whose main task is to monitor and prioritize UNIDO's activities. It also sets the program and budget and discusses the admission of new members to the organization. The IDB meets once a year and consists of 53 elected member states, which are supposed to be evenly and fairly divided (see Stermann 1969, 61). In addition to the IDB, another body of paramount importance is the General Assembly. Here, all member states meet every two years in Vienna to approve the budget and the work program and to appoint the Director General. The seats in the IDB are also counted here (see Luken 2009, 164).

The role of the Director General is often of particular importance for UNIDO, as for other international organizations, and is influenced not least by political power struggles among member states. At UNIDO, the position of Director General was often shaped by personal and political reasons. During my time as an intern at UNIDO, a change in the position of Director General took place. Li Yong, who led UNIDO through ups and downs for more than 8 years (see Vindobona 2021), sharing responsibility for the introduction and implementation of any strategies as the top officer, was bid farewell at the 19th General Conference. Li Yong was Vice Minister of Finance in China before becoming Director General of UNIDO. With his election as UNIDO Director General, it was hoped that the emerging superpower China would facilitate better cooperation between UNIDO and the Medium Development Countries (MDC). Other UN agency posts are often contested. For developing countries, however, this could be seen as a signal of departure. The appointment of a Chinese national to the post was part of China's effort to become more involved in the global development landscape through established international platforms. China's role as an emerging development assistance nation was thus consolidated by a significant step. However, Li Yong's second term in office ended in 2021. He was succeeded by Gerd Müller, a German who had previously held the post of Minister for Economic Cooperation and Development in the German government. In this appointment, too, one can see a political calculation behind it, since Germany is one of UNIDO's most important supporters. By appointing a German Director General, UNIDO can build closer ties with one of its biggest donors.

6.2. Financing of the Organization

UNIDO's funding is critical to the success or failure of its programs and thus its contribution to the development of global industry. In 2021, the value of technical cooperation amounted to \$ 179.4 million according to UNIDO's annual report. In addition, there was a regular and operational budget (expenditure) of UNIDO of € 85.3 million in 2021 (UNIDO 2021). In 2018/2019, the budget totaled € 516.8 million. In addition to the net regular budget, voluntary contributions play an important role, which amounted to € 380.1 million in 2019. In this context, almost all extrabudgetary contributions are earmarked and consist of the Global Environment Fund, the Montreal Protocol and the European Union, with the latter still accounting for 10%. In the past, UNIDO has signed numerous cooperation agreements and memoranda of understanding with other institutions such as the African Development Bank and the World Bank (see MOPAN 2019, 2). Today, the euro is the primary currency for budgeting.

In 2010, UNIDO received funding of € 70.5 million from government sources, with Italy being the largest donor with € 13.3 million. The European Commission had a share of about € 8 million (see OECD 2007, 19). Only about 6% of its member states' contributions are allocated to technical cooperation (cf. Luken 2009, 160), while UNDP provided only 2% of the funds in 2004 (cf. Luken 2009, 164), although it had previously been the largest donor. Voluntary contributions thus continue to play a major role for UNIDO, which receives them from a number of institutions (cf. Joint Inspection Unit 2017, 3). However, the largest sources for UNIDO are still contributions from global funds, including the Global Environment Facility Fund, the Multilateral Fund for the Implementation of the Montreal Protocol, and the Green Climate Fund (see UNIDO 2021). Who are the largest donors in terms of member states today? Here, after deducting the cost of program support, Japan ranks first with € 21.8 million. Switzerland is in second place with € 13.8 million, followed by Germany and Italy with around € 6 million each (see UNIDO 2021).

6.3. Functioning of UNIDO - How to Address the Problems of Our Time?

In my historical part of this master's thesis, I have already explained how UNIDO functioned and implemented its mandate in the past. But what is the situation today? How does UNIDO implement its mandate? There are several channels for this:

The Organization provides a global forum for addressing common obstacles to sustainable industrialisation; for developing and addressing conventions, for disseminating new advances, policies and experiences in sustainable industrialisation; for establishing international

partnerships and networks; and for developing comparable statistics and measures. (The Parliament of the Commonwealth of Australia 1997, 3)

UNIDO can only influence the shaping of global impact priorities (see Runde 2013) if it is able to present solutions to challenges in the development sector and is recognized as a development institution for developing countries (ibid.). To ensure this, UNIDO must function in a manner that gains the confidence of member states to be perceived as a global development organization capable of coordinating industrial development at the global level. The broad outlines of mandate implementation were already established at the Lima Conference: There, UNIDO was given the task of acting as a forum for negotiations and agreements in the field of industry between developing and industrialized countries (UNIDO 1975, 19). This forum can also take the form of events where international development experts share their knowledge and experiences, bringing together staff and leaders with individuals from the private sector and representatives of civil society (Belyay 2018, 48). Luken (2009) describes for the period from the 1990s to 2004 how UNIDO focused on two core functions: first, providing advice on technical programs and second, disseminating expertise on industrial development. To this end, UNIDO conducts applied science and produces analyses on economic growth and industrial structural change and prepares these results for the development community. To this end, it provides a wide range of analyses (see Joint Inspection Unit 2017, 3).

UNIDO, while automatically logically focused on least developed countries because of socioeconomic realities, also promotes investment and technology in institutions with the goal of spurring North-South trade (cf. Gains 2015, 7). It also aims to facilitate intergovernmental negotiations and help countries find solutions to conflicts (see Belyay 2018, 11). Overall, UNIDO aims to help developing countries build competitive industries on their own by providing support measures. Concrete emergency situations in which UNIDO becomes active are, for example, after crises caused by armed conflicts or natural disasters, or when it was a matter of restoring livelihoods or production capacities. The goal has always been to give the affected people back their independence and to offer them opportunities for economic advancement, according to Gains (cf. 2015, 6). About itself, UNIDO writes that it has moved away from traditional philanthropic sustainability (cf. UNIDO 2013, 52). Instead, UNIDO is now implementing new models of social investment and collaboration with core companies and value chains (cf. ibid.).

7. UNIDO in Crisis

7.1. Budget Planning in Times of Global Economic Crises and Uncertainties

UNIDO has gone through several crises since its inception, particularly in relation to its member states and the funding uncertainty that accompanied them. The financial circumstances did not necessarily help to facilitate UNIDO's launch: With only \$ 4 million in seed money, UNIDO's budget was extremely small compared to other international organizations (see Magariños et al. 2001, 83). From the very beginning, the hurdles for UNIDO to quickly develop into a properly functioning organization were very high. The critical attitude of some countries in the Global North toward the new development organization was expressed from the beginning, as the Australian former ambassador and former president of UNIDO noted. The tasks that lay ahead of the young organization were daunting, and it would take years to determine whether its achievements would live up to expectations, was his early assessment in 1969 (see Stermann 1969, 61).

Although critics differed to some extent in their arguments, according to Belyay (2018, 35), they had one circumstance in common, namely the economically uncertain times, which also always had a negative impact on UNIDO's support, especially among developed countries. An example of a global economic challenge that also affected the support of international organizations was the oil crisis in the mid-1980s, as UNIDO itself writes in its 50th anniversary commemorative publication (UNIDO 2016, 30). The financial crisis in UNIDO just described led to a large number of member states not being able to pay their contributions or only being able to pay them late (cf. Magariños et al. 2001, 86).

The global economic crises caused industrial policy to lose popularity in industrialized countries. This fact was eventually taken up by the Washington Consensus, which influenced industrial development in developing countries through its liberalization efforts and promotion of free trade (see UNIDO 2016, 30). While this new economic orientation was promoted primarily by the US and UK, however, many developing countries were caught up in it (cf. *ibid.*). The partially successful transformation of the former Soviet Union and Central and Eastern Europe could not hide the fact that many developing countries still lived in abject poverty despite the proclamation of several "development decades" (cf. Magariños et al. 2001, 86). But the collapse of the Soviet Union and with it the disintegration of a bipolarized world with only one superpower left also affected the organization. Numerous new member countries

joined UNIDO, and the capitalist world economic order began its triumphant march (cf. UNIDO 2016, 32).

Even today, industrial policy is viewed critically as a means of economic development, and there is more reliance on the private sector to make industrial development more effective and efficient, according to some, according to an OECD report (2007, 17). This has led to a critical view of UNIDO's role in global development, and the organization has had to constantly take new measures to defend its place in the global aid architecture (ibid.). This is especially true in competition with other UN organizations (cf. ibid.).

