

**‘A LOT MORE THAN THE NGOS SEEM TO THINK’:
THE IMPACT OF NON-GOVERNMENTAL
ORGANIZATIONS ON THE BRETTON WOODS
INSTITUTIONS**

DISSERTATION

**Presented in Partial Fulfillment of the Requirement for
the Degree Doctor of Philosophy in the Graduate
School of The Ohio State University**

By

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ABSTRACT

My research questions are: Do non-governmental organizations (NGOs) impact the Bretton Woods Institutions, and why or why not? I advance four hypotheses to explain change at the BWI which accord with NGO preferences:

- H1) Response to Member States (Null)
- H2) Organizational Defense
- H3) Mission Efficiency
- H4) Institutional Redefinition

These hypotheses are based in the three main paradigms of international relations theory: H1 from neorealism; H2 and 3 from neoliberal institutionalism; H4 from social constructivism.

I use organizational theories to fill out the substance of H2-4. Systems theories of organization suggest that organizations adapt to pernicious environmental impacts; I term this ‘organizational defense.’ Structural-functional organizational theories suggest organizations adapt for the rational purpose of more efficient mission completion. Finally, interpretive and sociological theories of organization suggest that organizations, like any social institution, may learn from environmental pressures and so redefine their self-understanding.

In the case the null is incorrect, I postulate a battery of indicators of NGO impact to correspond to the counter-hypotheses. Change on these indicators suggests support for the parallel hypotheses. These indicators begin with the adaptive behavior of simple organizational defense and rise to the deep organizational learning of institutional redefinition:

- I1) Organizational Change (H2)
- I2) Program Consultation (H2)
- I3) Program Impact (H3)
- I4) Evaluation (H3)
- I5) Legitimacy (H4)
- I6) Policy Change (H4)

The method is a structured, focused comparative study across this spectrum of indicators of NGO impact. Each institution is mapped against the scale of indicators, with evidence, or the lack, for each indicator presented individually. The means of data collection were 1) a survey, 2) interviews, 3) documentary analysis, and 4) participant observation.

I found that the Bank has moved further down the list of indicators of NGO impact than the Fund. The Bank engages NGOs because they, 1) improve mission performance (H3), and 2) (to a lesser degree) ‘represent’ grassroots demands (H4). The Fund, by contrast, is still negotiating the NGO challenge primarily as a public relations exercise (H2). NGOs do not improve its mission accomplishment (H3), nor does the Fund accept NGOs as legitimate representatives of the populations affected by its programming (H4).

To my Father

Scholar,

Mentor,

Loving Parent

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TABLE OF CONTENTS

	<u>Page</u>
ABSTRACT	II
ACKNOWLEDGMENTS	V
VITA	VII
LIST OF DIAGRAMS	XV
LIST OF TABLES	XVI
LIST OF PHOTOGRAPHS	XVII
LIST OF PLATES	XVIII
ABBREVIATIONS AND ACRONYMS	XIX
CHAPTER 1 THE PROBLEM	1
1.1. <i>INTRODUCTION</i>	1
1.2. <i>STATEMENT OF THE PROBLEM SITUATION</i>	3
1.3. <i>PURPOSE</i>	4
1.4. <i>QUESTION</i>	5
1.5. <i>RELEVANCE</i>	6
1.6. <i>THEORETICAL FRAMEWORK</i>	7
1.7. <i>HYPOTHESES: EXPLAINING NGO-SYMPATHETIC CHANGE AT IGOs</i>	7
1.7.1. <i>H1) Response to Member States (Null Hypothesis)</i>	9
1.7.2. <i>H2) Organizational Defense</i>	11
1.7.3. <i>H3) Mission Efficiency</i>	12
1.7.4. <i>H4) Institutional Redefinition</i>	15
1.8. <i>INDICATORS OF IMPACT</i>	18
1.8.1. <i>I1) Organizational Change (H2)</i>	20
1.8.1.1. <i>I1a) Staff</i>	21
1.8.1.2. <i>I1b) Resources</i>	21
1.8.1.3. <i>I1c) Information Dispersion/Access</i>	21
1.8.1.4. <i>I1d) Access to IGO Elites</i>	21
1.8.2. <i>I2) Program Consultation (H2)</i>	21
1.8.2.1. <i>I2a) Outreach</i>	21
1.8.2.2. <i>I2b) Required Consultation</i>	22
1.8.3. <i>I3) Program Impact (H3)</i>	22
1.8.3.1. <i>I3a) Required Impact</i>	22
1.8.3.2. <i>I3b) Program Spending Changes</i>	22
1.8.4. <i>I4) Evaluation (H3)</i>	22
1.8.4.1. <i>I4a) Review Service</i>	23
1.8.4.2. <i>I4b) Complaint Mechanism</i>	23
1.8.5. <i>I5) Legitimacy (H4)</i>	23
1.8.5.1. <i>I5a) Voluntary Inclusion</i>	23

1.8.5.2. 15b) Formal Changes in Operational Language.....	23
1.8.6. 16) Policy Change (H4).....	24
1.8.6.1. 16a) Policy Dialogue.....	24
1.8.6.2. 16b) Policy Change.....	24
1.9. CASE SELECTION.....	26
1.10. DEFINITION OF TERMS.....	30
1.10.1. Global Civil Society.....	30
1.10.2 NGOs.....	32
1.10.2.1. Definition.....	32
1.10.2.2. Typology.....	34
1.10.2.3. NGO Strategies of Pressure on the BWI.....	36
1.11. PLAN FOR THE REMAINDER OF THE DISSERTATION.....	38
CHAPTER 2 REVIEW OF THE LITERATURE.....	40
2.1. PURPOSES AND THEMES.....	40
2.2. THE NATURE OF NGOS AS ACTORS IN IR.....	41
2.2.1. NGOs as Pressure Groups: Pluralist Theories of Domestic Politics in IR.....	41
2.2.2. NGOs as TSMOs: Sociological Theories of Social Movements in IR.....	42
2.2.3. From NGOs to Transnational Advocacy Networks.....	44
2.3. NGOS AND THE BRETTON WOODS INSTITUTIONS.....	46
2.4. ORGANIZATIONAL STUDIES OF THE BWI.....	55
2.5. THE DISSERTATION’S EXPANSION ON THE EXTANT LITERATURE.....	58
CHAPTER 3 METHODOLOGY.....	60
3.1. CHOOSING AN EMPIRICAL METHODOLOGY.....	60
3.2. NEUTRALITY.....	61
3.3. RESEARCH DESIGN.....	64
3.4. TWO KINDS OF COMPARISON.....	67
3.4.1. Inter-Institutional.....	67
3.4.2. Longitudinal.....	67
3.5. TECHNIQUES OF DATA COLLECTION.....	68
3.5.1. Documents.....	68
3.5.2. Survey.....	69
3.5.3. Interviews.....	71
3.5.4. Participant Observation.....	72
3.6. LIMITATIONS.....	72
3.7. PRESENTATION OF RESULTS.....	74
CHAPTER 4 INDICATORS OF IMPACT.....	76
4.1. WORLD BANK.....	76
4.1.1. 11) NGO Unit.....	77
4.1.1.1. 11a) Staff.....	78
4.1.1.1.1. 11a1) Documents.....	80
4.1.1.1.2. 11a2) Survey.....	81
4.1.1.1.3. 11a3) Interviews.....	81
4.1.1.2. 11b) Resources.....	82
4.1.1.2.1. 11b1) Documents.....	82
4.1.1.2.2. 11b2) Survey.....	83
4.1.1.2.3. 11b3) Interviews.....	83
4.1.1.3. 11c) Information Dispersion.....	83
4.1.1.3.1. 11c1) Documents.....	84
4.1.1.3.2. 11c2) Survey.....	85
4.1.1.3.3. 11c3) Interviews.....	85

4.1.1.4. 11d) Access to Elites.....	86
4.1.1.4.1. 11d1) Documents.....	87
4.1.1.4.2. 11d2) Survey.....	87
4.1.1.4.3. 11d3) Interviews.....	87
4.1.2. 12) Program Consultation.....	88
4.1.2.1. 12a) Outreach.....	89
4.1.2.1.1. 12a1) Documents.....	90
4.1.2.1.2. 12a2) Survey.....	93
4.1.2.1.3. 12a3) Interviews.....	94
4.1.2.2. 12b) Required Consultation.....	95
4.1.2.2.1. 12b1) Documents.....	95
4.1.2.2.2. 12b2) Survey.....	96
4.1.2.2.3. 12b3) Interviews.....	97
4.1.3. 13) Program Impact.....	98
4.1.3.1. 13a) Required Impact.....	98
4.1.3.1.1. 13a1) Documents.....	99
4.1.3.1.2. 13a2) Survey.....	99
4.1.3.1.3. 13a3) Interviews.....	100
4.1.3.2. 13b) Program Changes.....	101
4.1.3.2.1. 13b1) Documents.....	101
4.1.3.2.2. 13b2) Survey.....	107
4.1.3.2.3. 13b3) Interview Data.....	108
4.1.4. 14) Evaluation.....	110
4.1.4.1. 14a) Review Service.....	110
4.1.4.1.1. 14a1) Documents.....	112
4.1.4.1.2. 14a2) Survey.....	114
4.1.4.1.3. 14a3) Interviews.....	114
4.1.4.2. 14b) Complaint Mechanism.....	115
4.1.4.2.1. 14b1) Documents.....	115
4.1.4.2.2. 14b2) Survey.....	115
4.1.4.2.3. 14b3) Interview Data.....	116
4.1.5. 15) Legitimacy.....	117
4.1.5.1. 15a) Voluntary Inclusion.....	118
4.1.5.1.1. 15a1) Documents.....	118
4.1.5.1.2. 15a2) Survey.....	119
4.1.5.1.3. 15a3) Interviews.....	120
4.1.5.2. 15b) Formal Changes in Operational Language.....	123
4.1.5.2.1. 15b1) Documents.....	123
4.1.5.2.2. 15b2) Survey.....	124
4.1.5.2.3. 15b3) Interviews.....	125
4.1.6. 16) Policy Impact.....	127
4.1.6.1. 16a) Policy Consultation.....	128
4.1.6.1.1. 16a1) Documents.....	128
4.1.6.1.2. 16a2) Survey.....	129
4.1.6.1.4. 16a3) Interviews.....	129
4.1.6.2. 16b) Policy Change.....	130
4.1.6.2.1. 16b1) Documents.....	130
4.1.6.2.2. 16b2) Survey.....	135
4.1.6.2.3. 16b3) Interview Data.....	137
4.1.7. Empirical Conclusion: H3.....	139
4.2. INTERNATIONAL MONETARY FUND.....	140
4.2.1. 11) NGO Unit.....	141
4.2.1.1. 11a) Staff.....	142
4.2.1.1.1. 11a1) Documents.....	142
4.2.1.1.2. 11a2) Survey.....	142
4.2.1.1.3. 11a3) Interviews.....	143
4.2.1.2. 11b) Resources.....	144
4.2.1.2.1. 11b1) Documents.....	144
4.2.1.2.2. 11b2) Survey Data.....	144
4.2.1.2.3. 11b3) Interview Data.....	145

4.2.1.3. 11c) Information Dispersion.....	145
4.2.1.3.1. 11c1) Documents.....	145
4.2.1.3.2. 11c2) Survey.....	146
4.2.1.3.3. 11c3) Interviews.....	146
4.2.1.4. 11d) Access to Elites.....	147
4.2.1.4.1. 11d1) Documents.....	147
4.2.1.4.2. 11d2) Survey Data.....	147
4.2.1.4.3. 11d3) Interviews.....	147
4.2.2. 12) Program Consultation.....	148
4.2.2.1. 12a) Outreach.....	148
4.2.2.1.1. 12a1) Documents.....	149
4.2.2.1.2. 12a2) Survey.....	152
4.2.2.1.3. 12a.3. Interview Data.....	152
4.2.2.2. 12b Required Consultation.....	154
4.2.2.2.1. 12b1) Documents.....	154
4.2.2.2.2. 12b2) Survey.....	155
4.2.2.2.3. 12b3) Interview Data.....	155
4.2.3. 13) Program Impact.....	156
4.2.3.1. 13a) Required Impact.....	156
4.2.3.1.1. 13a1) Documents.....	156
4.2.3.1.2. 13a2) Survey.....	156
4.2.3.1.3. 13a3) Interviews.....	157
4.2.3.2. 13b) Program Changes.....	158
4.2.3.2.1. 13b1) Documents.....	158
4.2.3.2.2. 13b2) Survey.....	161
4.2.3.2.3. 13b3) Interviews.....	161
4.2.4. 14) Evaluation.....	162
4.2.4.1. 14a) Review Service.....	163
4.2.4.1.1. 14a1) Documents.....	163
4.2.4.1.2. 14a2) Survey.....	163
4.2.4.1.3. 14a3) Interviews.....	164
4.2.4.2. 14b) Complaint Mechanism.....	164
4.2.4.2.1. 14b1) Documents.....	164
4.2.4.2.2. 14b2) Survey.....	164
4.2.4.2.3. 14b3) Interviews.....	164
4.2.5. 15) Legitimacy.....	165
4.2.5.1. 15a) Voluntary Inclusion.....	165
4.2.5.1.1. 15a1) Documents.....	165
4.2.5.1.2. 15a2) Survey Data.....	166
4.2.5.1.3. 15a3) Interview Data.....	167
4.2.5.2. 15b) Formal Changes in Operational Language.....	169
4.2.5.2.1. 15b1) Documents.....	169
4.2.5.2.2. 15b2) Survey.....	170
4.2.5.2.3. 15b3) Interviews.....	170
4.2.6. 16) Policy Impact.....	172
4.2.6.1. 16a) Policy Consultation.....	172
4.2.6.1.1. 16a1) Documents.....	173
4.2.6.1.2. 16a2) Survey.....	174
4.2.6.1.3. 16a3) Interviews.....	175
4.2.6.2. 16b) Policy Change.....	176
4.2.6.2.1. 16b1) Documents.....	176
4.2.6.2.2. 16b2) Survey.....	179
4.2.6.2.3. 16b3) Interview Data.....	180
4.2.7. Empirical Conclusion: H2.....	182

CHAPTER 5 HYPOTHESES OF CHANGE..... 184

5.1. WORLD BANK.....	184
5.1.1. H1) Response to Member States (Null Hypothesis).....	186
5.1.1.1. H1) Documents.....	191

5.1.1.2. H1) Survey	191
5.1.1.3. H1) Interviews	192
5.1.2. H2) Organizational Defense	193
5.1.2.1. H2) Documents	193
5.1.2.2. H2) Survey	195
5.1.2.3. H2) Interviews	196
5.1.3. H3) Efficiency	197
5.1.3.1. H3) Documents	199
5.1.3.2. H3) Survey	202
5.1.3.1. H3) Interviews	203
5.1.4. H4) Institutional Redefinition	204
5.1.4.1. H4) Documents	205
5.1.4.2. H4) Survey Data	209
5.1.4.3. H4) Interviews	209
5.1.5. Hypothetical Conclusion: H3	211
5.2. INTERNATIONAL MONETARY FUND	212
5.2.1. H1) Response to Member States (Null Hypothesis)	213
5.2.1.1. H1) Documents	214
5.2.1.2. H1) Survey	215
5.2.1.3. H1) Interviews	216
5.2.2. H2) Organizational Defense	217
5.2.2.1. H2) Documents	217
5.2.2.2. H2) Survey	220
5.2.2.3. H2) Interviews	222
5.2.3. H3) Efficiency	223
5.2.3.1. H3) Documents	223
5.2.3.2. H3) Survey	225
5.2.3.3. H3) Interviews	225
5.2.4. H4) Institutional Redefinition	227
5.2.4.1. H4) Documents	227
5.2.4.2. H4) Survey	234
5.2.4.3. H4) Interviews	235
5.2.5. Hypothetical Conclusion: H2	236
CHAPTER 6 IMPLICATIONS AND EXTENSIONS	238
6.1. DIFFERENCES BETWEEN THE BANK AND FUND RESPONSES	238
6.2. EXPLAINING THE DIFFERENCE IN BANK AND FUND RESPONSE TO NGO PRESSURE	245
6.3. PROSPECTS OF FUTURE NGO IMPACT ON THE BRETTON WOODS INSTITUTIONS	248
6.3.1. Constraints on NGO Impact	248
6.3.1.1. Measurement Issues	248
6.3.1.1.1. Data Gaps	248
6.3.1.1.2. Terminological Confusion	249
6.3.1.2. Costs of NGO Involvement at the Bretton Woods Institutions	250
6.3.1.2.1. Greater Transaction Costs	250
6.3.1.2.2. Greater Institutional Costs	252
6.3.1.2.3. Reduction of Influence	253
6.3.2. Possibilities of Further NGO Impact	256
6.3.3. Limits to NGO Impact	258
6.3.3.1. Resource Constraints	258
6.3.3.2. Poor Integration	258
6.3.3.3. "Knowledge Gap"	262
6.3.3.4. Declining Relevance After 9/11	263
6.3.3.5. Unending Advocacy	265
6.3.3.6. Deep Neoliberal Consensus at BWI	268
6.4. UNANTICIPATED QUALITATIVE FINDINGS	270
6.4.1. Unwelcome NGO Unit	270
6.4.2. Staff Backlash	271

