Assessing the Impact of NGOs on IGOs:
The World Bank and International Monetary Fund

EXECUTIVE SUMMARY
PREPARED FOR THE INTERNATIONAL MONETARY FUND & WORLD BANK

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The complete version of this paper, as well as the datasets, are available by email upon request.
We know that nongovernmental organizations (NGOs) mobilize heavily around intergovernmental organizations (IGOs), but do they actually impact them? If so, why, and if not, why not? The large literature in political science and sociology on NGOs provides surprisingly little to comparatively answer these questions. Theoretical cumulation is poor; case studies, narratives of NGO successes, and idiosyncratic, ad hoc explanations are common. Because established, consensual benchmarks of change are lacking, an empirical stalemate has fallen on the question of NGOs’ impact, or lack of, at IGOs. My project explicitly provides a set of standardized explanations (hypotheses) and empirical indicators of NGO impact on IGOs. The World Bank and International Monetary Fund (IMF) are powerful test-runs of my model, given the heavy NGO pressure they face.

**Competing Explanations of NGO Efficacy at IGOs**

Hypothesis 1 (H1). *If NGO activity jeopardizes the IGO’s continued existence, or the maintenance/expansion of its budget and/or issue briefs, then an IGO will mildly adapt its practices to include NGOs in nonbinding ways.* As the Bank and Fund have grown in funding and stature, they have attracted increasing amounts of external criticism. An initial IGO response is cynical or defensive behavior – efforts to buy off or co-opt NGO critics through slight alterations of practices, while shielding core polices from change. IGOs under severe criticism from NGOs, like the Bank and Fund, should build NGO offices for damage control, and reach out to some NGOs in order to defuse criticism. NGOs will be defined as interest groups.

Hypothesis 2 (H2). *If NGO participation improves the mission effectiveness of an IGO’s operations, then an IGO will willingly adapt its practices to utilize NGO expertise.* Like all bureaucracies, IGOs are constructed and funded to achieve some goal, to generate some
outcome. From that performance are acquired resources, prestige, and identity. If NGOs can improve IGO mission performance, a business-like relationship of service provision and remuneration is likely. The IGO is the superior or contract issuer, and NGOs are vendors or service providers. After-action observation of whether NGOs do improve mission scoring – cost/benefit analyses - is likely.

Hypothesis 3 (H3). If NGOs shift the IGO’s sense of identity to include accountability to non-state actors, then the IGO will accord political space to NGOs as an appropriate entitlement. Beyond simply bargaining with Bank over the placement of a dam, or the IMF over inflation targets, NGOs also practice identity politics or ‘norm entrepreneurship’ against these institutions. NGOs have re-packaged them as “civil society” representatives of marginalized or voiceless groups. This new identity implies that their participation within an IGO is a democratic entitlement, not an interest group privilege won in hard bargaining. Identity shifts occur at the level of values (policies and paradigms in an IGO), not just operations. IGO staff wedded to extant values and routines will hotly contest such change. Debates over NGO legitimacy should arise among IGO staff, and policy input from NGOs will be solicited (if still contested). NGOs will be understood as constituents or representatives (to imply insider status), rather than external pressure groups or contractors. There should be noticeable policy change to fit NGO preferences.

Empirical Indicators of NGO Impact on IGOs

Each hypothesis suggests certain observable behaviors in the IGO. For example, if an IGO negotiates NGO pressure primarily to defend itself (H1), NGOs should be viewed mainly as interest groups, outreach to NGOs should be limited and somewhat cynical in nature (‘talk is cheap’), and resources devoted to engagement should be rather minimal. Conversely, if NGOs
are successfully challenging the IGO’s sense of its appropriate role (H3), then internal IGO conflicts over mission, with correspondent mission creep, and internal debates over the role of NGOs should be prominent. The following six indicators attempt to formalize these intuitions into observable empirical implications of the different hypotheses. Such rigorous, generic indicators – customizable to specific IGOs – are missing in the heavily anecdotal NGO-IGO literature yet are necessary in order to methodically compare IGOs, such as the Bank and Fund, against one another. Chart 1 correlates indicators and subindicators to my proposed hypotheses.