In the 1990s, financial insecurity increased as UNDP dropped out as a major funder, which negatively affected the scope of UNIDO's services provided. As the budget shrank, so did the number of feasible activities (see Joint Inspection Unit 2017, 5). Gaps illustrate this vividly with figures: While services amounted to \$ 150 million in 1990, they fell to a low of \$ 69 million in 2000, almost half. The resulting discontent among funders compounded the financial problems (see Magariños et al. 2001, 91). It was not until the beginning of the new millennium that UNIDO was able to push ahead with its financial diversification and attract new funds, so that the budget in 2006 was again \$ 113 million (cf. Luken 2009, 175). Former major donor countries such as Germany and Japan subsequently planned to cut their budgets, in some cases by up to 40% (cf. Magariños et al. 2001, 98). By donors no longer being able or willing to pay their contributions, their influence on the organization is inevitably reduced. For example, as of December 2016, more than 40 states were not eligible to vote because they had not remitted their contributions to UNIDO, according to the Joint Inspection Unit (2017, 5). In addition, there were a number of outstanding payments from states that withdrew and had not previously paid their contributions, which UNIDO cannot now access (see Eckhardt et al. 2019, 1642).

In such difficult economic times, it is important to maintain and, if necessary, adapt UNIDO's image, former UNIDO Director General Yumkella said in a 2013 interview, focusing on portraying UNIDO as an organization that moves with the times and can adapt to new economic conditions. Maintaining confidence in the organization was one of the biggest challenges:

The most difficult challenge was marketing UNIDO and its relevance, because one had to deal with an old orthodoxy that had an opinion of UNIDO that went back to the 1970s. So, we had to rebrand the institution to show that in fact we were talking about private sector-led industrialization, that we were talking about innovation systems that would promote better competitiveness in industry, that we were talking about innovations that would ensure green growth, green development and green industrialization. Doing that rebranding for me was very difficult because there were a lot of naysayers. There were doubters that this could be done. (UNIDO 2013, 46-47)

Meanwhile, a change has taken place in funding: While the regular budget has hardly changed in recent years, at around € 130 million, voluntary contributions have almost doubled, from around € 160 million in 2010 to around € 380 million in 2014 (Joint Inspection Unit 2017, 46). Crises will continue to be a challenge for UNIDO in the future. After the crises of the 1980s and 1990s, the global financial crisis of 2008, and the COVID-19 pandemic with its economic repercussions, skepticism about multilateralism has continued to grow, as Oldekop et al. (2020, 3) summarize.

UNIDO also struggles with the fact that its mandate is strongly correlated with national interests. According to Landesmann and Stöllinger (cf. 2018, 4), industrial policy has always been an issue that was primarily dealt with and prioritized at the national level. Landesmann and Stöllinger illustrate this with the example of the EU (ibid.). There, coordination was advocated but implemented only with restraint. Even today, minimal contributions by member states in the EU to a common European industrial policy mean that few concrete measures are implemented (cf. ibid. 5).

7.2. Discussions on the Significance and Relevance of UNIDO

The question is repeatedly raised as to whether UNIDO is really necessary as a special development organization. The ratification of the organization was delayed because industrialized countries expressed concerns and reservations about the organization and wondered whether it was really needed (see UNIDO 2016, 31). However, the difficult economic situation from the 1980s onward not only had a negative impact on the organization's budget and financial resources, but also raised a number of critical voices. Some critics felt that UNIDO's mandate was outdated and that the organization no longer had a role to play in the changing development landscape because its areas of responsibility overlapped with other UN bodies and other international organizations or development agencies (see Luken 2009, 175; see Steiner 2014, 107). Furthermore, UNIDO's mandate is too broad to be clearly delimited and thus offers a wide range of possibilities for improvement (Magariños et al. 2001, 97).

The United States and UK in particular, however, doubted the concept of multilateral cooperation in this area (Magariños et al. 2001, 96). It was felt that the driving force was the free market and the private sector rather than government-led industrial policy (see Magariños et al. 2001, 96) rather than regulations supported by a UN organization. The United States has been a critic of UNIDO from the beginning. Washington therefore opposed most of the positions advocated by UNIDO. In particular, they were bothered by UNIDO's efforts to help

developing countries through concepts such as setting world prices or indexing commodity prices.

7.3. Discussions on the Efficiency and Effectiveness of UNIDO

First of all, quantitative figures can be used to verify the efficiency of UNIDO. For example, the target set at the Lima Conference in 1975 that developing countries should own 25% of global industrial output in 2000 was actually exceeded. "In 2000, developing countries owned 27.1% of global MVA, and this trend grew steadily so that by 2013 the figure was 41.2%" (UNIDO 2016, 23). However, geographical differences must be taken into account, as UNIDO points out. This is because individual Asian countries such as China, South Korea, Singapore, and Taiwan have claimed a large share of MVA through rapid economic growth, while African countries have remained virtually unchanged and Latin America has also seen little improvement (*ibid.*). In response to the financial crisis beginning in the 1980s, UNIDO attempted to transform its structures and increase effectiveness and transparency by promoting cooperation with private enterprises, human resource development, and the promotion of small and medium-sized enterprises. However, the difficult global economic situation meant that only some of the projects could be implemented, and important programs fell by the wayside (*cf.* Magariños et al. 2001, 86).

The problems in UNIDO continued into the 1990s, when trust between some member states and the Secretary General deteriorated. The former saw weaknesses in the organization of headquarters and low quality of projects (see Baark and Strahl 1995, 464), such as when UNIDO management failed to consider strategic guidance related to sustainability in a timely manner. As a result, no concrete measures related to the environment were implemented, while other international organizations already had sustainability on their agendas (*cf.* Baark and Strahl 1995, 460). The attacks on UNIDO did not abate at the same time: An author from the Heritage Foundation, a conservative US think tank critical of the United Nations, argues that UNIDO not only has inefficient financial management, but is ineffective overall. It pursues anti-market economic policies and is characterized by poorly implemented projects, according to Schaefer (2011).

As a result of critical reports on the organization, several reviews were conducted between 2005 and 2015 by different stakeholders to examine UNIDO's effectiveness and its own work. The results of these reviews varied depending on the timing and focus (see Joint Inspection Unit 2017, 3). One of the institutes that conducted an evaluation with UNIDO

was DFID, the UK Department for International Development (see DFID 2005, 5). It regularly conducts evaluations of international organizations to assess their relevance, suitability, efficiency, and in terms of their cooperation. DFID's evaluation reports were to be an incisive experience for UNIDO in the continuing reorientation of its organization, since many of the criticisms of member states were to be based on a DFID report or to use it to make their case. The first DFID report in 2004 was still quite promising in this respect. UNIDO received an overall score of 86 from all the organizations evaluated, while the average score was 62 (see Obser 2014, 43).

According to the coordinating agency, DFID rated UNIDO as good because UNIDO also had a passable overall average score of 75 percent, which were quite good results (DFID 2005, 25). In fact, UNIDO did very well on partnerships in 2004, with little room for improvement (ibid. 26). But the report from the same organization in 2011 was already to reveal different results (cf. DFID 2005 and 2011). UNIDO was evaluated along with other international organizations and landed in the "poorly rated" category along with nine others (see DFID 2011, 3). What specifically has DFID criticized about UNIDO? DFID has criticized UNIDO for its poor "value for money" (DFID 2011, 15), saying that its impact in terms of poverty reduction is limited and overlaps with more effective organizations (cf. DFID 2011, 15). Other weaknesses of UNIDO include a lack of transparency, inadequate financial management, and poor annual reports (cf. ibid.). In addition, UNIDO had difficulty getting the right staff with the right experience and skills into key positions at the right time (cf. DFID 2011, 20). Although these poor results would apply in part to other international organizations, the UK merely decided to leave UNIDO based on this study (cf. DFID 2011, 15). According to Alli (2011), the niche served by UNIDO was too large for its activities to report significant success in industrial development in developing countries. These findings were agreed with by other reports from member states, such as New Zealand (2012), which described UNIDO's overall performance and impact as only mediocre.

Anyone who believes that criticism of UNIDO is a thing of the past is mistaken. To this day, member states or former member states comment on UNIDO's efficiency, as recently in a commentary on the conservative US news site Fox News, in which the authors called on the US ambassador, who has been in Vienna since 2016, to look at UNIDO's staffing plan because UNIDO hired 1800 advisors in a non-transparent manner (Weinthal and Evansky 2021). The authors also call for an investigation into why UNIDO employs an army of consultants in addition to regular staff (ibid.)

The results of the DFID study were used by the UK as an argument to justify their withdrawal from UNIDO. DFID reinforced this move by urging other member states to follow suit (DFID 2011, 16). This was partially successful, as the study led to a domino effect regarding withdrawals in the 2010s, as will become clear in the following chapter.