6.4.2.1. Excessive NGO Presence	271
6.4.2.2. Retrenchment after Wolfensohn?	274
6.4.3. Process	275
6.4.4. Board Level Split.....	276
6.4.5. Deep BWI-NGO Split	276
6.4.6. Misplaced Advocacy.....	279
6.5. QUESTIONS FOR FUTURE RESEARCH	280
6.5.1. Refining the Research Design.....	281
6.5.1.1. Interrelation of H1 and H2.....	281
6.5.1.2. 13 More Powerful than 16?	282
6.5.1.3. Complexity of 16	282
6.5.1.4. Improve the Wording of Questions 5 (I5) and 10 (H4).....	282
6.5.1.5. Increase the Complexity of the Questions.....	283
6.5.2. Threat of NGO Co-optation.....	284
6.5.3. Democratization of Global Governance.....	285
6.5.4. Intervening Variables.....	288
6.5.5. Relevance of NGOs.....	289
6.5.6. NGO-Driven Bureaucratization of the BWI.....	290
6.5.7. Global Civil Society and Intergovernmental Organizations.....	292
CHAPTER 7 CONCLUSION.....	295
7.1. FORMAL ARGUMENT.....	295
7.1.1. Null Hypothesis (H1).....	296
7.1.2. Counter-Null Hypotheses (H2-4)	297
7.1.3. Counter-Null Indicators	298
7.2. METHOD	301
7.3. RESULTS.....	302
7.4. MEASUREMENT STUDY.....	303
APPENDIX A SURVEY QUESTIONS.....	306
APPENDIX B SURVEY COVER LETTER.....	309
APPENDIX C INTERVIEW QUESTIONS.....	310
APPENDIX D SELECTED PHOTOGRAPHS FROM THE FIELD RESEARCH.....	312
CIVIL SOCIETY DIALOGUES AT THE SPRING MEETINGS 2004	312
Photograph 1. World Bank (left), IMF (right).....	312
Photograph 2. A CSD at the IMF	313
Photograph 3. A CSD at the World Bank.....	313
Photograph 4. A CSD off-campus debate with 50 Years is Enough.....	314
ANTIGLOBALIZATION PROTESTS AT THE SPRING MEETINGS 2004	314
Photograph 5. Unhappy Birthday Protest on the 60 th Anniversary of the Bank and Fund.....	314
Photograph 6. Street Protests in Washington, D.C.....	315
Photograph 7. Spotters on the World Bank's Roof.....	315
WORLD SOCIAL FORUM IV 2004	316
Photograph 8. Workshop on Global NGO Coordination.....	316
APPENDIX E IMF-WORLD BANK 60TH ANNIVERSARY UNHAPPY BIRTHDAY CARD....	317
APPENDIX F ESTIMATED WB FINANCIAL OUTLAYS ON CIVIL SOCIETY IN FY 2005 .	318
APPENDIX G IMPROVED QUESTIONNAIRE	319
BIBLIOGRAPHY.....	324

LIST OF DIAGRAMS

<u>Diagram</u>	<u>Page</u>
1. Dissertation Flow Chart.....	20
2. World Bank Civil Society Staff.....	79

LIST OF TABLES

<u>Table</u>	<u>Page</u>
1. Summary of Indicators (World Bank).....	76
2. Planned World Bank – NGO Collaboration.....	92
3. Planned NGO Role in Project Design.....	106
4 Summary of Indicators Indexed to Hypotheses (World Bank).....	139
5. Summary of Indicators (International Monetary Fund).....	140
6. Summary of Indicators Indexed to Hypotheses (International Monetary Fund).....	182
7. Summary of Hypotheses (World Bank).....	184
8. Summary of Hypotheses (International Monetary Fund).....	212

LIST OF PHOTOGRAPHS

<u>Photograph</u>	<u>Page</u>
1. World Bank (left), IMF (right).....	312
2. A CSD at the IMF.....	313
3. A CSD at the World Bank.....	313
4. A CSD off-campus debate with 50 Years is Enough.....	314
5. Unhappy Birthday Protest on the 60 th Anniversary of the Bank and Fund.....	314
6. Street Protests in Washington, D.C.....	315
7. Spotters on the World Bank's Roof.....	315
8. Workshop on Global NGO Coordination.....	316

LIST OF PLATES

<u>Plate</u>	<u>Page</u>
1. IMF-World Bank 60 th Anniversary Unhappy Birthday Card.....	317

ABBREVIATIONS AND ACRONYMS

AA	Articles of Agreement
ADB	Asian Development Bank
ARDE	Annual Review of Development Effectiveness
BP	Best Practice
BWI	Bretton Woods Institutions
CA/O	Compliance Advisor/Ombudsman
CAS	Country Assistance Strategy
CBO	Community-Based Organization
CCD	Community-Driven Development
CDF	Comprehensive Development Framework
CESI	Community Empowerment and Social Inclusion Learning Program
CGAP	Consultative Group to Assist the Poorest
CIS	Commonwealth of Independent States
CODE	Committee on Development Effectiveness
CSD	Civil Society Dialogue
CSG	Civil Society Group
CSO	Civil Society Organization
CST	Civil Society Team
DEC	Development Economics Department
DGF	Development Grant Facility
ED	Executive Director
EFA	Education For All
EIA	Environmental Impact Assessment
EIR	Extractive Industries Review
EHIPC	Enhanced Heavily Indebted Poor Countries Initiative
ESSD	Environmentally and Socially Sustainable Development Network
EXR	External Relations Department
EXT	External Affairs Department
FDI	Foreign Direct Investment
FY	Fiscal Year
GCS	Global Civil Society
GEF	Global Environmental Facility
GG	Global Governance
GP	Good Practice
HIPC	Heavily Indebted Poor Countries Initiative
IBRD	International Bank for Reconstruction and Development
ICBL	International Campaign to Ban Landmines

ICR	Implementation Completion Report
IDA	International Development Association
IDP	Information Disclosure Policy
IEO	Independent Evaluation Office
IFA	International Financial Architecture
IFC	International Finance Corporation
IFI	International Financial Institution
IGO	Intergovernmental Organization
ILO	International Labor Organization
IMF	International Monetary Fund
INGO	International Nongovernmental Organization
ION	Interorganizational Network
IR	International Relations
JFC	Joint Facilitation Committee
LDC	Less Developed Country
LICUS	Low-Income Countries under Stress
M&E	Monitoring and Evaluation
MAP	Multi-Country AIDS Program
MD	Managing Director
MDB	Multilateral Development Bank
MDG	Millennium Development Goal
MENA	Middle East and North Africa
MIGA	Multilateral Investment Guarantee Agency
MNC	Multinational Corporation
NGO	Nongovernmental Organization
NGOWG	NGO Working Group
OD	Operational Directive
ODA	Official Development Assistance
OED	Operations Evaluations Department
OEG	Operations Evaluations Group
OEU	Operations Evaluation Unit
OP	Operational Policy
OPCS	Operations Policy and Country Services
PAD	Project Appraisal Document
PAP	Project/Program-Affected Population/People
PCD	Policy Communication Division
PCE	Participation and Civic Engagement Group
PID	Public Information Document
PNoWB	Parliamentary Network of the World Bank
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
PRSTF	Poverty Reduction Strategy Trust Fund
PSD	Private Sector Development
PSIA	Poverty and Social Impact Analysis
QAG	Quality Assurance Group

SAPRI	Structural Adjustment Review Initiative
SSP	Sector Strategy Paper
SDR	Special Drawing Right
SDRM	Sovereign Debt Restructuring Mechanism
SDV	Social Development Department
SmGP	Small Grants Program
TAN	Transnational Advocacy Network
TM	Task Manager
TNA	Transnational Actor
TSMO	Transnational Social Movement Organization
UN	United Nations
UNCED	United Nations Conference on the Environment and Development
UNDP	United Nations Development Program
UNEP	United Nations Environmental Program
VPU	Vice Presidential Unit
WB	World Bank
WBI	World Bank Institute
WCD	World Commission on Dams
WDR	World Development Report
WSF	World Social Forum
WTO	World Trade Organization

CHAPTER 1

THE PROBLEM

1.1. Introduction

This is an organizational study. I examine the response of the World Bank (the Bank) and International Monetary Fund (the Fund or IMF) to the external pressure of nongovernmental organizations (NGOs). As globalization has dramatically accelerated since the late 1960s (Scholte 2000:74ff), both institutions have changed mildly in directions sought by an emergent global ‘third’ sector of ‘civil society’ groups: non-profit, politicized, advocacy NGOs operating internationally (Khagram, Sikkink and Riker 2002b). There has been at the Bank and Fund what I call henceforth, ‘NGO-sympathetic change.’ The aim of the dissertation is to arbitrate among alternative causal explanations of that change (it is not clear the NGOs themselves caused it), and denote empirical support for those explanations.

This dissertation examines the NGO challenge to the strict definition of the Bretton Woods Institutions (BWI) as intergovernmental organizations. In the increasingly open operating environment of globalization, NGOs recently have pushed into traditional interstate politics (Florini 2000; Weiss and Gordenker 1996; Keck and Sikkink 1998; Boli and Thomas 1999; Khagram, Riker and Sikkink 2002). They increasingly complicate the understanding of ‘world politics’ as ‘interstate politics.’ NGOs seek to be efficacious actors. To that end, they often speak of themselves not just as individual organizations, but as part of a whole new sector: a “transworld” (Scholte 2002:3) third sector, or “global civil society” (GCS; Lipschutz 1992, 1996; Wapner 1997; Cox 1999; Boli and Thomas 1999; Florini 2000; Edwards and Gaventa 2001). NGOs seek a role in global governance and frequently their targets are intergovernmental organizations

(IGOs), which they broadly seek to redefine as “global governance agencies” (Scholte 2000:83). This would reorient their perception of accountability and responsibility away from simply the states.

Calling themselves civil society or global civil society, NGOs claim recognition from traditional inter-state elites of their (self-proclaimed) representative role, and hence the space necessary to be meaningful agents in world politics.¹ Whether this is occurring is unclear. Traditionally the state has trumped other actors in world politics - so much so that ‘international relations’ (IR) – not ‘world politics’ - is the conventional title accorded this field of study.²

But GCS actors are increasingly making demands on instances of (albeit fragmented) government - and business - at the global level. This includes states of course, particularly the great powers, but a central target is now the large constellation of IGOs. A particular target is the so-called international financial architecture (IFA), because it increasingly approximates an international public policy process (Gordenker and Weiss 1996; Kelly 2003; Armijo 2002). This includes the Bank and Fund, as arguably the most important of the international financial institutions (IFIs). The scope and intensity of the present influence-seeking is unprecedented for non-profits internationally. It is now an intriguing empirical question if and why NGO advocacy on the BWI has generated change.

¹ In my many interviews, email chains and other interpersonal exchanges with NGO representatives I have had in the course of the dissertation, this NGO hankering to 1) ‘be taken seriously’ and, 2) be understood as ‘civil society’ (not just as interest groups, protestors, etc.) stood out constantly. The NGOs want more established international actors – particularly diplomats from states, and officials and staff from IGOs – to accord them respect as 1) meaningful actors with real impact, and 2) representatives of an emergent global civil life. Aware of this, a defense mechanism of public (i.e., state and IGO) officials I witnessed quite often was to reject that recognition by relegating NGOs to a lower tier status than the ‘real’ decision-makers, and questioning their ‘democratic’ credentials as representatives of a ‘global civil society.’ In similar interview work a decade ago, Paul Nelson found similar responses (1995:130ff, 159). Bhagwati (2004:28) has noted a similar desire for seriousness among NGOs in referring to themselves as “stakeholders.”

² I will use the terms ‘international relations’ and ‘world politics’ in these senses. ‘International relations’ implies the strict, inter-state model of world affairs, wherein states are dominant, and other actors broadly neglected. By contrast, ‘world politics’ implies the opening of the system to include new actors, such as NGOs. Because I am examining a case of the possible movement from the former to the latter, I will distinguish between the terms throughout the dissertation. Finally, it should be noted that, in accord with academic precedent, I will use the abbreviation ‘IR’ to denote that academic subfield of political science that examines international relations and world politics.

1.2. Statement of the Problem Situation

I am interested in determining whether the NGOs have in fact impacted the institutions they are targeting, and if so why. This is different from noting that NGOs try very greatly to influence the IMF, World Bank and other institutions in the IFA. ‘Influence-attempts’ are common; impact is less so, yet far more interesting and significant.

This is a nettlesome problem for at least three reasons. First, the empirical challenge of identifying change at the institutions due to NGO pressure is tough. Baldly put, the challenge is that we know that the NGOs make a great deal of noise, but does it actually change anything? The antiglobalization movement particularly has captured the world’s imagination in the past five years. Less radical are other NGOs who meet with BWI officials at events, attend the parallel conferences and otherwise pressure the institutions. Yet their impact is hardly clear and quite difficult to measure.

As a result this dissertation is also a “measurement study,” or an attempt to unearth, through application, useful indicators of IGO/BWI change explicitly due to NGO pressure.³ Harry Eckstein refers to such efforts as a “plausibility probe” (1992:147). This dissertation fits that. I suggest a battery of indicators of impact, tagged to explanatory hypotheses, which can be ‘process-traced’ back to NGO pressure, for a trial run, or probe, or their utility. Should that trial (this dissertation) be successful - reveal ‘new facts’ - I recommend the indicators and hypotheses for use across IGOs generally when researching NGO impact.

Two, the extant data is ‘Bank-heavy.’ The Bank interacts with NGOs much more than the Fund. It keeps superior records and devotes larger in-house resources. It has offices and staff explicitly focused on relations with NGOs. The IMF does not have comparable assets. NGO relations are primarily handled through the external affairs

³ The expression “measurement study” comes from the World Bank itself (cf. <http://www.worldbank.org/lsm/>), which has struggled to find workable indicators for measuring variables in across its purview of development.

division. Extensive records are not kept, and secrecy is higher. There is a paradoxical problem of overload from the Bank, and stringent minimalism from the Fund.⁴

Three, identifying the NGOs which pressure the BWI is itself a hotly contested problem. I choose to survey those that interact with the BWI at the most high-profile regular interactions between the BWI and NGOs – the biennial Civil Society Dialogues (CSD). But this generally excludes the smaller, less well-resourced, mostly Southern NGOs who interact with the BWI primarily in the field. It also catches the anti-globalization movement only if they show up at the CSDs. Many will not do so. To survey these larger groups would require access to data and substantial resources I do not have.

1.3. Purpose

The first, theoretical purpose of this comparative study is theory-building about the impact of NGOs on IGOs. Traditional state-centric IR theory, particularly realism, has no explanation for the impact of NGOs if it occurs. I posit three explanatory hypotheses for that impact, as well as a null hypothesis. They are intentionally crafted in generalizable language for later use on other IGOs.

The second, methodological purpose of the dissertation is the creation of a generalizable scale of indicators of NGO impact on IGOs. This is badly needed for empirical cumulation in the study of NGOs' efforts towards IGOs. Within the NGO literature in IR, there have been case-specific and idiosyncratic treatments of specific NGO and NGO coalitions' interaction with IGOs (Fox and Brown 1998; Weiss and Gordenker 1996; Chatfield, Pagnucco and Smith 1997; Khagram, Riker and Sikkink 2002). But cumulation among them has been patchy and slow; I know of no methodological development of cross-institutional measures of NGO impact on IGOs. An explicit methodological goal is the measurement study: to craft a range of impact measures which could be 'mapped' against other IGOs' involvement with NGOs.

⁴ NGO interviewees widely remarked on this to me. The Fund is accused of unnecessary niggardliness, while the Bank is conversely accused of unnecessary excess - 'dumping' so much information onto NGOs it is hard to sort out its real positions.

Because the NGOs are active across an array of IGOs – the two BWI, the G-7, the regional multilateral development banks (MDBs), the Paris and London Clubs of creditors, the DAC, the WTO, the UN Development Program (UNDP), and the UN system and IFA in general – the utility of generalizable, cross-institutional measures of impact should be clear. This dissertation creates such a scale and recommends its use in further research.

Finally, as a second-order purpose, it should also be noted that the dissertation fills an empirical gap in the IR literature. Despite all the publicity and effort, particularly from the antiglobalization movement, there is relatively little specific literature on the response of the Bretton Woods Institutions, especially the Fund, to NGO efforts to influence them (O'Brien et al 2000; Fox and Brown 1998; Nelson 1995). However, actors in GCS – a sector ranging from the international antiglobalization protest movement down to local grassroots NGOs in borrowing states – have focused heavily on pressuring these two IGOs above all (as the primary instantiations of the IFA). The outcome of all that lobbying, protesting and other engagement is therefore significant for those studying IGOs or NGOs (as well as for the BWI and NGOs themselves).