Chart 1: Indicators of NGO Impact on IGOs

<table>
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<tr>
<th>Hypothesis</th>
<th>Indicators (Empirical Variables)</th>
<th>Subindicators (Specific Changes at the IGO Traceable to NGO Pressure)</th>
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<td>(Purpose of NGO Engagement by IGO)</td>
<td>I1 Organizational Modification</td>
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<td>b. Resources Devoted to NGO Affairs</td>
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<td>d. NGO Access to IGO Elites</td>
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<td>H1 Defense</td>
<td>I2 Program Consultation</td>
<td>a. IGO Outreach to NGOs</td>
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<td>b. NGO-sought Programmatic Spending Changes</td>
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<td></td>
<td>I4 Evaluation</td>
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<td>b. Complaint Mechanism for NGOs</td>
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<td>H3 ‘Democratic’ Appropriateness</td>
<td>I5 Legitimacy</td>
<td>a. Voluntary Inclusion of NGOs in Internal Decision-making</td>
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<td>I6 Paradigm/Policy Change</td>
<td>a. Policy Dialogue with NGOs</td>
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<td></td>
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<td>b. NGO-sought Policy Change</td>
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Method

Unfortunately systematic empirical data on IGO-NGO interaction are rare. The Fund scarcely keeps any formal records of its NGO engagements; the Bank is only marginally better. Quantitative data sets that fit my indicators are few and mediocre. Hence my research approach was as quantitative as possible, but as qualitative as necessary. Where pre-existing numeric data exist that fit my scheme, they were deployed; where lacking, I conducted field work and attitudinal surveys to fill in the data gaps. There were three primary modes of data collection: 1) a content analysis of Bank and Fund documents (Annual Reports particularly); 2) a questionnaire put to NGO and BWI informants (70 NGO surveys and 39 Bank and Fund staff interviews); and 3) participant observation (at Spring and Annual Meetings).

Results

The conclusions of this project are fairly robust at the Bank, but mixed at the Fund. H2 – the utilitarian hypothesis of improved mission efficiency - fits the Bank very well, and H1 – the cynical hypothesis of organizational defense – fits the Fund less well. Little data suggested either Bretton Woods Institution engage NGOs because they are legitimate or representative (H3).

The World Bank: Functional NGO Engagement (H2)

At the Bank, all the data from the Bank-side – quantitative and qualitative, interviewees and documents – strongly suggested H2: Bank engagement of NGOs for mission improvement. The Bank questionnaire data shows a clear preference for H2. Qualitative feedback from interviews suggested the same; most internal informants thought the Bank had moved on from defensive positioning (H1) years ago.
The NGOs were less monolithic than the Bank. They split rather evenly between H1 and H2 on the quantitative questionnaire. Yet qualitative interview evidence suggested NGOs are far more aware of Bank change than they will admit because of the concern it will “give the Bank a win.” Many interviewees admitted that the Bank had changed more than NGOs would admit. A tight NGO split over H1 or H2, and the admitted politicized character of NGO response suggest that the likely aggregate answer is H2 – NGO engagement to improve the Bank’s mission performance. The Bank’s published material concurs, and in fact flirts with H3. A content analysis demonstrates strong Bank movement on Indicators 1-3, with a petering out on I4-6. The Bank’s engagement of NGOs fits a functional purpose consistent with a cost-benefit logic of expected utility – NGOs improve (or so the Bank believes) the Bank’s mission accomplishment.

The IMF: Defensive NGO Engagement (H1)

The data for the Fund cut in different ways that make a solid conclusion more elusive. In the questionnaire data, NGO and Fund informants broke evenly against each other on which hypothesis was correct. Fund staff clearly rejected H1, defensive posturing, for H2, mission utility; the NGOs went inversely.

The qualitative and documentary data followed similar breakages. The qualitative data from the NGOs strongly fell in favor of H1; NGO interviewees on the Fund were regularly quite harsh in their appraisal of Fund outreach as “a public relations exercise, nothing more.” This was the most robust finding in my data collection. Yet again, the Fund qualitative data broke the other way, although not so intensely. As at the Bank, most Fund interviewees suggested that the IMF had graduated from H1 defensiveness to a more constructive, H2 relationship built on utility. Finally and most surprisingly, the Fund’s documentary data, even in recent years, was
supportive of H1. There are open admissions in the Fund’s printed material of a hostile or awkward relationship with NGOs, of its external relations division’s purpose to persuade or educate external critics of the Fund, and of the NGOs’ continuing inability to seriously contribute to the Fund’s work. So while the data is not as clear as the Bank’s, I concluded in favor of H1 for the Fund.