7.4. Withdrawals of Member States from UNIDO

Due to different reasons, but especially in relation to the discussions about the legitimacy of UNIDO, several states, especially industrialized countries, have left UNIDO:

Member State	Date of membership	Date of withdrawal
Australia	21-Jun-1985	31-Dec-1997
Belgium	21-Jun-1985	31-Dec- 2015
Canada	21-Jun-1985	31-Dec-1993
Denmark	21-Jun-1985	31-Dec-2016
France	21-Jun-1985	31-Dec-2014
Greece	21-Jun-1985	31-Dec-2016
Lithuania	17-Oct-1991	31-Dec-2012
New Zealand	19-Jul-1985	31-Dec-2013
Portugal	21-Jun-1985	31-Dec-2014
United Kingdom of Great Britain and Northern Ireland	21-Jun-1985	31-Dec-2012
United States of America	21-Jun-1985	31-Dec-1996

Table 1. Own representation based on (UNIDO Former Member States List)¹⁴

¹⁴ This table lists former Member States of UNIDO including their date of membership and date of withdrawal from the Organization. Pursuant to article 6 of the Constitution of UNIDO, withdrawal from the Organization shall take effect on the last day of the fiscal year following that during which the instrument of denunciation was

It is also of interest to consider the two waves of withdrawals from UNIDO by member states. In the 1990s, first Canada began to withdraw, followed by the largest hegemon in international politics, the US. However, around the turn of the millennium, the situation for UNIDO stabilized until finally the UK withdrew and many other European states followed.

Of particular interest, however, is the withdrawal of the US in 1995. As the largest contributor, accounting for 25% of UNIDO's total budget, this had far-reaching consequences for the organization, especially at the financial level. Already under US President Reagan, the US had withdrawn from other UN bodies such as UNESCO and criticized the UN system in general. UNIDO now had to manage without the world's largest economic power and political power and could not continue many projects for financial reasons. The withdrawal also had a negative impact on the morale of the organization and triggered speculation about its consequences. The Director General at the time, De Maria y Campos, faced great challenges. Nevertheless, he stressed that it was UNIDO's duty to continue supporting the process of industrialization, even without the US. Although the budget had to be cut by a quarter and 200 jobs eliminated, UNIDO was combative and continued its work. UNIDO is still waiting for outstanding payments of € 69 million from the USA (cf. Goodenough 2011). However, the US does not recognize these arrears and has even issued a ban on payment of arrears to UN agencies (cf. Schaefer 2011).

Is there hope for UNIDO that the United States will soon rejoin? There is speculation about this, not only because of the inauguration of US President Biden, who is considered a supporter of multilateralism and the UN system, but also because of the sending of a US observer delegation to the 19th General Assembly in Vienna. Weinthal and Evansky take this as an opportunity to give a full warning about a possible US re-entry into UNIDO. Since UNIDO also carries out projects in Iran, it is quickly labeled by the US as a terror aide and sloppy in supporting the construction of a nuclear bomb.¹⁵ Weinthal and Evansky also formulate similar

deposited. The dates here are the dates on which the respective withdrawals became effective for the denouncing States. <https://www.unido.org/who-we-are/structure/member-states/former-member-states>

¹⁵ In 2015, UNIDO signed a memorandum of understanding with Iran's Supreme Council for Science, Research and Technology (SCSRT) to strengthen cooperation in formulating industrial policies and strategies for investment in education, research and technology. However, Weinthal and Evansky are concerned that UNIDO's transfer of dual-use technology, which can be used for both military and civilian purposes, could accelerate the Islamic Republic's ability to build nuclear weapons.

accusations for member country North Korea, with which UNIDO has relations.¹⁶ He argues that UNIDO continues to be ineffective (*ibid.*). Schaefer also warns against rejoining UNIDO because it would violate current US law, as UNIDO admitted Palestine as a member state in 2018 and therefore US funds cannot flow to UNIDO (Weinthal and Evansky 2021).

A special case in membership was Australia. The country withdrew from UNIDO in 1988, citing "budgetary constraints" - only to rejoin a few years later:

Similarly, Australia (a powerful country, particularly in the Oceania region) withdrew from the UN Industrial Development Organization (UNIDO) in 1988 after a government assessment of UNIDO's administrative and operational effectiveness found it wanting. Nonetheless, Australia rejoined UNIDO in 1992, influenced by an assessment showing that organizational reform was underway and that potential procurement opportunities were available to Australian firms. Instead of a hegemon's exit leading to decline, its withdrawal may have caused change in these cases that both buffered the survival of the IO and enticed powerful countries to rejoin the clubs. Other states may not have this kind of bargaining power to flex their muscles and push for reform. (Von Borzyskowski and Vabulas 2022, 27-28)

In 1997, Australia finally withdrew from UNIDO after membership was rejected on the grounds that UNIDO activities did not meet Australia's priority development goals and that the impact of UNIDO programs was unsatisfactory (see The Parliament of the Commonwealth of Australia 1997, 5). In addition to not serving Australian interests, it was argued that financial and administrative problems were affecting UNIDO's performance (see The Parliament of the Commonwealth of Australia 1997, 6). The decision to withdraw from UNIDO sparked a lively debate in the Australian Parliament. It was noted that Australia's withdrawal from UNIDO also called into question Australia's multilateral cooperation with other countries in a number of key areas (*ibid.*, 7-9).

In the late 1990s, Germany, the largest donor of UNIDO's voluntary funds, also became extremely dissatisfied with the organization's performance and temporarily stopped sending experts and making its voluntary contributions (*cf.* Magariños et al. 2001, 95). The criticism of UNIDO and the withdrawal of these industrialized countries plunged UNIDO into a deep crisis, which brought financial difficulties in particular and called into question the global reach of the institution (*cf.* Joint Inspection Unit 2017, 3).

In the following, we will look at the second wave of withdrawals, which occurred about 20 years later. However, only intentions were announced beforehand, and it took some time before

¹⁶ UNIDO actually implemented projects in North Korea and Iran. In the North Korea project, it was the HCFC phase-out management plan (phase I, 1st tranche; polyurethane foam and refrigeration service sector plan). In Iran, it was to promote and expand innovative SMEs (small and medium enterprises).

a number of European countries actually left. As early as 1994, Denmark announced that it would leave if no significant changes took place in the foreseeable future (see Magariños et al. 2001). In the course of the UNIDO crisis, Denmark played an important role with regard to the withdrawal of member states and, for example, published important studies that served as a basis for arguments in efficiency discussions. Although these were largely positive, Denmark criticized a lack of adequate programming, operational leadership, and focus and integration in activities and structure (cf. Magariños et al. 2001), which ultimately also led to a withdrawal in 2016. More generally, the 2010s marked the beginning of a second wave of European withdrawals. In May 2012, the New Zealand Parliament published a critical report on UNIDO and declared its withdrawal from the organization due to a lack of efficiency, non-delivery of services, and a "marginal role" of UNIDO in the international aid system in order to focus more on the Pacific region in the future and to set its own regional priorities (cf. New Zealand Parliament 2012, 4). Another argument in favor of withdrawal was the opportunity to focus New Zealand's involvement in international organizations more strongly. Ultimately, however, the UK and France jointly withdrew from the organization, two countries that together accounted for 16% of the organization's annual budget. Belgium and Denmark also followed the lead of their European partners and announced their withdrawal. France also announced its withdrawal from UNIDO in 2013 after neglecting its international obligations due to budget deficits at home (Reuters 2013). The financial resources saved could be used for other UN organizations, according to the French representative - an argument that was used by several countries to explain their withdrawal (ibid.).

After the withdrawal of some countries, UNIDO found itself in a difficult situation and its senior management became increasingly critical of the remaining member states, despite the high level of project management and technical cooperation (Magariños et al. 2001, 94). However, UNIDO management did not leave this criticism uncommented but reacted. In the following chapter, the publicly available responses of UNIDO representatives are listed in order to also present the counter perspective in the discussion about the legitimacy of UNIDO. By presenting the views of UNIDO and its proponents in this discussion, I hope to provide an analysis from multiple perspectives. The following chapter also forms the basis for the development of legitimacy strategies and the discussion of the results.

8. Response to Criticism

8.1. Responses to Criticism Regarding Relevance

The argument was often raised by donor states that the responsibilities of UNIDO's mandate would overlap with those of other UN bodies. In an interview, the former Director General Yumkella contradicted this widespread view (see UNIDO 2013). In it, Yumkella pointed out that UNIDO had also clearly delineated its responsibilities through reforms. Other organizations whose activities are similar to those of UNIDO should instead ask themselves whether they are responsible for them at all, Yumkella said (*ibid.*, 48).

Several independent studies, reviews, and analyses have confirmed the relevance of UNIDO's competencies and unique added value. For example, in 2015, the Norwegian Agency for Development Cooperation (Norad) conducted a review of UNIDO and found that the organization had special and somewhat unique capabilities in the area of trade capacity building. UNIDO was widely recognized as a "center of excellence" in this area, he said. Norad went on to describe the cooperation between UNIDO and itself as a prime example of good practice (see *ibid.*). A similar Norad study on UNIDO from 2011 already concluded that this organization offered good value for money in terms of standards and quality (*cf. ibid.*). The EU has also repeatedly recognized UNIDO's competencies, investing over \$ 42 million in trade capacity-building programs in 2014 alone, which it attributed to UNIDO's leadership in promoting cooperation in this area (*ibid.*).