1.4. Question

This dissertation examines two tiers of the same question:

First, the immediate questions of this dissertation research are: Do non-governmental organizations impact the Bretton Woods Institutions, and why or why not? The World Bank and International Monetary Fund have been, and continue to be, the subject of intense and occasionally violent protest. This prompts the rather straightforward question of whether those influence-attempts have actually impacted the institutions' policies and practices. There has been no systematic, comparative study of this.

Second, this institution-specific inquiry reflects a larger, generic question about NGOs' impact on IGOs in world politics. Under globalization opportunities have increased for GCS actors of all kinds to pressure IGOs. As macro questions, this is a theoretical research agenda for all intergovernmental organizations: 1) do they

substantively respond to nongovernmental influence attempts? 2) If so, why, especially given the standard contention of state-centric IR theory that they do not?

My work grapples with these two questions primarily. By answering the first, I try to propose a generalizable research program for the second. Generic tools will be used in the casework, and the conclusions of that case work will be couched as much as possible in the generalizable language of the second question. This ‘two-tiered’ language will run throughout the dissertation. I move between the development of explanatory hypotheses and empirical indicators that might be generalized across IGOs, and the translation of these generalities into case-specific ‘BWI-speak.’

For example, I posit one indicator of NGO impact on IGOs as consultation during program creation (indicator 2 below). But in the casework this must be ‘translated down’ into Bank-ese (as the movement of NGOs ‘upstream’ in the ‘project cycle’). In each case, the generalized, cross-IGO language is ‘translated down’ for case-specific empirical investigation.

1.5. Relevance

This dissertation has immediate social relevance because of the importance of the Bretton Woods Institutions to poor and middle-income states. The BWI are robust, efficacious IGOs with serious resource-distributive and norm-creative affects (O’Brien, et al. 2000:1, 11). Their governance and strategies (or lack of) for NGO participation have direct consequences for borrowers (Clark 1990, Mosely, Harrigan and Toye 1995).

Furthermore, most NGOs striving to be heard at the BWI are comparatively small operations with tightly constrained resources (Florini 2000). Knowledge of the efficaciousness of their lobbying efforts would be immediately useful. Similarly, if the BWI are seriously concerned for NGO participation in their work, this dissertation will provide a useful measure by which to judge their integration.

1.6. Theoretical Framework

I begin from the basic state-centric framework of IR theory: outcomes in world politics are usually the result of the state system, specifically from the bargaining of the great powers (Waltz 1979). Within that system, the agency of non-state actors fits awkwardly. However, NGOs have blossomed from ‘noise’ here and there in the inter-state model to a noticeable intellectual challenge. The booming panoply of NGOs in the last century suggests something greater than ad hoc variance. The emergence of the notion of global civil society conceptualizes this challenge by reading the NGO community into a global third sector in world politics, a sum greater than the whole of its individual non-profit parts. The pressure to examine GCS’ role in theories of world politics will only increase as the number and activism of its constituent NGOs, transnational social movements, advocacy networks, protestors, etc. increase.

Here, then, is the motivating puzzle behind the dissertation in Kuhnian language (Kuhn 1996): NGOs are anomalies in the central realist paradigm of IR theory that privileges the state. Yet the recent flurry of NGO activity and academic research on it suggests that NGOs are more than just anomalies, but that, taken together as a GCS, represent a serious paradigmatic challenge. This challenge requires empirical evidence demonstrating NGO impact, and where established, explanatory hypotheses that deviate from ‘state-centricity’ toward more pluralistic visions of world politics.

IGOs, as frequent targets of NGO pressure, make for useful tests of such hypotheses. As they are institutions with bureaucracies and paper trails, they make good empirical arenas for observation. Organizational studies should therefore reveal whether, and if so how, NGOs impact outcomes. The suggested hypotheses on NGO influence-attempts are therefore couched here in the language of international institutions. For this reason, I understand the dissertation as an organizational study.

1.7. Hypotheses: Explaining NGO-Sympathetic Change at IGOs

Institutions change. Bodies of theory exist which provide initial answers to why that is so. In IR, the three large families of theory – realism, liberalism and constructivism

– provide alternate explanations for change at intergovernmental organizations. The specific change I seek to explain is IGO change in directions preferred or desired by NGOs. As the empirical work suggests, there has been a fair amount of change at the IGO cases studied here which accords broadly with the preferences of the NGO community. But it is not clear that the reason for this change can be attributed to NGOs efforts.

This is the first or null hypothesis from realism (H1). If accurate, it demolishes the link between IGO change and NGO pressure, by starting the causal arrow of IGO change with the states, not NGOs. Three counter-null hypotheses are presented, beginning from neoliberal institutionalist and constructivist work. They assume that an IGO can make its own fairly autonomous choices. With some autonomous space established, the causal arrow then emanates from the IGO. I then draw from organizational theory to explain specific choices made. The second and third hypotheses (H2 and H3) draw from ‘rational’ organizational theory to buttress IR liberal institutionalism. The fourth (H4) draws from sociological or constructivist institutionalism.

The hypotheses are scaled borrowing Haas and Haas’ language (1995) of “adaptation” and “learning” in IGOs. They contend that initial, mild changes in IGO behavior to external inputs can be understood as “adaptation” necessary for self-defense (H2). I have added improved mission effectiveness (H3) as a further adaptive behavior. Most organizations adapt under duress, but rarer is wholesale change or organization re-definition in response to pressure. This is Haas and Haas’ “learning” and my H4.

My four hypotheses are presented below with the body of theory whence they emanate, the indicators of impact which they explain, and the independent variable. Hypotheses are often clearest when stated as “if/then” statements (Schutt 1996:49) to specify the independent and dependent variables. I do so for clarity. The dependent variable across all four hypotheses is ‘NGO-sympathetic’ change at the IGO, i.e., change that accords with NGO preferences for an IGO. The independent variables are then specified for each. The empirical indicators, which are elaborated next and include a scale from adaptation to learning, are also provided, where applicable.

1.7.1. H1) Response to Member States (Null Hypothesis)

If the preferences of the great powers change, then so will those of the IGOs they have created.

Theory: Neo-Realism

Indicators: Does Not Apply

Independent Variable: Change in Great Power Perceptions of NGOs

Of the three broad IR paradigms, realism is the most self-consciously state-centric and confident that IGOs are “epiphenomenal” (Mearsheimer 1995). Even more restrained evaluations (Schweller and Priess 1997; Grieco 1993a and b) find that states are still the masters of their creations, and that IGO autonomy is not seriously possible. This basic, well-established contention in IR theory informs the null hypothesis: any ‘NGO-sympathetic change’ at an IGO is not a product of NGO pressures but changed preferences in the IGO’s state masters, particularly the great powers. Hence there is no demonstrable NGO impact. Why the states interests may have changed is beyond the scope of this paper.

The null responds to ‘Ockham’s razor,’ that simpler explanations, in this case without reference to NGOs, are preferred. IGO reform can be traced to a desire for it in the “great powers” (Waltz 1979) – the militarily and economical dominant states in the system. The impact of NGOs is indeterminate because of change in the state masters of the IGO. The IGOs’ policies and practices are derivative of the interests of the most powerful states in the system (Grieco 1997). In the world economy, these are broadly the G-7 (United States, Great Britain, Italy, Canada, Japan, Germany and France). At the BWI, ‘great power-dom’ is translated as individual seats on the Board of Governors, as well as veto-wielding percentages of Board votes. The single-seat holders are the United States, Great Britain, France, Japan and Germany at the Bank, along with Saudi Arabia, Russia and China at the Fund. The US percentage of the both Board votes is 17.14%, and the veto floor is 17%.⁵

⁵ Many states that subscribe smaller amounts of capital to the BWI are compelled to pool their votes into jointly held seats on the Boards. Interestingly, this includes two G-7 states – Canada and Italy. For exact percentages and joint seats, cf. <http://www.imf.org/external/np/sec/memdir/eds.htm#2> and

Realism predicts that if an IGO includes NGOs, then its state masters must wish it so. Hence there is no demonstrable NGO impact. Instead, the IFIs are running interference for the G-7. Rather than recommend the painful medicine of structural adjustment themselves, the G-7 set up proxies to do it for them (*Economist* September 26, 2003; Nelson 1995:186). They take the blows and criticisms of the NGOs, but are ultimately unaccountable to them. They change only as the G-7 change.

The null hypothesis derives from state-centric IR theory's understanding of IGOs' behavior. Realism privileges the state among the many actors of world politics. Here the distinction between 'world politics' and 'international relations' is significant. The state-centric, IR approach notes the extraordinary relevance of the state to outcomes in world politics. So important is it, that, in the interest of theoretical parsimony, reducing world politics to international relations⁶ is not an exorbitant step (Grieco 1997). The centrality of the state is a bedrock principle of realism (Waltz 1979, Schweller and Priess 1997, Mearsheimer 1995, 2001, Grieco 1997).

It is on the primarily realist vision of IGOs as the puppets of powerful states that the null, H1, is built. But if change at an IGO does not accord with the great powers' preferences or if the great powers' preferences are indeterminate or divided, realism loses some purchase. States' interests may be conflicted over NGOs' efforts. There may turn out to be ample room for an intra-institutional determination of response (i.e., by an IGO itself) to NGO influence attempts. Given the possibility of semi-autonomy, I suggest three further hypotheses to explain IGO change sympathetic to NGO demands.

The next, non-null hypotheses presented below are built on the theoretical counter-point of neoliberal institutionalists and constructivists that IGOs can in fact break away somewhat from state domination. Specifically here, the Bank and Fund may act with in-house discretion in response to NGO pressures. Neo-liberal institutionalism, while also state-centric, carves out some room for autonomous IGO behavior in H2 and 3. Constructivist organizational theory suggests not only that institutions can act with

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/ORGANIZATION/BODEXT/0,,contentMDK:50004945~menuPK:64020014~pagePK:64020054~piPK:64020408~theSitePK:278036,00.html>.

⁶ 'Interstate' would be more technically accurate but is rhetorically clunky. Even Waltz (1979), the foremost expositor contemporary state-centric IR theories, uses the term "international" in his famous title.

limited autonomy, but that they may remake, and can be re-made by, the environment around them. H4 develops this possibility.

1.7.2. H2) Organizational Defense

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.

Theory: Neo-liberal Institutionalism and Systems Theory of Organization

Indicators: 1-2: Low Adaptation

Independent Variable: IGO Management's Perception of NGO as an Organizational Threat

Practices are altered because of external pressure. An IGO changes to defend itself against NGO criticism that jeopardizes its budgets, prestige and, perhaps, existence. This emanates broadly from recent organizational theory's contention that bureaucracies' first goal is usually survival, not mission accomplishment (Farazmand 2002b:32, Crozier 1964, Nadel and Rourke 1974, Graham and Zelikow 1999). This is 'resentful' change It would not occur without external pressure forcing it on the institution. As such it is merely adaptation (Haas and Haas 1995), and weak at that. It is exogenously-driven change (Risse 2002:268); "organizations that learn, adjust, and adapt to external pressures...can survive and evolve" (Farazmand 2002c:86). Contemporary NGOs are savvy enough to work through the available political opportunity structure to place pressure on IGOs where leverage is greatest – national funding procedures, in project areas, through large transnational protests, and at parallel conferences to big international meetings to exploit press coverage (Tarrow 1998:ch. 11; Smith and Johnston 2002). Should NGOs 'win' this interorganizational conflict somewhat, they may force change on an IGO, if only for its self-preservation.

H2 is descended from systems theories of organization which place the greatest stress on environmental interaction and feedback to explain organizational change (Parsons 1991; Perrow 1986). It assumes the rational choice, organizational "logic of

expected consequences” (March and Olson 1998): an organization responds to external pressures in order to maximize utility.

Like almost all organizational theories, H2 assumes that organizations are bureaucratically disinclined to terminate (Downs 1967; Weber 1946:228ff). “Organizational systems seeking maintenance, harmony, order and stability tend to preserve themselves at any cost to society and individuals, for their main concern is to survive and expand with an equilibrium. This is...a conservative theory of organization favoring the status quo” (Farazmand 2002b:31-2). As a result, they adapt to especially pernicious or severe environmental inputs.

The systems theory of the 1960s and after...recognized the importance of change, environmental interaction, feedback...as well as the need for understanding organizations within the broader socio-political system environment in which they operate (Farazmand 2002c:86).

It is certainly the case that, as the Bank and Fund have grown in funding and stature, they have attracted increasing amounts of external criticism.

NGOs are aggravating the environment in which the BWI must act. H2 suggests ‘defensive positionalist’ behavior – efforts to buy off or co-opt NGO critics through slight alterations of practices, while shielding polices from change. But organizational self-defense includes not only such adaptive efforts. It also foresees pro-active “strategic actions” to alter the environment to make it more congenial (Farazmand 2002c:70): “to not only adapt to their changing environment, but also to take “strategic actions” to alter their environmental culture to suit their purposes.” It should not surprise observers if IGOs under severe criticism from NGOs should seek to build friendly NGO formats and otherwise reach out to ‘approved’ NGOs in order to defuse criticism. NGOs will be defined as interest groups (not representatives or ‘voices of the people’).

1.7.3. H3) Mission Efficiency

*If NGO participation improves the mission effectiveness of an IGO’s operations,
then an IGO will increasingly adapt its practices to utilize NGO expertise.*

*Theory: Neo-liberal Institutionalism and Structural-Functional Organizational
Theory*

Indicators: 3-4: High Adaptation

Dependent Variable: IGO Management's Perception of NGOs as a Mission Asset

Practices are altered from internal conviction. The IGO perceives NGOs as instrumentally useful for mission completion and will involve them in program formulation/implementation/evaluation. Organizational behavior changes, because NGOs contribute to improving organizational mission performance. NGOs have widely claimed a new manner of authority – superior knowledge, often local (Florini 2000; Risse 2002:268), and academic observers have noted this as well (Fisher 1993; Schulze 2000:378). They may be useful in program implementation. But this too is ultimately adaptive behavior (Haas and Haas 1995). Although the acrimonious interorganizational conflict of H2 is not present, the bringers of change are still exogenous. NGOs are external to the IGO, even if the organizational conviction to use them is internal. Processes of policy implementation are changed for the good of the organization. Policies themselves are not impacted.

Like H2, H3 begins in neoliberal institutionalism and also begins from the rationalist “logic of expected consequences.” IGOs, like all bureaucratic edifices, are constructed and funded to achieve some goal, to generate some outcome. While the completion of this goal may take second place to organizational survival (H2), it nonetheless continues. Organizations perform missions. From that performance are acquired resources, prestige and identity. Performance is expected, and efficient performance, *ceteris paribus*, preferred. When changes or alterations of practices advance the efficiency of mission completion, it likely maximizes utility (improves “expected consequences”) to make such adaptations.⁷ “It is safe to say that most organizations in the modern world are designed bureaucratically and seek maximum efficiency” (Farazmand 2002b:25).

⁷ I say “likely” because some efficiency-promoting changes may make an organization itself defunct. An organization thorough in mission completion faces the issue of dissolution. If the World Bank eradicated poverty tomorrow, it would close. This potentially places H2 and H3 into conflict. In such cases, H4, mission/identity redefinition may give added life to the organization. But in lieu of efficiency improvements so tremendous that might threaten organizational death, it is no stretch to suggest that organizations may change for greater efficiency.

The strand of organizational theory which stresses most the importance of efficiency is mainstream or classical structural-functionalism (Weber 1946, 1947; Taylor 1947). Such theories are dominated by notions of strict internal rationality, instrumentality and goal accomplishment (Farazmand 2002:chs. 2-3). Alterations in organization can be traced back to a specific function they improve. But as noted, public organizations are slow to change from within. Like H2, H3 assumes that a public organization is responding to external pressures in order to maximize utility. Its logic too is economic.

IGOs therefore adapt to NGO demands for change because those demanded changes improve the quality of its service delivery. In the case of the Bank and Fund, NGOs often claim they have superior skills and local knowledge that makes useful partners. This instrumentalizes the NGOs. It does not treat them as threats in a darkening environment (H2), or as proper participants (H4), but rather as useful external service providers (Nelson 1995:41-42).

H3 suggests 'outsourcing' behavior from IGOs toward NGOs - efforts to utilize them to improve projects and other programming (Nelson 1995:166). This portends alterations of practices, yet no real discussion of policies. Changes are made in the process of policy enactment, not in policies themselves. NGOs are adopted, and practices altered to accommodate them, because they buoy the institution in the end. A business-like relationship of service provision and remuneration is likely, where an IGO acts as boss or contract provider, and NGOs recipients and 'implementers.' And post-hoc observation of whether NGOs do in fact improve mission scoring is likely. Again, NGOs will be defined as interest groups (not representatives or 'voices of the people').

However, in some cases, NGOs' activity may be instrumentally useful, because they are more legitimate 'on the ground' to the local population than the IGO itself is. The NGO's greater legitimacy makes it a valuable resource for IGOs to then recruit and deploy. The distinction is important. NGOs may be perceived as enhancing the legitimacy of the IGO, but they are nonetheless embraced not as representatives. Engagement is still premised on project or other programming efficiency (Nelson 1995:167-68).