Interpreting the Difference in Bank and Fund Response

The results of the data collection demonstrate that the two institutions handle NGO influence-seeking quite differently, despite institutional resemblance and similar NGO attentions. The Bank fits my hypothesis of efficiency (H2), with some movement toward institutional rethinking (H3). By contrast, the Fund still entertains the NGOs primarily as a public relations exercise (H1), with hints of utility (H2). This finding raises the comparative question of why the Fund has moved less. I conjecture three causes specific to the NGO-Bank/Fund relationship.

First, what role the NGOs should play in the IMF is unclear, as even NGO sympathizers realize. Where the Bank’s competence in development and modernization is somewhat accessible to NGO generalists, the Fund’s work is highly technical. My interviews with IMF officials found deep skepticism as to whether the NGOs could even participate in what it does. Even the NGOs themselves are unsure what role they are to play within the Fund. Many NGOs are unable to seriously contribute to the IMF’s mission accomplishment. Because the Fund’s programs are not tangible projects, it does not face the exposure to local populations that has pushed the Bank towards engagement with NGOs. Fund loan programs are technical, abstract, and reduce the likely utility of generalists’ interventions; NGO interviewees admitted as much.
By the standard of H3, the NGOs are even less compelling to Fund officials. Which constituents the NGOs would ‘represent’ is unclear, because the Fund works primarily with governments on short-term financing. At the Bank, the problem is made easier because the Bank works in specific locales. It funds physically tangible projects, which immediately impact local residents’ lives. To the extent that NGOs can act as transmission belts of these populations’ preferences, the Bank is under pressure to accord them recognition as legitimate representatives.

A second institutional blockage buttresses these technical barriers to penetration. The Fund is noticeably more conservative and status-quo-biased. NGO impact on the Bank is less relevant than at the Fund, because the Fund is the more important institution. To join the Bank, one must join the Fund, and across my interviewees and survey respondents, there was agreement that the Fund sets the macroeconomic paradigm. One Bank staffer put it, “NGOs should talk to the Fund first. We are joined at the hip to the Fund. We can only go as fast as they do. The Fund is extremely conservative. They always say no before they say yes. There is a less love, more hate relationship between the Bank and Fund.” One NGO representative agreed, saying s/he ignored the Bank because the Fund is the real target.

Third, this conservatism is clear in the opportunity structure. The Bank is larger in staffing and administrative spending, and more organizationally disaggregated, especially if one includes the whole Bank Group. Its subunits have greater autonomy, giving NGOs many points of access. The Fund, by contrast, is smaller and more ‘on-message’ than the Bank. Fund representatives are more disciplined in their maintenance of the Fund’s apolitical character to the challenges of the NGOs. By contrast, the open nature of the Bank creates mixed signals. Various parts of the Bank are far more forthcoming in toying with NGO legitimacy and inclusion (specifically external affairs, socially sustainable development, and the presidency). However,
the Bank counsel recently re-iterated the apoliticality of the Bank, as did most of my interviewees after much discussion. Hence the Bank’s position remains fuzzy; NGOs have been “left pending.” But the Bank appears comfortable with this hedging, studiously ambiguous answer; it indefinitely puts off the awkward choices NGOs represent. Management seems comfortable that the “Bank’s guidelines on involving nongovernmental organizations in Bank-supported activities...are sound.” By contrast, the Fund prefers the clarity of a limited NGO role.

Conclusion

My hypotheses suggest that IGOs may address NGOs as organizational threats, mission-improvers, or constituents. From these hypotheses were deduced measurable empirical markers. A defensive posture (H1) will be indicated by light, PR-driven engagement from a newly-created ‘NGO office.’ Non-binding consultation, with resultant ‘consultation fatigue’ and cynicism among NGOs, is likely. A utilitarian approach (H2) will witness actual programmatic change due to NGO suggestions and evaluations of NGO usefulness. A ‘democratic’ approach (H3) will reveal the inclusion of NGOs as legitimate internal actors entitled to participate in institutional policy debates.

This frame advances the ad hoc, case study-heavy NGO-IGO literature. This essay was a plausibility probe of this research design on two important IGOs. It worked reasonably well. Substantial evidence suggested the World Bank responds functionally to NGOs. It exploits them as useful vendors. By contrast, the International Monetary Fund manages NGOs mostly as an awkward external challenge. My interpretation of the different responses requires further investigation.