8.2. Responses to Withdrawals of States or their Announcements

UNIDO reacted promptly to the announcements on the withdrawal of member states and also made efforts to reverse the decision of the state that had declared its withdrawal. In the past, withdrawals were responded to by UNIDO in a variety of ways.

When Australia first withdrew from UNIDO, the organization's reaction was comparatively restrained. UNIDO regretted the move and saw it primarily as a disadvantage for Australian companies, as it deprived them of the opportunity to conduct their business through UNIDO. However, UNIDO also stressed that the organization's mandate aligned with Australia's development goals, which included both poverty reduction and improving procurement opportunities for Australian companies. UNIDO emphasized that Australia's withdrawal primarily threatens procurement opportunities for Australian suppliers. In addition, the organization is concerned that Australia would no longer be able to act as a facilitator and

leader for meaningful and beneficial private sector participation in the future, thereby harming itself. (see The Parliament of the Commonwealth of Australia 1997, 10-11)

On the one hand, there are readmission requests and, as in the case of the United States, attempts to get them to re-enter the Organization. On the other hand, it is made clear to the remaining member states that UNIDO is an organization that can fulfill its mandate even without contributions from industrialized countries. Instead, states that decide to leave must live with consequences, UNIDO argues. This warning was also made clear in UNIDO's reaction to the US withdrawal: The US would lose its ability to influence industrialization and the discussions around this issue, according to De Maria y Campos (see Anonymous author in "UN Chronicle," 1996, 93). The consequence of this would be that a state like the USA would lose multilateral power by leaving UNIDO (*ibid.*). The then Director General of UNIDO criticized the arguments for the countries' withdrawals as being based on assumptions and inaccurate estimates (*cf.* De Maria y Campos 1995). De Maria y Campos sharply criticized the United States for withdrawing from UNIDO without waiting for the results of the required reform plans. Moreover, the Director General argued at that time that the development goals of the respective state coincide with those of UNIDO:

UNIDO has reshaped its role to assist developing countries as well as countries in transition to move to a free-market economy and has directed its attention to vital areas of assistance in environment protection and cleaner industries. Its technical expertise allows it to assist private industry and the development of entrepreneurship worldwide. These are the same development goals of the United States. (De Maria y Campos 1995)

De Maria y Campos urged other member states not to view the US withdrawal and its criticism as a measure of relevance and effectiveness. At the time, his plea seemed to have an impact, as states such as the UK and Japan expressed solidarity for UNIOD. They all pledged their support for the organization's transformation to date, reports De Maria y Campos (1995).

Denmark was also still actively supporting UNIDO at the time and submitted a report in 1997 defending the organization's mandate. It attested to UNIDO's high level of professionalism, stating that it had multidisciplinary expertise and technical know-how (*cf.* Magariños et al. 2001, 98). The Danish report marked a turning point for UNIDO, as it highlighted UNIDO's services as highly relevant and recognized the organization as important to development needs. There is no other organization that has the technical knowledge and multidisciplinary expertise to continue industrial commission services at the policy level as well as at the institutional and corporate levels, the report emphasized (UNIDO 2016, 34). Such a positive assessment by Denmark in the same year that the United

States withdrew was important for UNIDO to demonstrate the positive impact of the work to the remaining member states. Since Denmark had already acted as a savior to UNIDO in times of crisis, the country's decision in 2016 to leave the organization hit all the harder, especially since UNIDO operated an office in Copenhagen. To dissuade the Danish government from its decision, UNIDO drafted a document entitled "What Denmark Gains from UNIDO," which demonstrated why the UNIDO mandate aligned with Danish development priorities (Gains 2015, 1). UNIDO presented itself in the letter as the private sector agency of the United Nations for the benefit of Denmark, and it was pointed out that no other organization offered such a comprehensive package of services for inclusive and sustainable industrial development based on technical expertise as UNIDO. UNIDO was also trying to reach out to Denmark on migration, a topic that was heavily debated in Danish domestic politics at the time of publication in 2015. Like many other European countries, Denmark was seeing an increase in immigration from North African countries at that time. UNIDO offers effective long-term solutions to the "migration problem" to address the root causes of flight by creating skills and employment opportunities locally, the letter argues (Gains 2015, 2). UNIDO also emphasized the close relations it maintains with the private sector, from which Danish companies also benefit (see Gains 2015, 2). Denmark could also benefit from the unique partnerships with private companies in the UN system that UNIDO offers (*ibid.*). It is also noted that UNIDO will promote Danish technology and know-how in developing countries, which could help Denmark benefit from expanded global procurement opportunities and sales of its own products (*cf.* Gains 2015, 5).

A financial analysis also shows that the benefits of Danish procurement and Danish staff salaries at UNIDO in the amount of 13.4 million Danish Krone, (which corresponds to approximately € 1.8 million) would outweigh the costs (*cf.* Gains 2015, 7). The question therefore arises as to why Denmark would leave anyway, even though it would be wiser from a purely mathematical, performance-related, and economic point of view to remain in UNIDO (*ibid.*). It is often emphasized that UNIDO has a close relationship with the private sector, which benefits Danish companies (*cf.* Gains 2015, 2). Denmark could also benefit from the unique partnerships with private companies in the UN system that UNIDO offers (*ibid.*). It is also noted that UNIDO will promote Danish technology and know-how in developing countries, which could help Denmark benefit from expanded global procurement opportunities and sales of its own products (*cf.* Gains 2015, 5).

Not only representatives of UNIDO itself, but also other actors support UNIDO in defending its mandate. UNIDO has been able to rely on support from developing countries, which has been consistently reliable. For example, the ministers of the African Ministerial Conference also called on the UK to rethink its position in a written statement (Alli 2011) shortly after the latter announced its withdrawal. Ambassador Simon Madjumo Maruta of Namibia, chair of the G77 in Vienna, criticized the UK's withdrawal announcement. He considered this decision a violation of the international solidarity and consensus framework and based on economic financial speculation (see Deen 2016).

Also worth noting is the attempt at outreach to ex-member states by UNIDO's Director of External Relations, Bethke, who in 2019 attempted to convince Canada to rejoin UNIDO by publishing an article in a Canadian policy journal. As he had done with Denmark, the UK and New Zealand, Bethke pointed out in the article that Canada's development goals were very much in line with UNIDO's mission. UNIDO is the organization that enables the mobilization of expertise, clean technology and funding to implement industrial development programs and focuses on areas that offer high potential for job creation, Bethke said. After pointing out UNIDO's indispensable role in the industrial development process, however, Bethke clarified that UNIDO relies on Canada for the capacity-building expertise it needs, which is required to make global progress in the areas of industry and digital commerce. UN member states expect Ottawa to signal a return to global responsibility, according to Bethke (2019).

I would note that Canada was the first state to permanently leave UNIDO. So this article may represent an attempt to reverse the domino effect. UNIDO hopes that if it has persuaded Canada to rejoin UNIDO, other states will also return and UNIDO will once again be able to carry out its mandate in full force. The world's poorest countries depend on it, Bethke (*ibid.*) continued. If effective measures against poverty and underdevelopment are not taken soon, there will be 250 million unemployed young women and men in Africa by 2025 (*ibid.*).

8.3. Responses to the Criticism of Efficiency

As the DFID 2011 report subsequently emerged as the key reasoning ground for discussions around UNIDO's effectiveness for critics, it was also the report that then UNIDO Director General Kandeh K. Yumkella referred to directly and scrutinized closely for its individual criticisms. Shortly after the report's release, Yumkella expressed not only disappointment but also regret that the report ignored much of UNIDO's contribution to international development goals (see Goodenough 2011, UNIDO 2011, 1). Instead, UNIDO's role is much broader than

providing technical resources for SME development. The accusation that UNIDO serves only a narrow niche and has only a small scope in its business activities is inaccurate, according to Yumkella (ibid.).

The former Director General stressed that UNIDO has always been seen as a catalyst, not a funding agency. In addition to technical cooperation, effective provision of expertise and policy advice was also part of the mandate, he said (UNIDO 2011, 3-4). UNIDO supports entrepreneurship in a catalytic way (rather than through targeted funding of SMEs), which it said is expressed in the development of entrepreneurship curricula (UNIDO 2011, 4) in sub-Saharan countries or through agro-industrial development programs (ibid.). The DFID report also overlooked UNIDO's role in combating climate change, according to the former Director General (ibid.).

Yumkella also addresses the criticism in the DFID report that UNIDO was not providing support to fragile states, and refutes this claim with examples. For example, UNIDO provided de facto assistance in Iraq after conflicts there (UNIDO 2011, 4). UNIDO also worked with partners on human security programs in sub-Saharan Africa, such as South Sudan (ibid.). The former Director General also said that the accusation of lack of transparency was not tenable, as UNIDO was at the cutting edge of ethics, transparency, and accountability (UNIDO 2011, 9). The report also does not sufficiently acknowledge UNIDO's successes in building trade capacity, Yumkella said. According to UNIDO, the volume of partnerships in validating partnerships with the European Commission has increased from \$ 18 million in 2011 to over \$ 100 million (UNIDO 2011, 2).