But clearly this NGO legitimacy at the grassroots, and its instrumental use by an IGO for its own purposes, then prompts the question of their legitimacy within the IGO itself. If they are viewed by locals as more proper than the IGO, the NGO may be a transmission belt for local preferences into the IGO.⁸ In this way, the instrumentality hypothesis (3) bleeds into the final participative hypothesis (H4), in which NGO presence is accepted as appropriate rather than judged by a cost/benefit analysis.

1.7.4. H4) Institutional Redefinition

If NGOs shift the IGO's sense of identity to include accountability to non-state actors (a 'global governance agency'), then it will accord political space to NGOs as an appropriate entitlement rather than contingent upon utility.

Theory: Constructivism and Organizational Sociology

Indicators: 5-6: Learning

Dependent Variable: IGO Management's Perception of NGOs as 'Constituents'

Practices and policies are altered from internal conviction. The IGO believes it is appropriate or legitimate to include NGOs (e.g., as popular representatives) in policy-setting even where utility make it cost beneficial. The IGO accepts the 'democratic' argument of GCS – that NGOs are more than mere interest groups, but also representatives of constituencies to which the IGO is responsible. NGOs' most ambitious posture toward the IFIs is to 're-imagine' them as "global governance agencies" (Scholte 2000:83). More specifically they want the IGOs to re-imagine or re-construct themselves as more than simply an interstate entity. Instead this GG agency would perceive a larger sphere of accountability. The model for such an effort is the UN. Secretaries-General Gali and Annan have created enduring space internally for NGOs. They are now a "part of the UN system," in the words of one NGO informant. In this way, the UN has expanded its sense of self beyond the interstate minimalism of state-centric models. Haas and Haas (1995) note that under sustained pressure, IGOs may rethink their *raison d'etre*.

⁸ Many NGO interviewees made this point to me.

They identify this as “learning.” In Kuhnian language (1996: ch. 10), it is similar to a “gestalt switch,” whereby the IGO re-views itself as a GG agency with multiple constituencies (not just states) to which it is responsible.

In the IGO-NGO contention, NGOs frequently claim that they are civil society representatives, and so deserve a seat in decision-making at IGOs (Danaher 2001, Ottaway 2001, Scholte 2002, Ritchie 2000, Nelson 2001:169). UN Secretary General, Boutros Gali himself supported this assertion (1994: 311-12), and the IGOs have been forced to contend with it (Fox and Brown 1998a:19, Ibrahim/World Bank 1998; Nelson 1995). Academic treatments too have noted that NGOs routinely claim to be democratic representatives of non-state, often poor, individuals, particularly from the global South (Nelson 1995:130; Schulze 2002:380,386; O’Brien et al. 2000; Edwards and Gaventa 2001; Khagram, Riker and Sikkink 2002a:ix).

H4 progresses beyond the rationalist division of IGOs and NGOs into two camps with separate, identifiable preference lists (H1-3). Instead, it begins from the March and Olson’s “logic of appropriateness” (1989:ch. 9). Here both NGOs and IGOs belong to a sociological field of actors intersubjectively self-defining. Policies, as well as practices, are open to debate, as the contention is primarily an ideational one over the role of the IGO.⁹ Both sides wish to fit their role and identity to appropriate rules and expectations. Normative ‘fitting in’ is important to the identity of actors. The abstract, macro-level of such contention ensures that IGO policy, not just process, is on the table. It is also the reason why such change is the most difficult to secure; institutional redefinition runs far deeper than a token NGO office or service contracts.

This redefinition hypothesis begins in the sociological institutionalism of constructivist IR theory (Cortell and Davis 1996; Reus-Smit 1997; Ougaard and Higgott 2002; Rittberger 2001), but not in the usual way. Generally social constructivist work stresses how IGOs, once established, can change the systems from which they came. It

⁹ And, it should be said, over the role and identity of NGOs. There is blowback on the NGOs from engaging the IFIs. IGOs play a constitutive role in GCS. In my interviewing, I observed at least two new concerns in NGOs because of IGO criticism. First, IGOs have been skeptical of NGO claims to be civil society representatives, and NGOs have become acutely conscious of their own internal ‘democratic deficit.’ Second, many NGO interviewees mentioned that they have returned, or wish to, for more schooling in economics, because the BWI frequently charge that the NGOs ‘just don’t know what they are talking about’ (Nelson 1995:132).

can promote norms and other rules or expectations which alter the behavior of its erstwhile state founders (Finnemore 1993).

This hypothesis turns that process on the IGO itself. If IGOs can reconstruct the social environment of world politics, then they themselves can be reconstructed as a part of that environment. It views IGOs as social actors as well, in a living, human political field, and so subject to ideational and 'identitarian' disputation, as well as traditional interest articulation. A constructivist hypothesis on IGO organizational change will target changes in the organization's own identity.

It is challenging to alter an organization's self-perception. Constructivist treatments in the security communities literature (Adler and Barnett 1998), note that binding security communities begin from an expanded sense of self. Certain states are perceived by another state as a proper part of its own identity. In H4, I am suggesting something similar for IGOs. H4 argues for a mental shift, an expansion of an IGO's self-perception to include others not previously 'within.' NGOs engage in "persuasive communication aimed at convincing others to take their side" (Khagram, Riker and Sikkink 2002b:12). They develop alternative "frames" to understand issues relevant to IGOs (Smith, Chatfield and Pagnucco 1997; Tarrow 1998). These frames challenge 'business as usual.'

NGOs today frame themselves not as external interest groups to be negotiated by an external affairs division (H2-3), but as legitimate participants to whom the organization is also accountable. Scholte's redefinition of IGOs as "global governance agencies" cuts to that sense by suggesting that IGOs are not only responsible to states, but also to other participants in global governance. This is a notion of communicative action within world politics (Risse 2000), in which NGOs act as norm entrepreneurs, making and changing meanings, not just as bundles of interests (Khagram, Riker and Sikkink 2002a:vii, b).

Like H2 and H3, H4 accepts that organizations, particular public ones, are sensitive to external inputs, but those inputs need not be only tangible, such as demands for resources or access. These inputs may also be ideational. They may question the very premises of an institutions existence; they may embrace or condemn the philosophy

undergirding its programming. Such inputs present a much more fundamental challenge to the IGO than simple practical demands. Because they challenge the institution's sense of self, they function at the so-called "third face of power" (Lukes 1974; Gaventa 1982). They challenge the right of the IGO to create social spaces and set menus of options alone – in short, to forge macro-policies without 'civil society' input. And in doing so, they also blur the distinction between the IGO and critic - through a normative posture that the IGO should be more like the critic. In this way, I term this hypothesis sociological.

In the language of organization theory, H4 begins in interpretive theories quite close to constructivism in IR (Fischer and Sirianni 1984; Habermas 1979; March and Olson 1989). It seeks to redefine the IGO to include the critics, by persuading, in the Habermasian sense of communicative deliberation, the IGO that it does business incorrectly. By re-framing, or repackaging themselves as democratic representatives of under-represented groups, NGOs increase the likelihood their participation within an IGO as proper. This is "strategic action" (from H2) turned on its head – the environmental culture has restructured the institution rather than the vice versa, as is common to organizational defense strategies (Klandermans 1997).

Because institutions of governance represent values as well as processes (Peters 2002:174), their self-definition is often the heart of the external pressure. So this is "deep politics" (Smith, Pagnucco, Chatfield 1997:70). H4 suggests that organizational reform can also occur at the level of values (policies and paradigms in an IGO), not just operations. This is very deep reform ("learning"). It will likely be heavily contested from within IGOs by staff wedded to extant values and routines (Nelson 1995:164-65). Where NGOs can affect this depth of reform, their penetration of the IGO is very profound. NGOs accepted in this manner will be understood as constituents or representatives (to imply insider status), rather than external pressure or interest groups.

1.8. Indicators of Impact

The theories above from which I draw my hypotheses are from the IR literature, because the target institutions are IGOs. But in considering actual organizational change,

the following indicators draw mostly on the basic insight of organizational theory that institutional proliferation and expansion is the most common response of public organizations to external pressures. As Nicolas Henry writes (2002:110), “whether the motivation is to resist or respond to the demands from the task environment, bureaucratization of the public agency is nevertheless the result.” Of late, NGOs are a primary external environmental pressure.

Indicators of change are therefore organizational alterations. I approach the question of NGO impact on IGOs from the perspective of the IGO. I am examining organizational change at the target - or from the top down, and not from the NGO’s bottom up perspective. These institutional modifications are ranged IGO responses to NGO demands for influence. No such scale exists in the literature; this is original.

I propose six behavioral indicators of impact by which to measure the impact of NGOs on any IGO, beginning with small changes in practices and ending in large changes in policies. They lie on a continuum of intensity. Indicator 1 (I1) represents fairly minimal changes in practices, while I6 suggests serious policy change. I deduce them from the previous battery of corresponding explanatory hypotheses. The indicators are written in general language and should be individually customized to the particular IGO. The indicators are parsed into sub-indicators for greater empirical punch. The sub-indicators lengthen the scope and expand the precision of the scale proposed.

They attempt to affix identifiable empirical markers (the creation of an NGO unit, consultation with NGOs on programming) onto the causal hypotheses introduced above. Solid, positive, agreed-upon markers of NGO impact on IGO should help empirical cumulation. Here is the ‘probe’ in the plausibility probe. I am trying out a basket of markers which I recommend for use with other IGOs.

I have reworked Haas and Haas’ terminology to construct a scale from mild adaptation to deep learning, in place of a binary choice between ‘adaptation’ and ‘learning.’ Modern organizations, especially large ones with histories and deep resources, are often complex (Farazmand 2002:xi). A greater view of the empirical reality of change is possible if we unpack the choice between adaptation and learning as a scale from one end to the other. At the low end of adaptation are minor alteration of practices and

institutional arrangement. These are fairly slight and inexpensive changes. At the high end of learning is wholesale policy re-orientation of the institution.

The flow of the logic is as follows: Is H1, the null hypothesis, correct? If yes, then the empirical work at the IGO does not commence, because change there is epiphenomenal. If no, then the empirical work should evaluate how far down the scale of indicators, I1 – I6, the institutions have moved. That should indicate which hypothesis is most correct, as the indicators are directly deduced from the hypotheses. The following diagram models the logic of the dissertation.

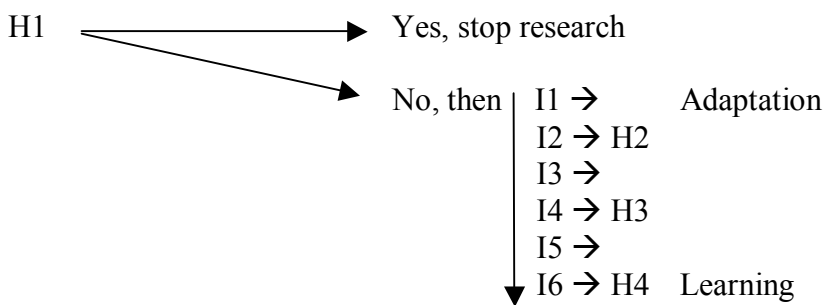


Diagram 1: Dissertation Flow Chart

In the presentation below, I have included the questions asked of interviewees and brief explanations for descriptive clarity.

Adaptation

1.8.1. 11) Organizational Change (H2)

Does the IGO establish an ‘NGO office’ or other civil society apparatus within its organization?

This indicator seeks some manner of NGO facility added to the existing organizational tree - an email list-serve, a liaison office, regular contacts or meetings with civil society representatives, protocols for civil society information submission. There must be an institutional response, whereby civil society concerns are integrated into the extant structure. Paul Nelson (1995:94) calls this the creation of “boundary-spanning

units” between IGO and environment. This represents basic changes in practices – structural modification and staff behavior. I disaggregate this as:

1.8.1.1. IIa) Staff

How many staffers and in what proportion to the institution’s overall staffing, including in IGO foreign missions, are there?

1.8.1.2. IIb) Resources

What amounts of time and/or money are spent on NGO facilities in proportion to the larger institution?

1.8.1.3. IIc) Information Dispersion/Access

Does the IGO provide information resources to NGOs? A very common complaint of NGOs is poor access to information.

1.8.1.4. IId) Access to IGO Elites

Are NGOs funneled into the NGO office?

1.8.2. I2) Program Consultation (H2)

Are civil society organizations consulted in creating the output for which the IGO was founded?

A frequent NGO demand is to partake in the decision-making concerning individual programs (loans, projects) undertaken by the IGO. This indicator is more penetrating than just an NGO office or some staff. It introduces NGOs, for the first time, into the IGO’s mission activity, even if in a nonbinding manner. Such participation is a soft version of the next indicator. I disaggregate this as:

1.8.2.1. I2a) Outreach

Must NGOs solicit involvement or are they asked to contribute in programming creation?

A common NGO demand is to participate further ‘upstream’ in the creation of programming (in Bank-speak, the ‘project-cycle’). Often they say if they are solicited at all, it is in the final stage, implementation, and in minor, ‘social clean-up’ subprojects.

1.8.2.2. I2b) Required Consultation

Is NGO consultation required or voluntary in the operational procedures of the IGO?

1.8.3. I3) Program Impact (H3)

Is there actual impact on the shape and direction of programming by NGOs, especially by project/program-affected populations (PAPs)?

A harder version of I2 is actual impact on the shape and direction of programming. Prima facie, a powerful indicator of movement toward NGO positions should be the allocation of IGO resources toward their programmatic concerns. Direct transfers to NGOs are not necessarily required here. NGOs may seek to convince IGOs to allocate resources differently, but not necessarily to them, or to create new offices or program facilities for their interest. I disaggregate this as follows:

1.8.3.1. I3a) Required Impact

Must the IGO change its practices in response to NGO critiques?

1.8.3.2. I2b) Program Spending Changes

Is there ‘NGO-friendly’ spending? Do monies allocated for loans or institutional expansion reflect NGO preferences?

1.8.4. I4) Evaluation (H3)

Does the IGO evaluate NGO involvement in its work?

If the NGOs are seriously accepted into the process of IGO decision-making and alter those outcomes, then their performance in creating the outcomes will most likely be evaluated (Nelson 1995:42). This is not an NGO demand. Indeed, one can imagine that NGOs would be skeptical of an IGO measuring its performance. But IGOs, as mission-

performers (H3), may well seek to understand the efficiency-raising promise of NGO incorporation is real. I disaggregate this as follows:

1.8.4.1. 14a) Review Service

Do internal audits, program evaluations and policy evaluations monitor and measure NGO participation? In both policy and programming?

1.8.4.2. 14b) Complaint Mechanism

Does the IGO provide some manner of arbitration for NGOs' grievances?

1.8.5. 15) Legitimacy (H4)

Does the IGO staff perceive NGOs as legitimate participants in the IGO's decision-making (indicator 2) and resource allocation (indicator 3) processes?

In domestic politics, parliamentarians and executive departments often confront civil society groups whose input is highly important for their sense of purpose and continued bureaucratic existence. GCS somewhat replicates this model at the international level of analysis with NGOs and coalitions of them functioning as international civil society groupings. Do functionally specific IGOs like the BWI feel the same sense of accountability to international grassroots organizations that domestic governmental organizations feel to their own domestic civil society? To find this service relationship would indicate NGO impact beyond the structural variables listed above. It would indicate a possible gestalt shift whereby an IGO expanded its existential notion to include non-state actors. I disaggregate this as follows:

1.8.5.1. 15a) Voluntary Inclusion

Do IGO staff want to involve NGOs in their work?

1.8.5.2. 15b) Formal Changes in Operational Language

How does the official language of the institution refer to NGOs? Does it employ language that suggests a representative role or some manner of 'constituent' relationship?

1.8.6. I6) Policy Change (H4)

Has the IGO shifted its general mission policy in accord with NGO demands?

Changes in macro-policy or paradigms represent the zenith of NGO penetration because it achieves the level of values-change. Previous changes deflected (H2) or instrumentalized (H3) NGO input. If NGOs can effect policy, then they are helping the IGO redefine itself and are accepted as legitimate participants in the ‘conversation’ over the IGO’s proper role. An IGO whose policies could be swayed by NGOs appears beyond the state-centric models of neorealism and neoliberal institutionalism. In my case work, the BWI are all committed to neoliberal economic principles. Ideological change toward more statist, social-welfarist, or green ‘sustainable development’ approaches to international political economy common to the NGO community would be a major indicator of NGO penetration.

1.8.6.1. I6a) Policy Dialogue

Are the NGOs invited in to critique and help re-define the formal mission statements of the IGO?

1.8.6.2. I6b) Policy Change

Do they succeed? Does the institution actually learn from NGO engagement?

Learning

These indicators are explicitly written in general language. I hope to apply them in future research to other IGOs. As mentioned, the creation of useful cross-institutional measures is an explicit methodological goal of the dissertation. I know of only one similar effort (O’Brien, et al. 2000), but it provides no clearly listed indicators of changes in generalizable language. Risse, in his broad review of the literature on NGOs (2002:264), makes this point: “Many studies do not lead to generalizable conclusions, since they suffer from methodological problems such as case selection on the dependent variable. There are many single case studies of successful transnational campaigns, while we know much less about failed campaigns.”