An important contribution to the assessment of UNIDO's effectiveness was also made by a "desk review". This review examined the period from 2008 to the present and what UNIDO has done to fight poverty. The findings of the evaluation reports indicate that UNIDO projects and programs are contributing to poverty reduction, or at least have the potential to do so. A survey of member states found mostly positive opinions about UNIDO's implementation, particularly in the areas of technical cooperation (see Joint Inspection Unit 2017, 3; UNIDO Evaluation Group 2010). A review by the Ministry of Foreign Affairs of Japan (MOFA) of UNIDO's performance and value for money also came to a very positive conclusion. In the last 14 evaluations, UNIDO has been named a "Best Performer" in Montreal project implementation 12 times, demonstrating UNIDO's strength in the areas of environmental and climate change mitigation (MOFA 2016).

These reviews and reports were mostly written by the member states or the relevant ministries or departments themselves. In the course of my research, I came across only a few articles written by academics and dealing specifically with the mandate of the UNIDIO. A doctoral thesis written at the University of South Africa examined the empowerment of women under UNIDO's Women's Entrepreneurship Development Program (WED), which aims to promote women's economic participation in developing countries. The author of the thesis concludes that women were empowered by the program, which ultimately led to greater gender equality and a better division of labor between men and women. Women who participated in the program had more money and freedom than women in the control group (see Makobmbe 2006, vii). A master's thesis on gender mainstreaming at UNIDO was conducted by Hindahl at the University of Oslo and concludes that gender mainstreaming has arrived at UNIDO but is not yet implemented in all projects (see Hindahl 2020, 66).

UNIDO can also go on the attack in the debate, as for example the former UNIDO Director General Carlos Magariños (2001, 86), who blames UNIDO member states for any efficiency problems by accusing them of appointing unqualified personnel to high positions in the organization (see Magariños et al. 2001, 86). Moreover, UNIDO had only a very limited influence on where the financial resources went. The member states had the final say on what proportion of the funds should go to which projects and programs and were thus partly responsible for misconduct, according to the authors (cf. Magariños et al. 2001, 86).

8.4. Impact of Internal Reforms and Restructuring on UNIDO

UNIDO has undergone a number of reforms since its inception, all aimed at improving its effectiveness and legitimacy, optimizing specific services (cf. Anonymous Autor in the "UN Chronicle" 1996, 93), adapting its financial budget to new challenges or adapting to changing conditions. In many cases, these reforms were accompanied by austerity measures that became necessary as budget cuts occurred due to withdrawals or reduced contributions. Reforms can also have a significant impact on the number of staff at UNIDO. Luken (2009) studied how staff numbers have evolved at UNIDO over a ten-year period and found a dramatic reduction. In 1992, UNIDO had about 1260 staff members, but this number has been steadily reduced. In 2000, the number of employees was only half, at about 650. The number has remained at this level today (cf. Luken 2009, 166; cf. UPI 1995). In addition, new quality assurance systems and management principles were introduced and activities were centralized to better meet the needs of small companies (cf. Magariños et al. 2001, 89). The reforms were intended not only to

reduce the number of sectors and programs, but also to promote cross-sectoral cooperation (cf. Eckhardt et al. 2019, 1645).

Another reform measure was the constant restructuring within UNIDO, often involving the merging or creation of new departments (cf. BoIOA 1976, 126), for which both internal and external factors, such as new social developments, were decisive. It was not until 1991 that UNIDO established an environmental unit to coordinate programs, which employed only three specialists (cf. Luken 2009, 167). During the literature research, it became clear that administrative departments are often seen as those most likely to be eliminated.¹⁷ Technical departments, on the other hand, were always perceived as very relevant and, if necessary, newly created (cf. Luken 2009, 167). Five years later, the number of environmental departments had already increased to four, housed within a newly created department for environmental sustainability.

UNIDO has implemented many internal reforms in the past, making it one of the most self-reformed UN organizations in 2011 compared to other organizations (see Goodenough 2011). Although UNIDO had to cut 50% of its staff and limit its budget to a real zero growth rate, it was able to expand its technical cooperation. Reforms were undertaken to adapt to the new realities, but also in the hope of winning back former member states (see *ibid.*). While UNIDO considers its own reform efforts successful (cf. Magariños et al. 2001, 81), the demand for UNIDO services has increased significantly after restructuring (cf. Magariños et al. 2001, 90). One of the biggest challenges in such reforms is that there is not enough critical mass left to continue to perform the tasks (cf. Magariños et al. 2001, 97). The DFID refers to these processes as big bang reforms because they were implemented at a rapid pace and on a large scale (cf. *ibid.*, 2005, 8-10). An important focus of the reforms was a new orientation toward results-based management (cf. OECD 2007, 19). One consequence of the constant reforms is also precarious employment for UNIDO staff, which means that even long-serving staff have to wait in uncertainty until their contracts, some of which are only for a month, are renewed. (see Joint Inspection Unit 2003, 2).

¹⁷ One result of this restructuring was the creation of UNIDO's Division of Gender Affairs. It was not until 1994 that a full-time staff member was hired to deal with gender issues, namely the author of the article, Chambalu (2011, 139). At the same time, however, it was the department that was eliminated after harsh austerity measures due to the withdrawal of member states such as Canada and the United States (see *ibid.*, 145). The topic of "women in development" was therefore not among UNIDO's priorities (cf. *ibid.*, 152).

Member states, which had often actively promoted the reforms or cited them as a condition for further support from the organization, had mixed assessments of the success of the reforms. The results were often acknowledged, but criticism of the failure of the programs at the country level often continued (see The Parliament of the Commonwealth of Australia 1997, 5). Trust in the organization had not always been fully restored, and the question of relevance could not be dispelled by the reforms (cf. Magariños et al. 2001, 93). Donor states were expected to reformulate UNIDO's priorities and activities, and further budget cuts and management reductions were announced (cf. Magariños et al. 2001, 99). Dissatisfaction with reform measures is also reflected in numerous evaluation reports by member states. The 2019 MOPAN report on UNIDO is a case in point. The MOPAN (Multilateral Organization Performance Assessment Network) evaluates the performance of multilateral organizations by having a panel of experts take a detailed look at specific organizational aspects. The network concludes that UNIDO has been slow and, more importantly, late in responding and the outcome was not always satisfactory (see MOPAN 2019, 2; see The Parliament of the Commonwealth of Australia 1997, 12). MOPAN still identifies poor transparency, unclear delegation of authority, and slow decision making as specific areas of improvement (MOPAN 2019, 6).

Now that I have presented the discussions surrounding the relevance and efficiency of UNIDO with the help of my literature and document analysis, I would like to embed the discussion in the political and economic context. Contextualization can be of importance to better understand the results and assess the relevance as well as legitimacy of UNIDO in the political and economic context. Contextualization can help draw conclusions about legitimacy by embedding the data collected in the relevant landscape. In addition, contextualization offers the possibility of transferring the results to other international organizations.

9. Legitimation Strategies of UNIDO

What legitimacy strategies does UNIDO pursue? The preceding presentation of the discussions surrounding the issues of effectiveness and efficiency and the turning away from UNIDO has provided an initial overview of common points of criticism and their responses. From the organization's responses in particular, I have identified several strategies that I will present below.

UNIDO pursues a total of seven strategic goals simultaneously, which are: 1) Increasing efficiency, 2) Highlighting its own relevance, 3) Persuading states to (re)join, 4) Securing donor relations and financial sustainability, 5) Promoting inclusion, 6) Promoting sustainability, and 7) Promoting industrialization. I will describe these strategies in more detail below:

- 1) Increasing efficiency: Since its foundation, UNIDO has strived to increase its efficiency. Due to the departures of member states and the ongoing criticism of the organization, efforts to be efficient have been intensified. In this context, numerous internal reforms and restructurings were carried out in response to the respective realignments of the organization. One example is the reforms in response to the US withdrawal (which were necessary mainly for budgetary reasons) and the reforms in the 2010s. UNIDO's staff, for instance, was halved from 1,200 to 650 by the turn of the millennium, and certain departments were eliminated altogether, depending on priorities. Even today, UNIDO is in a permanent process of restructuring and optimization. The savings made are intended to convey to member states that their contributions are being used in an efficient manner to achieve UNIDO's goals.
- 2) Secondly, there is to be a greater focus on the organization's own relevance. Since UNIDO has come under criticism in the past for overlapping responsibilities with other UN bodies, management is keen to emphasize its own autonomy and the indispensable value of the organization for international industrial development. Studies have been conducted both by UNIDO itself and by other actors that have quantitatively measured UNIDO's relevance. Some of these studies have been conducted, for example, by the UN Joint Inspection Unit or the UNIDO Evaluation Group Desk Review, but also by DFID, MOPAN, NORAD, or the OECD.
- 3) UNIDO's legitimacy cannot only be maintained among existing member states, but can also be regained with the help of strategies. UNIDO not only actively seeks to convince its member states, but also regularly tries to persuade states that have already left to

return. As Schaefer has already revealed, the US is regularly asked unofficially to rejoin. The 2019 article "The UN Industrial Development Organization wants Canada back," published in the Canadian journal *Policy Options*, is also a good example of UNIDO's strategy to persuade member states to return to the organization.

- 4) An essential part of the strategy for UNIDO is to secure its financial budgets in order to ensure the organization's work in the future. Relations between Member States and the UNIDO Secretariat play a crucial role in this regard. Member states are only willing to pay their dues provided that the organization does not take actions that are grossly contrary to their notions of multilateralism or their own interests. Although it has been shown that an international organization cannot always meet the needs of all member states, and that in rare cases this is punished directly with withdrawals, a balanced consideration of power interests among members is essential. To be consistent with this, UNIDO, like many other international organizations, pays close attention to which country receives the post of Director General. The fact that a Chinese national and, more recently, a German national have headed or are heading the organization in recent terms may have important implications for UNIDO's funding from these countries. With the appointment of a German citizen to such a position, nationalities are given the opportunity to gain influence at the global level and to have their own interests considered. UNIDO is also concerned with regional balance in the recruitment of permanent staff so as not to offend potential donor states.
- 5) Furthermore, UNIDO promotes inclusion both in its programs and internally through the creation of specific departments and the introduction of indicators that are intended to take into account the interests of all population groups. For example, a gender mainstreaming strategy has been introduced at UNIDO and special programs such as the WED program, which has already been presented in this paper, are intended to promote inclusive industrial development.
- 6) Promoting sustainability is also a strategy of UNIDO, which now runs through almost all areas of the organization's mandate. While sustainability efforts were initially taken up by UNIDO only hesitantly at the end of the last century, all projects and departments are now concerned with implementing the UN's sustainability goals. One example is the Montreal Protocol, where UNIDO has already been praised for its exemplary performance.

- 7) Furthermore, legitimacy can be created by continuing to pursue and successfully implement the actual founding objective of UNIDO, namely to initiate industrialization in developing countries. To this end, UNIDO has set milestones for itself, with key figures to be met by a date set in advance. As an example, the targets set at the Lima Conference in 1975 stipulated that developing countries should achieve over 25% of the world's manufacturing output by the year 2000. Furthermore, the orientation of new "development decades" specifically for Africa, as well as the achievement of the SDGs, especially SDG9 by 2030, can be seen as measurable objectives. These should concretize the industrialization process and provide UNIDO with legitimacy if the goals are successfully met.

Strategy	Measures	Examples	Goal: Maintaining and promoting legitimacy
Increasing efficiency	Continuous internal reforms and restructuring	Reduction of the number of employees (e.g. halving between 1990 to 2000); Business Plan from 1997	
Highlighting own relevance	Conducting reviews and reports	Joint Inspection Unit and Norad Review; MOPAN Assessment; OECD Evaluation	
Persuading states to (re)join	Actively approaching and wooing former member states through projects that may hold out the prospect of their re-entry	Granting of observer status at the General Conference; new cooperation and project partnerships with former member states, such as the "Accelerate to Demonstrate" initiative with the UK	
Ensuring financial sustainability	Strategic recruiting with personnel from strong donor countries	Position of general director, vice-presidents or directors or senior advisors who maintain relations with national governments	
Promoting inclusion	Gender Mainstreaming Strategy	"WED" programme; Establishment of the "Gender Equality and Empowerment of Women" Department	
Promoting sustainability	Implementation of sustainability aspects in the mandate	Implementation of the Montreal Protocol; Introduction of the "Industrial Deep Decarbonisation Initiative"	
Promoting industrialisation	Project work, establishment of milestones	Achieve 25% of global manufacturing output of developing countries by 2000; SDG9 by 2030; Decade of Action	

Table 2 Own representation

10. Discussion of Legitimization Strategies

10.1. Contextualization

For UNIDO, one challenge is to find the balance between, on the one hand, taking into account the interests of member states and, on the other hand, helping developing countries to industrialize. In particular, UNIDO's legitimacy strategies run up against member states' own interests, which could potentially undermine UNIDO's legitimacy efforts. Thus, one of UNIDO's main problems could be that member states leave for reasons that can only be influenced to a limited extent. In the following, four reasons are presented that have been identified in the context of this master's thesis and in the course of the analysis of the literature as possible reasons why UNIDO's legitimization strategies encounter difficulties in their implementation:

10.1.1. Withdrawals from UNIDO and Loss of Legitimacy are Politically Motivated

The eleven withdrawals from UNIDO by industrialized countries may have been politically motivated, whereby the officially cited reasons or arguments may have served in part as a pretext to conceal other intentions. In the context of this thesis, an analysis of the reasons for withdrawal by Western states found that conservative governments in particular pushed for withdrawal from UNIDO, while social democratic forces or labor parties voted to remain. One example is the UK, which was long ruled by the Labour Party in the early 2000s but experienced a power shift in 2010 when the Conservatives came to power. Two years later, the government decided to withdraw from UNIDO and backed up this decision with the Department for International Development (DFID) reports. While the 2004 reports were still positive for UNIDO under Blair as Labour prime minister, the 2011 report under the Conservative government came to an unfavorable conclusion for UNIDO. A similar situation arose in New Zealand, where Key of the National Party came to power. Belgium also withdrew from UNIDO in 2015, when the country was governed by a more right-wing coalition of Christian Democrats, Nationalists, and Liberals. Denmark, which had long advocated retaining membership in UNIDO under a coalition of Social Democrats and Socialists, left the organization in 2016, shortly after right-wing bourgeois forces under Prime Minister Rasmussen took over the government. Australia also left UNIDO in 1997 under the government of the Liberal Party, a conservative, right-wing liberal political faction. There is thus a link between rising populist and nationalist forces and a country's withdrawal from multilateral bodies.

The United States is known for its critical attitude toward UN agencies, often reflected in arguments such as domestic sovereignty or funding. The US often views UN agencies as merely beneficiaries of its budgetary resources and has therefore called for efficiency measures in the past, particularly at UNIDO. One consequence of this critical stance, however, is that the US now has a range of conservative media outlets, such as FOX News, or conservative think tanks, such as the Heritage Foundation, that disseminate this critical stance toward the UN. In the case of UNIDO, individuals such as Schaefer have already published a number of critical articles. Another example is CNS News, a right-leaning news and opinion site that publishes commentary on UNIDO in conjunction with the Heritage Foundation (see Schaefer 2011 and 2014, Goodenough 2011).

With the collapse of the Soviet Union in 1991, numerous countries emerged that were seeking to integrate into the free market after decades of planned economies and were dependent on UNIDO's support to do so. One possible reason for the US withdrawal could be that it did not want to use its contribution funds, which still accounted for 25 percent of the organization's total budget, to finance former Soviet republics.

10.1.2. Austerity Measures as the Main Cause for Withdrawals

The withdrawal of the eleven states is also partly due to austerity measures. The US pursued a policy of zero real growth in the budgets of international organizations in the early 1990s. This meant that US financial contributions to international organizations were cut by 20% unless reforms deemed acceptable by the US government were implemented, which was accompanied by financial constraints on many international organizations¹⁸ (see Taylor 1991, 365).

During the second wave of withdrawals from UNIDO, the economies of the wealthier industrialized countries of the Global North experienced an unexpected downturn caused by the 2008 economic and financial crisis, which posed a significant challenge to multilateral cooperation. European industrialized countries, especially those with high unemployment among young and unskilled workers, came under enormous fiscal pressure as a result of the crisis. As a result, in some cases there was also a high level of public debt, whereas the euro countries are adopting strict austerity measures, reallocating their financial resources and

¹⁸ Reasons for the difficult financial situation of many IOS in the early years of the 1990s were the effects of the Mexico crisis, budget deficits of countries (especially developing countries), and lack of political support from member countries.

reprioritizing spending on multilateral organizations. The second wave of European country exits in the 2010s thus came at a time when austerity measures were just being implemented. Eurozone countries were hit hard by the crisis and had a particularly difficult time overcoming it due to low growth rates (Aiginger and Rodrik 2020, 190). Belgium for example declared that it had to renounce international commitments in order to stabilize the economic situation at home (see Belyay 2018, 45). Deen (2016) also wrote that the withdrawals of eleven industrialized countries were all due to financial reasons. France was one of the few countries that explicitly cited its own financial situation as a reason for leaving. In 2012, France had a budget deficit of 4.8% of GDP compared to the previous year, which justified its exit (cf. Reuters 2013). Although some of the UNIDO member states that withdrew cited funding as the main reason for their withdrawal, many other states point to different factors, but without addressing the problem that makes withdrawal understandable from an economic perspective. In an interview with former UNIDO Director General Yumkella in 2013, he explains how the global financial crisis posed significant financial challenges to certain countries, including the UK, forcing them to reorder their priorities at the multilateral level. As a result, some countries, such as the UK, sought partners to achieve their goals despite shrinking budgets (see UNIDO 2013, 47). A domino effect emerged in terms of withdrawals. When the austerity measures ended in 2016/2017, the withdrawals from UNIDO also ended.