In crafting these indicators (as well as selecting my cases), I have tried to avoid this problem. The indicators are written from the organizational end of the relationship. They attempt to identify concrete (read: empirical) changes in the institutions that could reasonably be attributed to NGO pressure.¹⁰ Rather than examining successful NGO lobbying on an IGO or state to delineate scope conditions of success,¹¹ I construct a range of constant factors (indicators of NGO impact) across a range of cases selected by means other than NGO success (Risse 2002:266). In selecting organizational targets rather than NGO successes, we can learn about NGO failures as well, as Risse recommends.

The indicators are composed and aggregated from two sources. First and most importantly, I drew on the demands the NGOs place on the BWI, and more generally on the IFIs. Building an NGO ‘demand list’ was intuitive. It provides a simple, valid, and easily verifiable set of benchmarks by which to identify change. If IGO behavioral changes appear to accord with NGO demands, then this suggests, *prima facie*, NGO impact; this was the obvious first source.

Many of these demands are easily visible on NGO websites and in their literature, as well as within the rather ‘pro-NGO’ academic literature.¹² My six indicators are aggregates and were ‘pre-tested’ by soliciting some higher profile NGOs early in the dissertation.¹³ I also explicitly solicited alternatives to my six indicators in a survey of NGOs on the BWI (discussed in Chapter 3). NGO survey recipients were given the opportunity to add other possible indicators of change. As noted, this is a measurement study, so in part the measures or indices themselves are under scrutiny. One maximal demand not listed was to close the institutions all together. One aspect of future research

¹⁰ And I specifically asked this question in all the field research.

¹¹ Not only is this methodologically suspect as Risse notes, it is also dangerously close to normative research: the uncovering of the conditions for NGO success easily becomes a menu or strategy bag for NGOs to be successful. And much of the NGO literature is openly normative in this manner (Fox and Brown 1998; Nelson 1996; Willetts 1996; Keck and Sikkink 1998, Smith et al. 1997).

¹² The possible range of NGO demands on the BWI is enormous. I have reduced the myriad possibilities to six abstract ones for manageability. The academic literature on NGOs is replete with these concerns (Florini 2000; O’Brien et al. 2002 (esp. 132-33); Gaventa and Edwards 2001; Fox and Brown 1998). For a good direct introduction to the NGOs’ demands on the Bank, cf. http://www.bicusa.org/bicusa/issues/misc_resources/383.php; for the Fund, cf. World Vision/Whaites (2003). For more general critiques of both institutions as whole, cf. <http://www.brettonwoodsproject.org/topic/index.shtml> and Danaher (1994, 2001).

¹³ This consisted of emails to and phone conversation with NGO representatives I met at the Civil Society Dialogues of the BWI Spring Meetings in 2003.

however should be the further confirmation (and deletion) of indicators of impact, depending on changing NGO preferences and demands on IGOs.

The other source of the indicators I propose comes from the organizations themselves and organization theory. That is, there may be internal change at the BWI resultant of NGO pressure, yet unsought and perhaps uneven unknown by the NGOs. Specifically I4, evaluation, is an 'in-house' change. I found no evidence that NGO sought for the institutions to review their own engagement with NGOs. Yet to do so, clearly indicates that the IGO takes its involvement with NGOs seriously.

1.9. Case Selection

The search for the impact of NGOs on world politics is tricky. One is desperate to avoid wishful statements such as the following, in which NGO impact is an article of faith: "Most of their influence is invisible except to the immediate participants, and it is therefore very easy to underestimate the impact of NGOs on UN proceedings" (Willets 1996: 54). Examining NGOs' efforts around IGOs reduces this problem of 'invisible influence' (Khagram, Riker and Sikkink 2002b:18).

IGOs, as frequent targets of NGO pressure, make for useful tests of such hypotheses. As they are institutions with bureaucracies and paper trails, they make good empirical arenas for observation. Organizational studies, such as this one, should therefore reveal whether, and if so how, NGOs impact outcomes

But even impact on IGOs does not necessarily mean that NGOs are impacting world politics much. Many IGOs are small, unimportant, immobilized, unable to enforce decisions, or otherwise distant from the main issues of world politics (Simmons and Martin 2002). Where IGOs are small and fairly irrelevant to the larger questions of world politics, realists can simply assert that any autonomy is a product of their irrelevance. Realism often relegates formal interstate institutions to the background of world politics. The 'heavy lifting' of cooperation occurs in regimes or direct interstate bargaining (Krasner 1983).

The question becomes much more relevant and significant where the IGO in question is rather important. It is necessary therefore to select efficacious IGOs – those

IGOs with serious clout or heft in world politics. Such IGOs must at least be robust, functional, relevant and have some enforcement capability. Organizations, because they reflect values, act as “arenas for ‘consensus mobilization’ or the ‘battle of justifications’” (Khagram, Riker and Sikkink 2002b:11). Efficacious IGOs reflect dominant values in GG, so the evolution (or lack) of their organizational configuration immediately speaks to NGO success or failure.

Besides the BWI, other efficacious IGOs might include the WTO, the UNDP or the MDBs. It is, however, notable how few IGOs measure up. The IMF and Bank do (O’Brien et al. 2000:1-2, 11, 25, 115, 159, 219; *Economist* June 16, 2001). NGO interviewees broadly agreed that the IMF and World Bank are the globe’s leading financial institutions. I define efficacious as:

1. Robustness. Both the Bank and Fund are well-funded, well-staffed organizations. They have existed for over five decades and have lent hundreds of billions of dollars to dozens of states (WB 2002; IMF 2002).

2. Functional: The BWI engage in much professional work. Both have worked on hundreds of projects and programs, and have robust research facilities (‘the Knowledge Bank,’ the IMF Institute and Research Department). And, in the case of the world’s most poor states, they are the primary source of hard currency and relation to the larger world economy (Miller-Adams 1999:1; WB 2002; IMF 2002).

3. Relevant: The BWI, along with the WTO, are the primary global organizations of the IFA.¹⁴ They are the largest lenders among the IFIs and create many of the rules that filter through the IFA as its informal norms and guidelines (Armijo 2002; Kenen 1994).¹⁵ Since the debt crisis of the 1980s, they have also increasingly acted as lenders of last resort and aid or donor ‘coordinators’ (Nelson 1995:17, 27, 29, 35; McQuillan and Montgomery 1999).

4. Enforcement: The BWI, almost uniquely among IGOs, have some enforcement tools. Conditionality, contingent credit lines (post-hoc, inverted conditionality), and the

¹⁴ Other organizations, such as the US Treasury, the G-7 or European Central Bank are almost certainly more important than the BWI in the IFA. They however are not global IGOs.

¹⁵ Perhaps the best evidence of their central relevance is the system of weighted national voting at the Board. (One NGO staffer called this: “one dollar, one vote.”) No other UN-related agencies have this, although the MDBs also do. The WTO General Council decides by consensus.

demonstration effect of BWI involvement on private capital markets are powerful tools to enforce compliance with BWI programming (Gilbert, Powell and Vines 2000; McQuillan and Montgomery 1999).

5. Signaling: Given their prestige, the BWI are signalers to private investors and other development agencies (Fox and Brown 1998b, McQuillan and Montgomery 1999). Their ‘seal of approval’ opens access to new credit, both foreign direct investment (FDI) and ODA. The IMF, e.g., refers to its “catalytic role” in encouraging other finance for borrowing states (International Monetary Fund 1998:50). Organizations often mimic leaders (Farazmand 2002c:71), so the Bank and Fund’s governance has multiplier effects on other IGOs (Wade 1997:731). Many Bank and Fund interviewees recognized and spoke of this to me (B24).

The difference between efficacious organizations and others is particularly important in world politics. Many IGOs are technical and fairly non-political, such as the Universal Postal Union or the International Civil Aviation Organization. But many others, especially around the UN system, are more generalist and so more heavily contested. Many have been sidelined or are generally less relevant in GG, such as the UN Conference on Trade and Development or the International Labor Organization (ILO) (Simmons and Martin 2002; O’Brien et al. 2002:11, 233).

It is precisely the efficacious nature of the BWI that draws the NGOs to them.¹⁶ NGO interviewees repeatedly told me they would prefer to approach more NGO-friendly bodies such as the ILO or the UN, but they are toothless. In the words of one, the Bank and Fund are “where the action’s at, even if we don’t like it” (W6). BWI staff recognized this, although less happily; in the words of one Bank staffer (B15), “The Bank has gotten pulled into human rights and labor standards because so many other multilateral institutions don’t function – it’s not clean and not right.” And O’Brien et al. (2002:223) find the “iron triangle of liberalism (IMF-World Bank-WTO), ...the liberalization trinity, are taking on an increasingly significant role to the detriment of other multilateral

¹⁶ This is a fairly common outcome, given the poor institutionalization of world politics. Like the BWI, the WTO is similarly efficacious in that it has a serious enforcement mechanism - legal trade sanctions. As Bhagwati (2004:183) has noted, this legal authority, so rare in world politics, has drawn a host of business lobbies, NGOs and others to the WTO with agendas that have little to do with its original GATT (General Agreement on Trade and Tariffs) function.

institutions.” While the rhetoric is unnecessarily hyperbolic, their conclusion that the BWI (and WTO) are so dominant that they are “weakening other aspects of the UN system” is probably accurate.¹⁷

Of the efficacious IGOs, I have particularly chosen the Bank and Fund for two reasons. One, the BWI are special cases for the question of NGO impact on IGOs, because so much effort is expended on them. There is certainly much NGO engagement around the IFIs in general; broadly speaking, the IFA is the main target on internationally active NGOs. But these two institutions are the foremost targets of these influence attempts (Khagram, Riker and Sikkink 2002b:3). President Wolfensohn and the Bank have said repeatedly that “civil society is fast becoming the single largest factor in development” (WB 1997:137; also WB/ Participation and NGO Group 1996:1, and the preface quotation from President Wolfensohn on the Bank’s “Engaging Civil Society” handbill). The Fund too has noted its central place among campaigners’ targets (IMF/Dawson and Bhatt 2001:2). If there is no impact here, then realist skepticism of these non-state actors’ importance elsewhere is well-justified.

Two, the BWI serve the methodological utility of cross-comparison. This is a comparative study of the two institutions’ responses. Fortuitously, they are quite similar. They are officially sister institutions. To borrow from the Bank, one must join the Fund. Their issue competencies – international finance (IMF) and development (Bank) - overlap. They have overlapping staff, collaborate on policy, and are geographically next door to one another in Washington D.C. They share (neoliberal) ideological policy predilections, which dovetail around similar policy recommendations of rational or market-based political economy. Both are ‘mission-creeping’ into each other’s areas (as is the WTO), suggesting a commonality of purpose (Metzger 2002:684; Polak 1994; O’Brien et al. 2000:233).

Finally, it is worth stressing that I am concerned here to pick relevant or otherwise important IGOs and then look for NGO impact. I am especially concerned for Risse’s complaint “of the few examples whereby case selection on the independent variable and keeping other factors constant allows for valid causal inferences on TNA impact”

¹⁷ And the UN has taken note of this too (Commission on Global Governance 1995:154).

(2002:266). In formal methodological language, I have chosen the cases by the variable of institutional “efficacy,” not that of successful NGO impact on them. And I keep “other factors constant” by a generalizable battery of empirical indicators. The indicators are not customized to ‘retro-fit’ the cases; I have explicitly crafted them in general, “disciplined-configurative” language to subvert this threat (Eckstein 1992:138ff). If the number of cases selected is small, it is only because of resource, time and access constraints endemic to any study. The lessons of this research effort are to be extended and recycled to other cases.

It was far from clear, entering this project, that the NGOs ‘make a difference’ or impact practice and policy. What was clear is that they try hard to do so. This is an important distinction and operationalized throughout the dissertation as the difference between ‘influence attempts’ or ‘access,’ and ‘impact’ (Risse 2002:265). The literature to date is not definitive, and it is very clear from my interview evidence that many in the BWI, especially the IMF, do not believe the NGOs to be serious players in the institutions. While the BWI may be “critical cases” (Eckstein 1992) because so much NGO effort is exerted here, they are not ‘most likely’ cases. These are not obviously ‘NGO friendly’ institutions (like the UN of Kofi Annan or UN Educational, Scientific and Cultural Organization, e.g.) where NGO penetration is easy or expectable. Indeed, as highly technical financial institutions, it has often been difficult to find a place in the BWI (especially the Fund) at all.

1.10. Definition of Terms

1.10.1. Global Civil Society

Until very recently, the interest of international policy makers in civil society was low. Civil society seemed to be a phenomenon of national politics, irrelevant at the global level. In the past thirty years however this has changed as civil society groups have linked up transnationally in large numbers and begun to function as coherent actors at the global

level. As Chadwick Alger has noted, the issue is no longer whether GCS exists, but rather whether and how its constituent actors behave in world politics.¹⁸

In this dissertation, global civil society, GCS, is the world third, or non-profit, sector; it is a field for non-profits to act in, but not an actor itself. As an analytical concept, GCS seeks to articulate a small but expanding realm of global interaction - often poorly regulated by governments or IGOs – by non-profit actors. Paul Wapner (1997:66, 73) provides an excellent definition of GCS when he writes:

An amorphous yet analytically distinct sphere is beginning to exist in which people can collectively express their aspirations and pursue joint enterprises independent of their association with a particular state and outside the direct purview of the state system. ...Sustained cross-boundary practices generate a domain that exists unto itself.

In that sector I examine advocacy organizations for social change (NGOs), but that is not all of GCS, just as national civil society is not only political engaged groups. NGOs are a part of GCS, but not congruent with it (O'Brien et al. 2000:159).

NGOs blur this. First, they frequently refer to themselves as “civil society,” obscuring whether GCS is an actor or a field for them. They “do not view the state as the sole representative of the people’s interests” (O'Brien, et al. 2002:4; cf. also Nelson 1995:130); and they frequently claim they are representatives, or “amplify the voices,” of underrepresented people in global governance (Khagram, Riker and Sikkink 2002; Keck 1998:202; Nelson 1995:45-47, 2002:141ff).¹⁹ This ‘democratic’ claim to relevance is sold by re-titling themselves as ‘civil society,’ rather than as ‘NGOs.’

Second, NGOs are commonly described as generalist advocates of global public good, or a “global conscience” (Risse 2002:256; Florini and Simmons 2002:4, 7; title of Willetts 1996; O'Brien et al. 2000:219), and they certainly think of themselves that way. This normatively buttresses their use of the term ‘civil society.’ These two often slide together (Edwards and Gaventa 2001). Broad notions of the global public good overlap with the broad sector of people NGOs claim are underrepresented in global governance.

¹⁸ Dr. Chadwick Alger, personal correspondence, 11/2000.

¹⁹ The Bank Information Center, one of the leading NGO watchdogs of the MDBs, has the tagline “Amplifying Local Voices to Democratize Development” on its webpage (www.bicusa.org).

NGOs, repackaged as civil society representatives of the excluded then use this self-profile to demand access and impact at IGOs (and in the IFA in general).²⁰

Keohane and Nye (2000:32) make the fairly commonsense observation, as did many of my interviewees, that “the democratic legitimacy of NGOs is not established simply by their claims to part of ‘civil society.’” For this reason I have generally referred to ‘NGOs,’ not ‘civil society organizations’ (CSOs). Indeed, I suggest that an indicator (15) of NGO impact is the very adoption of civil society language by the Bank and the Fund.

I therefore remove the normative tinge from the notion of GCS (O’Brien et al. 2000:14-15). It is a useful term to catch the emerging global non-profit sector. It holds well both the advocacy non-profits (NGOs) and the other ‘daily life’ groups in religion, sports or culture. Following IR precedent, I have chosen ‘NGO’ to identify the advocacy organizations that approach the Bank and Fund. GCS is simply a global, non-state, non-market space. It is neither an actor nor a normative agenda.

1.10.2 NGOs

1.10.2.1. Definition

The working definition of NGO here is of the lowest common denominator: globally active, private, non-profit groups advocating social change in issues in global governance. This is intentional to accommodate the diversity of NGOs in GCS, while nonetheless to trying to get to the politicized, activist band that interests scholars. Such NGOs are nonprofit, heavily politicized, ideologically postmaterialist, social change-oriented advocates, frequently targeting the IFA - here the BWI - for influence.

Two other definitions suggest themselves – those of the Bank and Fund of course. The Bank’s Operational Manual (GP 14.70 fn. 1) describes “civil society [a]s the space

²⁰ This is an interesting example of NGOs trying to ‘re-frame’ themselves. As discussed below, ‘re-framing’ issues is a common strategy of NGOs otherwise weak in organization and resources. Lately NGOs have applied this *to themselves*. In the 1990s, NGOs, very consciously, began referring to themselves as ‘civil society’ because of its decidedly more democratic ring. If IGOs and other established global actors accept that identity claim as democratic representatives, then it is much harder for institutions with democratic/liberal predilections to lock them out.

between family, market and state; it consists of not-for-profit organizations and special interest groups, either formal or informal, working to improve the lives of their constituents.²¹” The Bank describes NGOs as “private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development.²²” It routinely divides NGOs into “operational” and “advocacy NGOs,” but has noted, as early as 1995, that these groups are increasingly overlapping (WB/Operations Policy Department 1995:14).