10.1.3. Dissatisfaction in the Global North Due to UNIDO's Focus on the Global South

Another context that must be considered in discussions about UNIDO is the North-South divide in the organization, which creates potential for conflict among member states. Countries in the Global North are often critical of countries in the Global South on issues of international development, which can be reflected in discussions and legitimacy. North-South relations are always a struggle for power and control, Baumann writes, in which broader influences are maximized at the expense of the benefits of multilateralism of international organizations (see Baumann 2018, 626).

UNIDO has a special role in this North-South divide. Although the organization claims to encourage all states to pursue sustainable development, UNIDO focuses heavily on the poorer countries of the global South, while funding comes from the global North. In this role as a facilitator, UNIDO often faces dependencies. The industrialized countries of the North are therefore skeptical of UNIDO, since membership dues flow primarily to the countries of

the South and national interests are taken into account only to a limited extent. This unbalanced compromise, which has underpinned UNIDO since its founding, has led to tensions between developed and developing countries over the years. Magariños et al. also see UNIDO's problems in this compromise, which erupted in open discontent in 1997 (cf. Magariños et al. 2001, 91) and has continued ever since.

10.1.4. Delegitimization as a Tool of Power

Withdrawal from international organizations is common practice for certain states and is used as a power tool. Blokker has already pointed out that the United States, Canada, and the UK regularly withdraw from international organizations. The list of states that have withdrawn from international organizations overall is topped by the United States with ten withdrawals, followed by Canada with nine withdrawals and the UK in third place with seven withdrawals. Australia is sixth with six withdrawals (see Blokker 2021, 16; Von Borzyskowski and Vabulas 2022). It is therefore possible that it is not so much the UNIDO mandate that has led these states to withdraw, but the fact that these states are generally critical of international organizations and view the compromises made in these organizations negatively. They choose the path of withdrawal, because they are powerful enough to do so. One reason for the withdrawal of these states could also be that hegemonic powers such as the USA see their exercise of power restricted by international organizations such as the UN. In the past, (small) contributing states have often outvoted large donor countries such as the United States, Canada, and the UK at meetings (see Taylor 1991, 369). Hegemonic nations also look closely at the powers balances of international organizations such as UNIDO before delegating authority, fearing that they will lose their position in the global development process if an autonomous UN body becomes too powerful (see Baumann 1979, 626). Delegitimizing international organizations in the form of criticism or even resignations has thus become established in the past as a means of power in foreign policy (cf. Beigbeder 1979). Further analysis of power balances based on theories from international relations studies such as realism would enrich the research field of international organizations.

10.1.5. Commercialization of the Development Sector

Furthermore, it is noticeable that in international development cooperation, commercial interests of individual nation states can be given special importance or even priority, depending on the political orientation of the respective governing party. UNIDO's performance has often been criticized, not only in terms of poverty reduction, but also directly because of its perceived negligence in safeguarding the interests of corporations, as

was the case, for example, with Australia. There, UNIDO's membership was seen as a flawed "business case" after a listing of the value added for Australian companies by UNIDO projects came to a negative conclusion. UNIDO responded that its own projects were very lucrative for Australian entrepreneurs (see Von Borzyskowski and Vabulas 2022, 27-28). Moreover, it is difficult for UNIDO to quantify its achievements and successes, which complicates its evaluation by member states, which see UNIDO primarily as a business field. Criticism that UNIDO has a poor "cost-benefit ratio" further reinforces this argument.

10.2. How to Evaluate the Legitimation Strategies?

Systematic analysis of the criticisms levelled at UNIDO by Member States or former Member States has led to increased efforts by the Organization to consolidate its legitimacy through various strategies. The strategies and practices listed in the previous chapter are aimed at convincing a specific audience of their own advantages. For UNIDO and its member states, legitimacy efforts have been partially successful: since the last withdrawal in 2016, a total of five states have joined UNIDO (Antigua and Barbuda in 2019, Kiribati in 2016, Federated States of Micronesia in 2019, Palau in 2023, and the State of Palestine in 2018).

Debates about UNIDO's efficiency and effectiveness, as well as the organization's legitimacy strategies in response, highlight the timeliness of industrial development in general. Buchanan and Keohane (2006, 407), for example, see member states' criticism of international organizations as positive because it signals that these states are fundamentally interested in reform and continuing the work.

Member states' criticism of UNIDO is evidence of the organization's relevance. Many international organizations that "died" over time, as Gray (cf. 2018) has described it, did so because their relevance was not echoed in the international community and their original founding purpose had already been fulfilled or was presented as unfulfillable. With UNIDO, however, the situation is different: as long as developing countries continue to see building a manufacturing sector and industrialization as the engine of development, they need a UN organization to regulate these global activities in this area. Even though UNIDO's industrialization debates attempt to delegitimize the organization with various arguments, the dispute over this issue shows how topical the issue of industrial development is. The theme of industrialization is currently experiencing an upswing, as illustrated in chapter three of this thesis. If this trend continues, UNIDO's mandate could be strengthened by its unique focus on industrial development.

10.3. How Could the Strategies be Improved?

It is also important for UNIDO to incorporate trends of the times more into the focus of its legitimacy strategies. Although UNIDO's current slogan, "Progress through Innovation," already indicates the new direction of industrial development, the organization is still not sufficiently focused on, for example, making innovation work for it. UNIDO's broad and sometimes elusive mandate relies on it to establish itself as the one institution on an issue that provides the necessary expertise for all member states. In the current debates on Industry 4.0, it would be important for UNIDO to present itself as an avant-garde organization that serves as a platform for the exchange of new technologies. While the industrial revolutions of the past were at the same time engines for development and prosperity, UNIDO has not yet been able to exploit the potential of Industry 4.0 for itself and its mandate. The new forms of work that are emerging and creating new jobs have also not been given prominence in the legitimization strategies. Instead, already familiar goals "such as ISID" continue to be cited as the main justification for its existence, even though the broader civil society eventually has little conception of it. Technology-leading companies are not yet involved enough in working with UNIDO to give the organization strong legitimacy here.

In this context, debates could help to highlight even more clearly the relevance of the organization in the 21st century. Andreonie et al. (2021, 5) write: "The rise of the 4IR discourse has re-opened the never-ending debate on the extent to which developing countries need manufacturing industries for developing the productive capabilities that are at the foundation of the prosperity of today's rich countries." So in addition to the strategies mentioned above, there is a need for an aspect that sets UNIDO apart from other UN organizations or international actors as indispensable and gives the organization a special signature. For example, UNIDO could effectively promote itself through collaborations with companies that produce cutting-edge technologies (see Andreonie et al. 2021, 25). Such a strategy could enable UNIDO to better respond to the needs of states. Breaking new ground in this way, which sets the organization apart from others, can bring new vitality to an organization (cf. Gray, 5).

As mentioned above, UNIDO currently relies heavily on promoting market liberalism and export orientation. It should be noted, however, that the main aim is to meet the normative expectations of member states and not merely to follow the trends of the global economy. Sharpening UNIDO's role as a development actor and distinguishing it more clearly from other international organizations that follow certain paradigms could therefore be the basis

for a new legitimacy. This has already been identified by Gronau and Schmidtke (2016, 556) as a cause for more legitimacy in international organizations. At the same time, the withdrawals of the past can trigger new collaborations. With the departure of global hegemony and strong industrialized nations, UNIDO could devote more attention to the needs of developing countries. Runde (see 2015) has already argued that the exit of member states could lead UNIDO to focus more on projects that reflect the will of its new constituency.

The gender mainstreaming aspect of UNIDO also has room for improvement and could give the organization more legitimacy. By making UNIDO more inclusive of women's advancement in the process of inclusive and sustainable industrial development, previous gaps in gender equity can be filled (Hindahl, Eli Marie Sagedal, 2020, 70) - gaps that today still cast doubt on the legitimacy of the organization.