The Fund writes

2. For IMF purposes, civil society can be defined as an arena where voluntary associations of citizens seek to shape governance structures and policies.

3. Civil society actors include business forums, faith-based associations, labor movements, local community groups, nongovernmental organizations (NGOs), philanthropic foundations, think tanks, and more. The present guide does not include political parties as part of civil society, given that--unlike the other citizen groups just named--political parties aim to occupy public office. The communications media also are not covered in this guide.²³

Use of these definitions would strictly avoid validity problems, but both these definitions lack concision on the NGOs that are actually pressuring them to change. Both do overlap with the neutral definition of civil society I put forward, but the NGOs reject that, appending a democratic meaning to civil society. And only the Bank definition hints at the advocacy efforts of its NGO critics when it returns to NGOs. The Fund language includes no specifics on NGOs.

²¹ The Operational Manual may be found here:

<http://wbln0018.worldbank.org/institutional/manuals/opmanual.nsf/textonly>. GP 14.70 may be found here: <http://wbln0018.worldbank.org/Institutional/Manuals/OpManual.nsf/tocall/1DFB2471DE05BF9A8525672C007D0950?OpenDocument>.

²² This quotation comes from a 2000 web essay, “Key Themes and Issues,” from the former NGO and Civil Society Unit, which has not yet been reposted. Today the Bank prefers the term CSO (civil society organization). But in its definitional presentation, NGOs fall under the rubric of CSO. Hence I retain the earlier definition of the NGO. The Bank Civil Society Team’s (the successor to the NGO Unit) current language is: “(civil society is a) wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. Civil Society Organizations (CSOs) therefore refer to a wide of array of organizations: community groups, non-governmental organizations (NGOs), labor unions, indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations.” This comes from <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20101499~menuPK:244752~pagePK:220503~piPK:220476~theSitePK:228717,00.html>. To expand my dissertation to accommodate all of civil society would simply be too much. I limit myself to NGOs. GP 14.70 also refers to NGOs, rather than CSOs, but provides no definition.

²³ From the Fund’s “Guide for Staff Relations with Civil Society Organizations” (October 10, 2003), available at: <http://www.imf.org/external/np/cso/eng/2003/101003.htm>.

1.10.2.2. Typology

A typology is useful here. There are three ways by which to cut into the social change/advocacy NGOs that populate GCS – by organization, by strategy, or by behavior. I choose the last, but will deploy some of the other language as descriptors.

An organizational breakdown of NGOs, and more broadly of GCS, would be quite useful as a general project, but is of limited utility here. There is an intimidating thicket of terminology to cut through. I deploy fairly established terms – GCS and NGO. But in an effort to improve those, especially the frustratingly vague ‘NGO,’ consider the wide array of equally frustrating variants: global social movements (GSMs, O’Brien, et al. 2002), TNAs (Risse 2002), TSMOs, community-based organizations (CBOs, the Bank), grassroots organizations (GROs, Fisher 1993), TANs, ‘epistemic communities’ (Haas 1992), IONs (Ruggie 2001), and CSOs, among others. While many these terms do in fact cut to various organizational types in GCS and will be used here, the organizational diversity of GCS prevents any of them from having the reach of the placeholding ‘NGO.’ In other words, these descriptors are not incorrect; rather they parse the NGO portion of GCS into even smaller organizational categories, with some definitional overlap. Yet often a wide variety of these organizational sub-types pressure IGO, states and MNCs. It is therefore useful to retain the bald, general language of NGO. Certainly in the case of the Bank and Fund, so many different organizational types belong to the NGO community around it, that only bland language suffices to capture them all. In frustration, one falls back on NGO, as it seems the only term everyone can agree on. Paul Nelson (1995:37-38), in one of only two booklength academic treatments of NGOs and the Bank to date, remarks: “The broad use of ‘NGO’ adopted for this study sacrifices precision for inclusiveness.” This is the attitude adopted here.

An alternative typology would divide the relevant NGO community by strategy (Ottaway 2001:273; Steele 2000:285, Scholte 2002:284; Bhagwati 2004:4). This serves the methodological utility of creating a complete universe of NGO demands against IGOs – from simple information provision up to complete abolition of the IGO itself. First, the radical, antiglobalization wing of GCS often seeks direct confrontation with IGOs, especially IFIs like the BWI. Second, a reformist wing, of mostly Northern NGOs,

critically engage IGOs for change. A third, conformist category of mostly Southern grassroots NGOs cooperates with IGOs, occasionally at crosscurrents with the other wings, in the projects which directly affect them.²⁴ The Bank's preference to define NGO as advocacy or operational fits this strategic typology; the Fund too adopts this tripartite division (IMF/Dawson Bhatt 2001). Unfortunately this division does not pinpoint the NGOs that actually engage specific IGOs. To define the relevant NGO community we need to identify which NGOs actually devote time and resources to specific IGOs.

This suggests a third, behavioral variable to identify the NGOs in GCS relevant to an IGO - those NGOs which attend or participate in the meetings, conferences, projects, etc. of the IGO. In her work on how to demarcate the boundaries of NGO networks, social movement theorist Beth Caniglia (2002:157-58) terms this a "realist framework...for the boundary specification" of issue networks. "Realist" here means the 'real' "action sets" - i.e., the actual practices of those who show to protest, lobby, etc. - of contending NGOs. By contrast, "the nominalist approach to boundary specification allows us to demarcate the network of all environmental TSMOs, as opposed to the action-set of TSMOs that commonly works together." I follow the realist criterion for the simple reason that a nominalist one would involve almost any NGO that ever voiced concern about the Bank, Fund, structural adjustment, globalization, etc. A definitive such list would be ultimately un-creatable. The simpler behavioral - i.e., realist - approach is more transparent and coherent.

I therefore sought out listing of those NGOs that approach and engage the BWI. The most useful universe is the NGO attendee lists of the biannual "Civil Society Dialogues" (CSDs).²⁵ These dialogues are topical meetings that occur between BWI staff and NGO representatives. They occur during the few days before and after the major biannual meetings of the Boards of Governors, the highest governing body of the BWI. Each spring, the BWI, as sister institutions, hold joint "Spring Meetings" at the level of the Board. Similarly, each fall, the BWI hold their "Annual Meetings" at the level of the

²⁴ Mainstream economic institutions and networks (epistemic communities) might also be considered as conformists (O'Brien 2000:1559-60; 189; Overbeek 1993). Cf., e.g., Bhagwati (2004).

²⁵ <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20094168~menuPK:220438~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

Board. The Spring Meetings always occur in Washington, the location of the headquarters of the Bank and Fund. The Annual Meetings are held in Washington two of every three years, with the third off-year meeting held abroad.²⁶ They are the primary general interaction point between the BWI and NGOs (Kelly 2003).

1.10.2.3. NGO Strategies of Pressure on the BWI

NGOs target the BWI through a fairly unique transnational political opportunity structure. There are three points of vulnerability. First, financially, the BWI, like most IGOs, must go to the nation states for resources. In principle, IGOs cannot raise their own funds, although the World Bank is a partial exception to that (discussed in Chapter 5). Therefore NGOs have frequently targeted national appropriations processes in major donor states (Fox and Brown 1998:5; Nelson 1995:60). The most famous effort to do so was tenth replenishment of the International Development Association, the soft lending window of the Bank in the early 1990s (IDA-10). NGOs approached the US Congress to withhold IDA-10 funds until the Bank had reformed, particularly its environment assessment process. This process has repeated itself elsewhere as the NGOs have hunted for national allies in the G-7 states, especially in their parliaments, as the BWI often have their own allies in finance ministries.²⁷

Second, at the grassroots, NGOs go around the BWI where they implement programming to arouse resistance among PAPs. When local populations appear to reject Bank and Fund programming, the BWI are in an awkward position. Formally they are committed to helping the borrower states and their populations. And certainly most economists would argue that the basic neoliberal package of the BWI, sometimes referred to as the “Washington Consensus,” is healthy for borrowing states in the medium and long-term (Bhagwati 2004; critics refer to this as “neoliberal hegemony,” Overbeek 1993). Yet the NGOs have done a better-than-expected job in raising, and fanning, local

²⁶ The 2003 Annual Meetings, e.g., were held in Abu Dubai. Many NGOs I interviewed suspected this choice because of the great difficulty in organizing protests in such a restrictive political environment.

²⁷ In the course of the field research, I met three parliamentarians broadly affiliated with the NGO and anti-globalization movement. All were Europeans. My NGO interviewees routinely said these were highly prized ‘catches’ for the profile they brought their efforts. Meetings between parliamentarians and NGOs are often a part of the Civil Society Dialogues.

ire (O'Brien et al. 2000:19, 28; Fisher 1993; Clark 1990; World Development Movement/Mark Ellis-Jones 2003; IMF/EXR 2003:24).²⁸ By stirring up 'revolution from below,' the BWI are painted as faceless global institutions seeking to impose from far away a model that locals may not accept (Khagram, Riker and Sikkink 2002b:4; *Economist* December 11, 1999:21).²⁹ This sets up an uncomfortable conflict between the BWI and the borrower, for theoretically the borrower is expected to come to them and welcome their engagement (Sachs 1998; Mosely, Harrigan and Toye 1995; Nelson 1995:94, 124). By driving a wedge between the BWI and borrowing states, without whom the BWI cannot continue to exist, the NGOs are trying to force concessions from the BWI. The Bank is more vulnerable along this dimension, because its project programming is more tangible (O'Brien et al. 2000:216-17).

Third, the Bank and Fund, because they broadly function in a liberal and democratic environment, are ideologically vulnerable to straightforward normative critiques. They are sensitive to the 'mobilization of shame' NGOs commonly employ, and to claims of unrepresentativeness. The BWI represent a broadly liberal, if not overtly democratic, worldview (Nelson 1995). Although they are not formally democracy-promoters, the neoliberal economics they foster in their programming implies an openness and pluralism that is hard to ignore within the institutions themselves. Both are staffed heavily by professionals trained in Western universities. The major donors are all liberal democracies. And the actual headquarters of both are located in the heart of modern global liberalism and in an extremely pluralist political environment. Although formally an IGO responsible only to member-states, it would be a noticeable values conflict for 'liberalism-promoting' institutions to deny a role to public opinion and other interests. The NGOs have exploited this ideological vulnerability to push their way into the institutions.³⁰

²⁸ The Fund has guardedly admitted this too (IMF/EXR 2003:24).

²⁹ This was clearly the case at fourth World Social Forum at Mumbai, India, and at the several anti-globalization protests in Washington, D.C. I attended. Cf., e.g., the Fifty Years Is Enough Network, which actively works in borrowing states to encourage rejection of BWI lending: <http://www.50years.org/>.

³⁰ This understanding of the BWI as targets for NGOs because they are liberal is quite widespread within the institutions. A Bank interviewee (B10) confirmed this when he repeated to me one NGO interlocutor's explanation of the benchmarks for deciding to begin a campaign. One benchmark was whether the campaign might succeed in changing the project. Hence World Bank projects are easier targets, because

The first two routes for input map a straightforward interorganizational conflict between NGOs and IGOs. This is consistent with second and third hypotheses presented below. Both of these vulnerabilities give the NGOs (rare) leverage over the BWI. By contrast, the third strategy exploits an ideological rather than structural weakness. It is consistent with the possibility of ideational change enunciated in the fourth hypothesis.

1.11. Plan for the Remainder of the Dissertation

The rest of the dissertation follows a generic social science format. Chapter 2 provides a review of the related literature. The broad literature on NGOs is surveyed first, then the literature on NGOs and the BWI. While there is a rapidly expanding literature on NGOs in IR, there is surprisingly little on NGOs and the BWI. In the discussion, I note how my indicators and hypotheses draw from this previous work and attempt to make it more methodologically rigorous.

Chapter 3 presents the research design's methodology. Four methods of data collection are identified. I consciously employ a triangulation strategy of both quantitative and qualitative approaches that draw from both NGO and the BWI informants. The polarized debate between these camps requires data collection from both. I conclude that this contested environment also demands an academic posture of empiricism and neutrality hitherto lacking in much of the literature surveyed in Chapter 2.

Chapters 4 and 5 put forward the results of the research. Chapter 4 examines what movement, if any, there is on the indicator scale suggested. Chapter 5 uses the empirical results of Chapter 4, as well as direct questioning of informants, to make a causal assertion on the hypotheses for each institution. Briefly, the data indicates that my third

private creditors or export credit banks will simply ignore NGOs. Another Bank interviewee (B24) repeated a similar story from an NGO interlocutor: "we are interested in the World Bank because you actually respond to our letters." In-house opinion seemed to be split on this issue. Clearly there was envy of the more closed, private bank-like practices of the ADB, much less the private banks like CitiCorp or the Chinese Construction Bank. The Bank interviewee above put it, "does our weakness incite NGO provocation?" Another noted that the institutions' openness is a "reflection of the liberal, progressive values of the G-7" (B8).

hypothesis, mission performance improvement, is most accurate for the Bank, and that my second hypothesis, organizational defense, is most accurate for the Fund.

Both chapters are divided by institution. They then follow the format of the indicators or hypotheses cross-referenced against the techniques of data collection proposed in Chapter 3. Both chapters present the collected data as unmediated as possible. Extensive secondary analysis is foregone in the interest of straight reporting. The data should, on their own, infer one of the hypotheses as most accurate.

Chapter 6 provides an analysis of the data and the inferred results. Differences between the institutions' responses are examined and explained. Possible intervening variables for future research are identified. The ramifications of the results on wider NGO and IR theories, as well as the actual practice of GG, are examined. I then turn to the possibilities and constraints of future NGO impact on the BWI. I note series of blockages to increasing NGO success. Unanticipated qualitative findings relevant to future impact are presented as well. Finally, a battery of further questions, both methodological and substantial, is proposed. The most important is the refinement of the research design for future use on other IGOs' relations with NGOs. Given the robustness of my results – the general success of the measurement study – I am confident in asserting the utility of my design for future use. There are some problems to be fixed.

Finally, Chapter 7 concludes the dissertation. It recaps and summarizes the basic findings. First time readers may find it a useful précis of the larger dissertation.

CHAPTER 2

REVIEW OF THE LITERATURE

2.1. Purposes and Themes

In this chapter I provide a brief intellectual review of the research pool out of which my work emanates. This review ties the dissertation to the larger intellectual project of IR theory in political science. It situates my own work in the enterprise of BWI-NGO contention, both as a research, and ‘real-world,’ endeavor. Academically, it elucidates the interconnections between my work and that of others. It should also be of use to both practitioners in the BWI and NGOs specifically, as I deal mostly with that specific literature.

First, I trace in broad, representative sketches the NGO literature in IR. I examine three broad conceptualizations – NGOs as international pressure groups, as transnational social movement organizations, and as (a part of) transnational advocacy networks.

Second, I examine the specific literature on NGOs around the BWI. There is surprisingly little given the regularity with which the BWI are targeted (Miller-Adams 1999:8). There are just three book-length treatments to date.

Third, I examine organizational studies of the Bank and the Fund. While there are many histories and analyses of the BWI, it is striking that I found only two book chapters which examine the Bank’s response to NGO pressure and none for the Fund. As mentioned in Chapter 1, this dissertation serves to fill that gap.

Fourth, I conclude with a discussion of the differences between my research here and that reviewed in this chapter.

2.2. The Nature of NGOs as Actors in IR

2.2.1. NGOs as Pressure Groups: Pluralist Theories of Domestic Politics in IR

While NGOs are easily classed as actors on the international stage, the first distinctive effort in modern IR theory to grasp their role was through interest group theory (Willetts 1982; Pei-heng 1981; Presthus 1974). Most work concerned their role in and around the UN system. As a quasi-governmental structure, the UN provided something of a replica of domestic political structures. Much as lobbies and pressure groups approach their domestic systems, so it was hypothesized that NGOs were doing the same at the UN. This analogy worked initially, because indeed NGOs have long been active around the UN. Their access to UN proceedings and official assemblies has steadily improved since 1946, and secretaries-general have broadly been supportive of NGO activity around the UN.³¹ They have had particular success in deepening and sharpening the codification of UN statutes concerning human rights (Korey 1998).

Peter Willetts, the foremost scholar of the pressure group school, suggested a preliminary subdivision of types for INGOs. He (1982:2-8) posited eight categories, three “sectional groups” (economic groups, professional groups and recreational groups) and five “promotional groups” (welfare agencies, religious organizations, communal groups, political parties and specific-issue promotional groups). This was an important first cut at explaining what the wide category of ‘NGO’ might actually include. It was quickly realized as well that some of these groups were less relevant than others in international politics. In the later research this paper examines, recreational groups and political parties, for example, drop out altogether, and communal groups are understood as belonging to the emergent field of ethnic politics.³² Willetts’ “welfare agencies” (development NGOs) and “specific-issue promotional groups” (post-materialist advocacy NGOs) became the explicit focus of the newer, more ideological bent of NGO

³¹ I thank Kent Killie for the latter insight. On the steady growth of NGO access to the UN, cf. Willetts (1996).