The crises that follow the resignations and criticisms of UNIDO can at the same time be perceived as new opportunities for the organization. Eckhardt et al. (2019, 1643) wrote about the legitimacy of international organizations that crises have the potential to reform and can be seized as an opportunity to reorient and better align the organization. Whether UNIDO is able to reposition itself after the last major crisis so that its legitimacy is restored or regained remains to be seen. It also suggests itself for UNIDO to adopt a legitimacy standard, as Buchanan and Keohane (2006., 406) suggested. A legitimacy standard could help organizations such as UNIDO to ensure that the public, which is committed to democratic principles, recognizes their institution as legitimate and also supports it on a broad scale. With the help of a legitimacy standard, legitimate institutions can be distinguished from illegitimate ones and a consensus in legitimacy assessment can be created.

10.4. Findings of My Master Thesis for Research on International Organizations

What conclusions can be drawn from the results of my master's thesis with regard to research on international organizations? In highly political IOs like UNIDO, legitimacy strategies are essential in order to maintain their mandate and to get closer to the goal for which the IO was founded. Nevertheless, the work of IOs can be torpedoed or brought to a standstill when key member states withdraw, as it affects the legitimacy status, although the reason for the withdrawal may partly have nothing to do with the efficiency or functioning of the IO.

My thesis has shown that international organizations function in much the same way as organizations at the non-international level and are subject to similar hierarchies and power

structures. The peculiarity is that nation-states in IOs can bring their interests into the work of an IO in different ways. Thus, international organizations can be used as a platform for exchange and as a place for networking among people engaged in policymaking both nationally and internationally. In doing so, experiences can be exchanged and contacts can be utilized that can be useful to an IO in fulfilling its tasks. An outstanding example of policymaking related to development work which is guided by national interests or North-South interests is the staff composition or recruitment at UNIDO.

The transparency of an international organization is decisive for whether research in this area makes sense or not. Meaningful results can only be achieved if concrete details about the work of an organization are fully accessible. Unfortunately, this transparency is not always given at UNIDO. An example is as recruiting: while the regular staff positions have to be filled according to a certain origin code in order to guarantee a fair representation of the countries, these conditions do not apply to the army of consultants who do most of the work. As a result, the allocation mechanism for positions in the UNIDO and thus also the actual composition of the workforce is opaque. However, aspects of transparency do not only relate to the workforce, but primarily to the published documents. My work uses publicly available sources. But in order to be able to take up and analyze critical discussions about industrialization, access to transcripts, minutes and white papers would be important.

11. Conclusion

In my master's thesis, I explored the question of which legitimation strategies UNIDO pursues in the debates surrounding its effectiveness and relevance. These have been constant companions of the organization on its way to promoting industrial development for several decades. Since its inception, UNIDO has been subject to criticism by member states regarding effective functioning and the relevance of its mandate, making UNIDO an organization under constant critical scrutiny and requiring internal and external adjustments and changes. The ongoing criticism of UNIDO also manifested itself in the departure of so far eleven industrialized nations, mainly from Europe and North America, which resulted in drastic budget cuts for UNIDO and thus also a limitation in its mandate execution.

In order to legitimize itself vis-à-vis the member states, but also vis-à-vis the general public, I used the top-down approach in my master's thesis to investigate which strategies UNIDO uses to convince critics of the legitimacy of its own organization. For this purpose, I used research to make accessible all the documents and literature I could access on the discussions and criticisms surrounding UNIDO and evaluated them in terms of strategies. With the aim of maintaining or generating legitimacy, UNIDO counters its two biggest criticisms - lack of efficiency as well as relevance - with a series of measures designed to credibly convey to recipients the role of a highly efficient and indispensable development organization in the 21st century. Through a variety of reforms and a quasi-permanent restructuring of departments and priorities, UNIDO is supposed to be always able to respond to new realities and changes in developing countries.

UNIDO's efficiency measures have been regularly audited for success, with varying results in the past depending on the audit report. However, UNIDO's legitimacy strategy not only addresses the repeatedly emphasized and highly prominent efficiency and relevance arguments of its critics, but also seeks to attract former member states to rejoin the organization in other ways. Although UNIDO is a stately UN organization with 171 member states today, the departure of important industrialized nations presents UNIDO with the challenge of persuading them to rejoin.

In my master's thesis, I was able to identify and analyze those strategies that are accessible to the public. Among these strategies is the re-engagement with former member states, with the aim of winning back those states, which would give an enormous boost to the legitimacy of

UNIDO. In my theoretical parts on the legitimacy of international organizations, I have already shown how the withdrawal of member states from international organizations is not an uncommon step and has been carried out many times in the past.

In my master's thesis, I have also presented how for international organizations, using UNIDO as an example, the tactical and strategic filling of important positions, such as the post of Director General or the origin of staff (especially management posts), is crucial to maintain the relationship between the organization and member states. My master's thesis shows that taking into account the interests of all Member States within UNIDO is an almost impossible task. At the same time, however, it is UNIDO's task to align its work in such a way that the member states are satisfied with it and, if possible, that no disputes arise that call UNIDO's mandate into question. UNIDO's general mission is to provide a platform for the exchange of knowledge and transfer of expertise in the field of industrialization. This broad mandate has caused difficulties in the past in meeting the needs of all member states, resulting in the tensions described above.

At the same time, UNIDO's strategy is to implement industrialization using a sustainable and inclusive approach, applying measures such as gender mainstreaming or the achievement of sustainability goals in its mandate. This can be seen in concrete terms in projects such as the "WED" program or in the implementation of the Montreal Protocol. With the help of milestones such as the achievement of the SDGs by 2030 or new slogans such as the current "Progress through Innovation", UNIDO's goals of triggering industrialization are to be brought closer to the public.

Should UNIDO succeed in persuading former member states to re-join, this would strengthen its legitimacy, but at the same time it would again limit UNIDO's room for manoeuvre. The departure of global hegemonies such as the USA or the UK, which were responsible for a large part of UNIDO's funding, also brought with it new opportunities for cooperation with LDCs, which could have given a new boost to the industrialization of those countries. Within the framework of my master's thesis, I was unfortunately not able to investigate the impact of these departures on any South-South cooperation or, alternatively, more intensive cooperation in industrialization efforts of UNIDO with remaining member states from the Global South. However, this question could be explored in the context of another thesis.

In addition to these legitimization strategies, I have contextualized the critique of UNIDO in my master's thesis, which is essential if one wants to examine the successes of UNIDO's legitimization strategies. Thus, I argue that the expressed criticisms of some Member States,

which mainly revolve around the efficiency and relevance of UNIDO, should always be placed in the context of the respective political, social, historical and cultural circumstances. In my master's thesis, I show how the withdrawals and criticisms of eleven industrialized nations, especially in the second wave of withdrawals in the 2010s, should be set in the economic context of the banking and financial crisis of 2008, which led to a large number of states having to take austerity measures and cut their contributions to international organizations.

At the same time, support for UNIDO has always been political, and depending on a member state's ruling party and its orientation, there is a risk that support for UNIDO will dwindle or even be challenged in the future. In my master's thesis, I analyzed how conservative forces in particular oppose UNIDO's work, while social democratic governments tend to approve of UNIDO's mandate.

UNIDO is also an organization that, more than almost any other international organization, has been the forum in which the conflict of interests between the Global North and the Global South, which has been going on for decades, is played out as nowhere else. The fact that many developed countries provide development assistance to the least developed countries through UNIDO, but the latter has had only moderate success in reducing poverty, was one of the reasons countries such as the US and the United Kingdom left the organization. Withdrawal from UNIDO has been used by powerful states like these, as well as by other countries of the Global North, as an instrument of power, either by threatening to withdraw or by actually withdrawing, to strengthen their own interests in the field of development policy.

Overall, UNIDO struggles with the fact that its mandate is quite broad and that the successes of industrialization are quite difficult to measure or that the share of UNIDO's achievements in industrial development can only be demonstrated to a limited extent. The question is whether the organization will be able to respond in a timely manner to new developments in industrial development in the future and integrate them into the implementation of its mandate. Only if UNIDO is able to present its overarching role as a mediating platform for discussions of the future that are also relevant to LDCs and at the same time does not neglect the needs of already industrialized states will the organization be equipped for the future and be able to further expand its legitimacy.

In my master's thesis, I was only able to touch on the role of civil society in mediating legitimacy. It focused primarily on UNIDO's relations with member states or former member states, without addressing the increasing role of civil society. Based on protests and civil society

against international organizations in the past and through media dissemination, legitimacy does not occur exclusively through member states, but is increasingly linked to the recognition of a broad public. Appearances in social networks are possibly the most effective or direct channels for IOs to reach civil society. Here it would be appropriate to carry out an analysis of social media posts, which is carried out on LinkedIn, Facebook, Twitter or Instagram, and examines how the IO tries to make its mandate accessible to the masses and at the same time to legitimize itself.

12. References

12.1. Scientific

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12.3. List of Illustrations

Table 1: UNIDO "Member States List." Own representation based on the data from: <https://www.unido.org/who-we-are/structure/member-states/former-member-states>. Accessed March 28, 2023

Table 2: Own representation.