³² For example, Lake and Rothschild (1998) understand ethnic conflict as a wholly separate issue from NGOs.

scholarship. MNCs too are no longer categorized under the NGO label. NGO has taken on a distinct non-profit color.

Willetts' subdivisions at the time were clearly inspired by domestic politics (1982:2). Transnational pressure groups were an obvious analogy to domestic interest groups in the Western politics, especially the United States. The casework in Willetts' edited volume did not bear out the analogy well and degenerated in idiosyncratic narratives of 'successful' NGO activity. The pressure group concept only partially grasped the empirical reality of the goals and tactics of the newer postmaterialist activist/advocate NGOs like Greenpeace or Amnesty International, and it broadly misunderstood the work of the largest sector of NGOs, those in development. Willetts himself, the best advocate of this approach, conceded (1996:2) that 'pressure group' or 'interest group' were "unsatisfactory" labels. Yet like my presentation above, Willetts is also cautious about embracing the more sociological and openly normative language of NGO scholarship of the 1990s. He retains 'NGO' because "in the world of diplomacy, there is widespread agreement on the use of the term" (1996:3) to cover the many various nongovernmental yet politically active groups filling GCS. I follow his caution.

2.2.2. NGOs as TSMOs: Sociological Theories of Social Movements in IR

Most of the post-UNCED work goes further and explicitly reaches into another field to help classify NGOs.³³ Borrowing heavily from sociology, especially Sidney Tarrow's work, post-Rio scholars are more likely to understand NGOs as the organizational embodiment of a social movement, in which INGOs are read as TSMOs. Tarrow (1998:2) understands a social movement as "those sequences of contentious politics that are based on underlying social networks and resonant collective action frames, and which develop the capacity to maintain sustained challenges against powerful opponents." When institutionalized and 'transnationalized,' such movements become "transnational social movement organizations (TSMOs)." These are a distinct subgroup of NGOs, as "many INGOs reflect and reinforce the status quo" (Kriesberg 1997:12). Tarrow (1998:184) himself offers a definition of transnational social movements, as

³³ The dearth of resources in IR theory by which to approach NGOs is telling.

“sustained contentious interactions with opponents – national or nonnational – by connected networks of challengers organized across national boundaries.”

Smith, Chatfield and Pagnucco (1997) is the most coherent attempt to date to provide a sharper understanding of INGOs activity and goals by incorporating sociology. By explicitly turning to sociology (both Smith and Pagnucco are sociologists), they also lay the foundations for the growing constructivist understanding of INGOs in IR theory deployed in H4.

The introduction of sociology brought conceptual benefits. The sociological turn seems to grasp the element of popular participation for social change better than the interest group conceptualization, and it also more firmly grasps the methods and successes of contemporary NGOs. That is, the pressure group notion understood NGOs as lobbies at the UN and other IGOs such as the ILO. But NGO successes in improving the codification of international standards in areas such as the environment or labor rights clearly had little real direct empirical impact. Unlike domestic pressure groups addressing a sovereign government that could enforce policy changes, the UN and most IGOs do not have an enforcement capability. Hence NGOs policy ‘successes’ at those bodies were ephemeral at best.

Instead the sociological turn grasps the new strategy of NGOs, what Smith, Pagnucco and Chatfield call “deep politics” – H4 in my presentation. TSMOs seek not so much to change specific program outcomes. They generally lack the resources and access to do this, to win the interorganizational clash of H2 and H3. Rather “the deep politics of shaping individuals’ thinking and actions on the environment, peace, development and other issues clearly occupies much, if not most, social movement energies” (Smith, Chatfield and Pagnucco 1997:70). In trendier language this may be understood as ‘consciousness-raising.’ To do so, TSMOs devise and disperse “interpretive frames” on issues so as to reorient individuals sense of right and wrong on issues.³⁴ This clearly borrows from the work of Tarrow (1998:ch.7) and other sociologists (Snow and Benford 1988) and is used here in crafting H4. The research of more explicitly IR scholars will adopt this language in later work.

³⁴ One BWI interviewee (citation repressed) put it as follows, “NGOs get some leverage from their analyses, but much more from the media and being loud.”

Problematically however, this push toward the second and third faces of power - as the realm of efficacious INGO action - makes empirical documentation of INGO impact more difficult. In the period where INGOs attempted to function as international private lobbies at instances of international ‘government,’ their failure to achieve concrete policy changes was empirically clear. Realism and IR theory could more comfortably write them off. Today the more sociological and constructivist bent of NGO research makes tracking their success (or lack thereof) much more difficult. As Willetts notes (1996:54), “most of their (NGOs) influence is invisible...and it is therefore very easy to underestimate.” By contrast one might suggest that is also easy to overestimate.

Finally, the analytical move to TSMOs from the large INGOs clustered around the UN system parallels the empirical decline of large, mass-movement organizations and the rise of smaller, more ideological, middle-class and postmaterial groups both within and between states (Tarrow 1998:ch. 8; O’Brien et al. 2000:17; Smith and Johnston speak of a “middle-class bias” 2002:9, fn.2). The new NGOs arising in the 1970s and 1980s were explicitly political, ‘activist’ and ‘social change’-oriented. Explicitly ideological, non-profit commitments, typically of postmaterialist social movements, are common in the newer NGOs. For this reason, they are often characterized as ‘values-based’ or ‘principled’ actors. These are the manner of NGOs most represented in my survey work.

2.2.3. From NGOs to Transnational Advocacy Networks

Keck and Sikkink, as professional political scientists in IR, offer perhaps the most satisfying, if still somewhat incoherent, examination of NGOs as international actors, in part by shifting the unit of analysis to transnational advocacy networks (TANs). They use the sociological insights of Tarrow, and Smith, Chatfield, and Pagnucco, and blend them with recent constructivist theories in IR. Rather than adopting the TSMO label however, they posit NGOs within much looser TANs. In these networks, NGOs are nodes, to be activated for campaigns, but they are not so tightly bound as to be titled TSMOs. Fully transnational or international NGOs like Amnesty International or Greenpeace are rare; ‘TSMO’ demands so much coordination that it overlooks other, less robust transnational

organizing. In a TAN, the network as a whole may be transnational while the constituent NGOs may be international or national or perhaps smaller.

They define TANs as “networks of activists, distinguishable largely by the centrality of principled ideas or values in motivating their formation” (1998:1). The postmaterialist, ideological commitment that the TSMO work introduced is retained (and perhaps embellished as ‘values.’) They have shifted the debate, by altering the unit of analysis. Like the sociologists, they have moved beyond the vague ‘NGO’ to something more descriptive. They have shifted the sense IR has of ‘NGO’ – globally active non-profit social change advocates – to a larger community, a network that encompasses the many possible organizational forms such social change advocates can take.

Like TSMOs, TANs are active both in ‘deep politics,’ as well as specific campaigns (1998:2, 6). Concerning the former, they borrow the sociological language of the frame diffusion. “An effective frame,” they write, “must show that a given state of affairs is neither natural nor accidental, identify the responsible parties and propose credible solutions” (1998:19). Such frames reconfigure issues to create relatively clear images of right and wrong and thereby mobilize moral concern. Like the sociologists before them, Keck and Sikkink remain committed to the notion that NGOs and other actors in TANs are ‘principled,’ not pursuing interests but values (1998:30). I used such notions in crafting H4.

But like TSMO, TAN also stumbles. Where TSMO is too strict, TANs are too open for two reasons. First, the unit of analysis switch from clearly identifiable organizations to a network raises an agency problem. The diffuse nature of the advocacy network muddles the clarity of who precisely are the actors.³⁵ This does not resonate well with their casework, which portrays NGOs doing the heavy lifting (as is the case around the BWI as well). If some NGOs do far more work than others, is it really a TAN? Second, there is no real benchmark provided for when the diverse members congeal into a TAN. Certainly the NGOs around the Bank and Fund resemble a TAN far more than TSMOs, but after several years of research, I am not comfortable that even a ‘network’ is a good description. It is perhaps a matter of degree, but Keck and Sikkink provide no

³⁵ The diffuse nature of agency in a TAN also violates the empirical, actor-centric methodology I recommend in chapter 3.

benchmark of critical mass to justify ‘network’ language. I prefer the even looser ‘NGO community,’ and no NGO interviewee in my research ever seemed to envision anything as grandiose as TAN.³⁶ Tarrow makes a similar point (1998:192): “Rather than focusing on the abstraction of a global civil society and regarding every incident of transnational activism as evidence of its coming, we will learn more by seeing transitional networks as external actors providing resources and opportunities for domestic movements in formation” (cf. also 2002:231ff).

Such networks are a useful insight for IR theory. They add teeth to constructivism by provisionally identifying those who wish to alter the social construction of world politics (Wendt 1999). But it is not clear just how such ill-defined actors as “networks” fit into IR general theory. Certainly Keck and Sikkink fall into the constructivist camp (1998:214-17) as they envision the gradual alteration of state (and IGO) identities as a result of new information and the mobilization of shame. In reorienting the very identities of established international actors, they are embracing the third face of power (H4 here) that underlies social constructivism. If state identities are somewhat plastic, and their interests are dictated by their values, then reshaping those values is the ideal strategy for the long-term moral improvement of state foreign policy. (This logic should also apply to IGOs.) This is the core of deep politics practice in world politics.

2.3. NGOs and the Bretton Woods Institutions

The preceding was a general treatment of NGO theories in IR. Beyond that theory, there is a large and flourishing general literature in IR on NGOs and GCS, with a strong emphasis on case studies (Willetts 1996; Boli and Thomas 1999; Florini 2000; Edwards and Gaventa 2001; Iriye 2002; Khagram, Riker and Sikkink 2002; Ougaard and Higgott 2002; Smith and Johnston 2002). But there have been only three book-length academic treatments specific to NGOs and the BWI (Nelson 1996; Fox and Brown 1998; O’Brien et al. 2000). It is to these I now turn, in order to narrow the focus to the

³⁶ In fact, I use the term ‘NGO community,’ because I heard many NGOs use that language in various fora. In asking informally about TANs, I generally received looks of bewilderment about such a construct.

particular IGOs of interest here. I briefly present each work, and then elucidate what I have drawn from it for this project.

Paul Nelson, an NGO advocate and scholar, wrote the first serious booklength treatment of NGOs and the World Bank in 1995: *The World Bank and Non-Governmental Organizations: The Limits of Apolitical Development*. The date was precipitous. It was the fiftieth anniversary of the BWI, occasioned both by the emergence of a permanent NGO community around the BWI (under the slogan ‘fifty years is enough’), including a noisy rejectionist wing intent on closing the institution, and the launch of the Brookings Institute’s massive fifty year overview of the Bank project (Kapur, Lewis and Webb 1997) which, but for Wade (1997) incidentally, provides no serious examination of NGOs.

Nelson’s book is pessimistic on the possibility of NGO impact on the Bank. A strong proponent of it, he nonetheless portrays the Bank as a rigid institution engaging NGOs for the public relations benefit and as occasional instruments for the improvement of its projects. After analyzing the NGO involvement in the projects which the Bank claims as examples of cooperation, he decries that cooperation as “inflated” (68). Few NGOs have a “major role” in Bank projects (72), and most NGOs are used to soften the externalities of social adjustment lending, which lending the NGOs often oppose anyway (76). Constraining the Bank is a severe institutional culture in which structural, ideological and social-psychological variables (11) reduce serious engagement. Respectively, those are “a rigid project cycle, the protective organizational myth of apolitical development, and a hierarchical and insular information management system” (vii). This internal culture reduces the possibility of NGO cooperation to the fringes of the Bank’s work (as well as identity), and understands their role primary as external “service providers,” not “political representatives” (130).

Here I borrow primarily from his insights on markers of change at the Bank of successful NGO pressure and the reason for Bank change. I have formalized some of numerous possibilities Nelson suggests throughout his text.

I draw on several of Nelson’s possible empirical indicators – the consultation of Bank staff with PAPs (6), participation in project design (72, 191), policy alteration (107,

133), and the need for evaluation of NGOs' involvement (196). I have formalized them beyond Nelson's presentation in order to generate generalizable indicators for other IGO. But my dissertation does begin from his first, valuable insights into tracking NGO impact at the Bank.

More importantly in formulating my hypotheses, I draw from Nelson's focus on the tension in the Bank over NGOs' roles. Nelson sees a running tension in the engagement of NGOs. They perceive themselves as "agents of accountability," but the Bank views them primarily as operational addenda (177). This is the struggle I have formalized into H3 and H4. (Nelson says little directly about NGO engagement as organizational defense, although his caustic pessimism on NGO-Bank relations suggests an opinion that the Bank engages them firstly for PR purposes.) Throughout his book he laments the treatment of NGOs by the Bank as instruments for its own work, and not as representatives of PAPs and/or 'political values.' The Bank, he argues, treats the NGOs frequently as "consultants" (166). As such their role is generally limited to project implementation and 'social clean-up' – softening the social impact of structural adjustment. In this way, NGOs are instrumentalized. The Bank treats them according to the interorganizational logic of the expected consequences. NGO involvement (may) boost the expected utility of a Bank project, hence they are invited in. Utility even applies to the legitimacy argument the NGOs make: if local populations will sense greater ownership of a Bank project if NGOs are involved, then their local legitimacy is of instrumental value to the Bank. Improved local ownership (identification with the project, its goals, etc) improves project outcomes and so raises the overall mission efficiency of the institution (167, 182). By contrast, were the Bank to accept a 'political role' for the NGOs, it would dramatically alter the way the Bank does business (6-7). The "NGO model" of development is dramatically different – "partisan, process-oriented and participatory" – from the Bank's – economic, capital-driven, growth over distribution. To open the Bank to NGOs as legitimate participants, and so legitimize their development model, would be an in-house revolution.

After Nelson's work, the most important text on NGOs and Bank is *The Struggle for Accountability: The World Bank, NGOs and Grassroots Movements*, edited by

Jonathan Fox and David Brown (1998). They share a similar interest with Nelson (and this dissertation) in identifying areas of change at the Bank in response to NGOs. But they are less concerned than Nelson with the Bank itself than the NGOs that pressure it. Their casework drives their findings, whereas Nelson builds fairly complex institutionalist explanations. The two texts complement one another well.

Fox and Brown open by posing the question of how the Bank has changed. Their answer is very little (2). Whereas Nelson provides a desk reviews of projects, Fox and Brown's contributors look at actual cases and find a gap between policy and practice. They conclude that the Bank has in fact "improved" its policies, but that the implementation of those policies in practice is lacking (535). NGO impact is ad hoc and inconsistent. They note, like Tarrow, that transnational social movements are fleeting and usually do not outlast particular campaigns (30). This makes a consistent NGO voice difficult. (One thinks again of the reach in calling the NGO community at the Bank a TAN.) If there is slippage between policy and practice, they recommend increased monitoring of Bank reform efforts by NGOs to insure compliance (20).

The authors provide case studies of actual campaigns against Bank projects. Their assessment of these efforts unearths a mixed bag of indicators of NGO-induced change at the Bank. They (1998b) note for example that significant NGO protest against incipient projects have created an "emerging international NGO 'alarm system'" (486) that may halt them early in development. They also attribute the World Bank's Inspection Panel and an improved "quality" (less supportive of dictators, more environmentally sustainable, etc.) of Bank-funded projects to NGO pressure (492-96, 530-33). But they share Nelson's general pessimism; they conclude that their case "studies found no direct link between the intensity of grassroots mobilization and impact on projects" (497). There has been however impact on policies, especially in the wake of particularly disastrous projects. These policies, as well as the ever-constant threat of NGO action, thus act to "negatively select" out the most controversial projects, to prevent them from ever reaching the Board (497).³⁷ They also find "nominal" acceptance of NGOs and

³⁷ This gives some punch to Willetts' assertion of "invisible" NGO influence (1996: 54).

grassroots participation within the Bank (535). NGO-driven change at the Bank they call “slow, inconsistent, and ambiguous with few clear-cut breakthroughs” (485).

My use of Fox and Brown parallels Nelson. Both introduce a variety of ideas and possibilities which I have tried to formalize and generalize in my indicators and hypotheses. In this way, my dissertation does trace itself immediately back to these texts. Fox and Brown are aware of the limitations of NGOs around the Bank. They recognize the need the NGOs have for allies, both in donor governments and within the Bank. This feeds directly into the hypotheses. Fox and Brown note (uncomfortably) the importance of donor persuasion for the NGOs (486-87). This suggests that the Bank’s ability to respond to NGOs is in fact constrained by the great power donors (H1).

Fox and Brown are also aware of the deep fissure between the Bank (and IGOs generally) and NGOs on the issue of NGO representativeness (19). The second primary theme of their edited volume is just how representative NGOs, especially Northern ones, can be of Southern PAPs. As activists themselves (ix), they are greatly worried that the Bank (and other IFIs) will use poor North-South accountability within NGO coalitions as a reason to ignore the mostly Northern NGO efforts. Indeed they devote an entire retrospective chapter (Brown and Fox 1998) to improving the accountability and transparency of NGOs and coalitions of them. They realize, as have many others (Bhagwati 2004; many of my BWI interviewees), the awkwardness of Northern NGOs advocating on behalf of Southern populations without serious roots there.³⁸ The representative character of NGOs is a serious issue of contention and dissonance between the NGOs and IFIs. This was a running theme in my field research.

I have formalized this into the division between H2 and 3, and H4. For their part, Fox and Brown contend that while NGOs have improved their connections to local groups in the South, they are “not direct representatives of grassroots groups” (3). This returns us to the struggle over the identity of NGOs – as democratizers of GG, or just international interest groups. Fox and Brown hedge on this. NGOs are presented as improving the connections necessary to be democratic amplifiers of locals, and they do

³⁸ Elsewhere (Kelly 2003) I have argued that frequently GG looks like an epistemic community because so many of the players recycle from one meeting to the next. NGO representatives, almost exclusively from the North, meet with the same ‘NGO officials’ of IFIs throughout the GG calendar, creating the impression of rolling community or traveling circus.

not use the term ‘lobbying’ to refer to NGO activities, instead describing it in the more normatively-loaded, social movement language of ‘protest.’³⁹

Like Nelson, Fox and Brown are pessimistic about the possibility of change at the Bank from NGO pressure. Fox and Brown see real NGO impact on the institution primarily in adoption of an ideology of development – sustainable development (496). Nelson speaks similarly when he discusses the hesitance of the Bank to switch to the “NGO model” of development. Both books are hostile to the notion of structural adjustment and understand development as holistic, environmentally and socially ‘conscious,’ and participative. Both argue the Bank does not function in this way. This is a rather ideological perspective on change. It defines ‘learning’ as that policy which the researcher sees as normatively most fit. Both began from the rather controversial position that the Bank does its job incorrectly; structural adjustment is simply assumed to be improper (495), with little discussion of the extensive economic case for it (Bhagwati 2004). NGO impact is therefore not measured organizationally, but ideologically or paradigmatically. While I certainly include possibility of a gestalt switch in I6 as a marker of NGO impact, I expand the possible avenues of impact to include structural and in-house practices. There can be change short of a paradigm shift. Impact on any institution is often incremental; this should not be overseen because of a (normatively-sought) desire for an IGO gestalt switch.

The focus on development, particularly on ideologies of development, is also troublesome, because it transfers the locus of research on NGO impact at the Bank to the actual outcome of programming: do projects look like sustainable development? But at that stage, many other factors have impinged on implementation – second-thoughts and interventions from national and provincial governments, corruption, external economic shocks, misgivings of other donors, etc. (496). These factors are frequently out of the Bank (and Fund’s) hands,⁴⁰ so it is not methodologically cogent to seek BWI institutional change ‘on the ground’ in developing states. They are literally two different locales. At a

³⁹ By contrast, Nelson (2002) seems prepared to admit the NGOs often act suspiciously like lobbyists. And, unsurprisingly, BWI interviewees generally saw NGO action as straightforward interest lobbying shorn of any moral component of ‘protest.’

⁴⁰ Hence the frequent BWI claim that ‘bad’ programming would otherwise be worse without their participation.

Civil Society Dialogue in April 2004, a representative of the World Bank noted to a group of approximately 50 NGO representatives, that NGO expectations that a change in Bank policy can bring immediate change ‘on the ground’ are simply unrealistic. The Fund’s “Guide for IMF Staff Relations with Civil Society Organizations⁴¹” notes that “CSO may hold unrealistic expectations about the extent to which and/or speed at which the IMF can solve problems.” Other intervening variables, mostly from national governments inhibit direct transmission from the World Bank’s operational manual to the national borrowers and the grassroots. In the Bank’s own words, “implementation is the borrower’s responsibility” (World Bank 1995: 44). The Fund has spoken similarly of misplaced NGO ire: “Lack of commitment by government authorities to program objectives and policies was (and continues to be) an important source of failure in some Fund-supported programs” (IMF/Dawson and Bhatt 2001:13, similar 25). I follow this here; I limit the investigation of change to those areas over which the institutions have control – their own practices and policies.

The only scholar to produce regularly on NGOs and the Fund is Jan Art Scholte. So much so, that the IMF actually invited Scholte to help it craft its NGO strategy. Earlier, Scholte collaborated with other scholars to produce a collaborative analysis that is most the direct precursor to this dissertation in its structure. O’Brien et al. (2000) look at NGO successes across the three major institutions of the IFA – the Bank, Fund and WTO. Scholte himself penned the IMF chapter (159-205). In *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements*, the co-authors also provide an NGO-driven case analysis, although they concentrate on social movements (women, labor, environment) rather than grassroots campaigns. They analyze the success of different social movements at the Bank, Fund or WTO, although Scholte’s treatment of the Fund is quite generalist because the NGO effort on it is so fragmented.

Their primary concern is how the multilateral economic institutions (MEIs – their term) change in response to global social movements (GSMs – their term), and why. For this reason, I see my own work as a fairly direct follow-up to theirs. I too am directly

⁴¹ <http://www.imf.org/external/np/cso/eng/2003/101003.htm>.

interested in these questions, yet I reverse the perspective. I begin from the MEI, not the GSM.

Similar to my use of works examined above, I have drawn from, and improved the formalization of, a basic package of indicators and hypotheses O'Brien, et al. present. They ask "how have the MEIs modified?" (17), and then look for "institutional modifications" as I do. This corresponds to my indicators, although I provide a list of very specific choices (for future cross-institutional use). Second, they ask "what are the motivations driving the MEI-GSM engagement" (18) and suggest reasons similar to my hypotheses (19, 28). But these reasons are not laid out as clear choices, nor do they evaluate the possibility I lay out in the null.

Like Fox and Brown, they find a mix of different indications of NGO impact. These multilaterals, they claim, now have "a more social agenda" (228) and release far more information to civil society than previously (213). More importantly, they note how much further the World Bank has moved toward NGO demands than have the Fund and WTO. My analysis finds a similar result.

Concerning empirical markers of change, they conclude that there has been more institutional modification than policy change (3). Fox and Brown find that the Bank has changed its talk, but not its practices and bemoan the gap. O'Brien et al. find the opposite - small changes in practice, primarily in outreach and NGO inclusion - but little real movement on policy. This parallels my own findings - that the Bank and Fund have moved more on the lower than higher indicators. Of the reasons for change - my hypotheses - they conclude (217-18) that BWI engagement is primarily for organizational defense and utility. But over utility, there is a split between the Bank and Fund. While the Bank can in fact use NGOs to directly improve its programming on the ground (e.g., on claims to superior 'local knowledge'), the IMF finds the utility of NGOs primarily in smoothing the process of structural adjustment.

Like his co-authors, Scholte looks for change at the Fund due to GSM pressure. He broadly concurs that "some shifts are discernible" (160), but they "affect the margins rather than the heart of IMF policies and operating procedures" (202). Broadly consistent

with my own findings, he states that the Bank and other UN agencies have moved further than the Fund.

The indicators of change Scholte identifies are primarily in policy. Like Nelson, and Fox and Brown, Scholte is looking for a paradigm shift in the Fund's "knowledge structure" (189). Thus Scholte looks for change in areas like social lending, gender, debt relief and environment. Scholte notes, that the Fund has made "fairly modest alterations" (188) on these issues. He is correct that the Fund does not deploy the language of sustainable development, and that talk of 'participation' and 'ownership' stem primarily from their perceived utility, not a belief in their inherent democratic propriety. These issues are obviously quite close the sustainable development sought by Fox and Brown or the NGO model of development sought by Nelson. While I do include such changes under I6, Scholte, like Nelson, and Fox and Brown, has missed much of the activity at the Fund, overlooking the structural and practical changes I1-5 try to document. To focus on policy only is to demand learning without the recognition of adaptation. As noted earlier, this is methodologically excessive. And as Scholte himself notes, there is a sharp divergence between Fund insiders and NGO outsiders over how much the Fund has changed (188).

I have most closely followed O'Brien et al. in Scholte's implicit hypotheses. He finds that the Fund has moved primarily "counter the threat the social movements can pose to its financial position" and that "the Fund has not engaged with critics in order to give them a proactive role in policy making, that is, out of a belief that inputs from social movements could improve IMF performance" (203). Here I have parsed and formalized these sentences into more precise hypotheses – H2 and 3 respectively. Scholte embraces H2 and rejects H3. It is worth noting however, that Scholte does see the Fund's engagement with as smoothing the local acceptance of structural adjustment programming (178, 187, 203). This is the 'legitimacy for the sake of utility' theme that Nelson also flagged at the Bank. It will also arise in my presentation of the data results.

2.4. Organizational Studies of the BWI

The BWI end of the BWI-NGO literature is much thinner. Organizational studies of the BWI generally do not touch much on NGOs. I have only found two concerning the Bank, and none for the Fund. As mentioned earlier, the literature on the BWI and NGOs is fairly ‘Bank-heavy,’ perhaps because the Bank engages in tangible projects which the Fund does not (O’Brien et al. 2000:199). Concerning the Bank, the best are discussions within wider organizational treatments: Robert Wade’s essay in Kapur, Lewis and Webb (1997) and Michelle Miller’s chapter on NGOs (1999).

Wade’s essay treats the issue of the environment in the history of the Bank. Because NGOs drove so much of the change on the institution on this subject, they figure into some of his treatment. But the essay is not a systematic or general ‘Bank-end’ perspective Bank-NGO relations.

Perhaps unsurprisingly as former Bank employee, Wade makes a much more sympathetic argument about the Bank’s movement on NGO issues than the ‘pro-NGO’ critics above. After establishing that NGOs are in fact the driving force behind the “greening” of the Bank (731), he postulates a “paradigmatic shift” from ignorance of the environment to environmental protection in Bank codes and practices in the 1990s (730). For my purposes, this is significant because it does suggest that major policy shifts, which I list under I6, have occurred because of NGO pressure. Similarly, he notes that while early environmental changes were “largely for tactical reasons” (H2 here), by the mid-1990s, the environment as an issue area had strong legitimacy and “helped to change the Bank’s stance toward NGOs from illegitimate to legitimate interlocutors” (688). While this does not necessarily translate into legitimacy for the Bank’s NGO community generically, it does clearly support the empirical ties I am making between changes in policy toward NGO preferences (I6), and the requirement that NGOs must therefore have some internal legitimacy (I5), and H4.

So Wade is prepared to say the Bank “learned,” but it was, as he colorfully puts it, “learning through angst” (730). It required much pushing and pulling from NGOs, and even some donor governments. And it was quickly perceived within the Bank, as I have

argued in my discussion of H4, that NGOs and their issues often seek not just organizational victory over the Bank, but serious redefinition of the Bank.

The new environmental values, said the resisters [within the Bank], were based on criteria - such as “ecosystem functioning,” “ecosystem damage,” and (especially) “environmental sustainability” – that had no clear empirical referents. Yet these kinds of fuzzy notions were being used to pose fundamental challenges to professional identities (“we only deal with hard numbers”), to question the role of “experts” in relation to citizens, and to disparage the very concept of development as we know it (730).

And the Bank has in fact somewhat reinvented itself as an environmental practitioner through its takeover of the Global Environmental Facility (GEF) in the wake of UNCED.

Wade is far more aware of the contested nature of the claims NGOs make than the three previous texts. A former World Bank economist, Wade takes neoliberal development seriously⁴² and notes the paucity of information explaining the value-added of extensive and expensive environmental assessing (and by extension, one can extrapolate, the larger ‘NGO model,’ 733). The point is not whether Wade is correct or not, but rather that he takes much more seriously the professionalized commitments and long training of Bank staff. Hence he sees the Bank’s movement as serious and deep organizational “learning through angst,” while the NGO-sympathetic literature is far breezier in asserting that Bank change has been insufficient or a sham. This insouciance is ironic insofar as Wade (as well as many Bank interviewees) notes how far ahead of other IFIs the Bank is (618, 632, 731).⁴³

Finally, it should be specifically noted that I have exploited Wade’s work in similar manner to those above. His essay suggests several possible reasons for the Bank’s engagement with the environment (which is something of a proxy for NGOs here); I have tried, as with the pro-NGO work, to build more lucid and generic hypotheses. Similarly, Wade has noted several different manners by which the NGOs’ pressure on the Bank created change (environmental assessments, an environmental department, environmental sectoral work within country departments, information release, etc). Here too I have tried to formalize and universalize these ‘up’ from the case study into my generic indicators.

⁴² But not because he is a neo-classical ideologue. Wade’s best known work, *Governing the Market* (1990), has laudatory words for the interventionist state-led capitalism of East Asia.

⁴³ My interview and observation evidence broadly suggests this applies to the Fund as well. A common, if somewhat sheepishly made, ‘admission’ from my IMF interlocutors is that many developing states “need” structural adjustment. The point again is not whether that analysis is accurate, but the depth of conviction of neoliberalism within the Fund.

Michelle Miller-Adams (1999), like Wade, takes very seriously the Bank's commitment to neoliberalism and the Washington Consensus, and so is more circumspect in her evaluations of Bank change than the more 'pro-NGO' literature. She speaks of "staggering change" within the institution (ix) and a "sincere effort" to respond to new pressures (x). Specifically on participation, the ferocity of NGO criticism is described as an enormous "shock," breeding "disquiet and anxiety" (88), and then a "sea change" (90) within the institution toward NGOs. This is obviously similar to Wade's "learning through angst." It is remarkable that the organizational studies see so much more change than the NGO-driven ones.

As with previous works, I have drawn from Miller-Adams in the creation of my hypotheses and indicators. Miller-Adams notes an undeniable improvement in the Bank's policies toward NGOs. She provides a series of markers which I have tried to formalize in my indicators. She notes the expansion of NGO participation in the Bank's project cycle, including their movement 'upstream' (i.e., into earlier stages of the cycle). Similarly, she notes the increasing solicitation by the Bank of NGO opinion through consultation processes and the internal Learning Group on Participation. She observes a changing mix of staff at the Bank as evidence of NGO impact, and argues that policy change is the most contentious area of Bank-NGO contention. This fits with my own placement of policy change as I6, suggesting very deep NGO penetration.

Similarly, I have reworded her conjectures on the causes of Bank engagement into my explicit hypotheses. Miller-Adams argues forcefully that the Bank engages NGOs and participation not for its own sake, but for its promise in improving project performance (70, 95). "Working with NGOs has not been presented as an end itself, but as a means through which the Bank can improve the quality of its projects. The emphasis has been on achieving greater development effectiveness, rather than on strengthening civil society." The use of NGOs for the Bank's instrumental purposes is suggested in H3, while participation as "end in itself" – because that participation is legitimate – is in H4. It is noteworthy, that at no point does she make a serious argument about organizational survival (H2). The Bank appears to have moved beyond that.

In the end, Miller-Adams concludes that the Bank has moved substantially, but that it is mixed enough to merit an appraisal as a “glass half full or half empty” (93). She finds participation integrated into Bank policy and practice as much as possible within its current organizational culture, but that “fostering a more authentic culture of participation may require the kind of large-scale organizational change that the Bank is simply not prepared to make” (96). Such change would be similar to the in-house revolution of Nelson’s NGO model, representing drastic learning. Like Wade she does not airily assert that this should be the case.

2.5. The Dissertation’s Expansion on the Extant Literature

The lopsided nature of this literature review is clear. It is ‘NGO-heavy.’ Most of the literature on NGOs and IGOs begins from the NGO end of the relationship. In the larger organizational studies and histories of the BWI (Bank: Mason and Asher 1973; Kapur, Lewis and Webb 1997; Gilbert and Vines 2000; IMF: Horsefield 1969; de Vries 1976, 1985; Boughton 2001; James 1996), there is no serious work on the influence of NGOs. Hence much of what I covered are examinations of NGOs, their actions, and structures, and in which the NGOs’ targets are incidental to the text’s main concern. There emerges a useful profile of the social change NGOs in GCS which are pressuring the BWI.

But there is a noticeable lack of studies from the IGO end of the relationship. As noted above there are two passing treatments concerning the Bank (Wade 1997; Miller-Adams 1999:ch. 4) and none on the IMF. And Wade and Miller-Adams are actually focused on new agendas at the Bank (environment and participation, respectively) than my interest in new actors (NGOs). This is unfortunate, and I try to fill that gap somewhat here.

My work differs from previous efforts in five broad ways. First I draw from the three main paradigms in IR, in an explicit attempt to reconnect the NGO literature to the more established theoretical center of the field. Too frequently the NGO work ignores the larger body of scholarship, giving it the feel of an isolated cottage industry. Of the

literature reviewed above, only Miller-Adams makes a serious effort to tie her work to the larger paradigmatic debates in IR.

Second, I explicitly focus on the BWI relationship with NGOs from the BWI end of it. Most of the literature is written from the perspective of the campaigning NGOs, from the ‘demand-side’ for change. It details organizational change only while explaining what really interests the authors – the NGOs’ successes or failures. I approach the question from the IGO, ‘supply-side’ of that desired change. In this way my approach is more formal and organizational. My indicators and hypotheses are more explicitly formulated, as is my use of organizational theory to map the response of one set of actors to another. I am not looking for positive NGO impact only. I have accepted Risse’s warning not to select on the dependent variable. Most NGO work does not.

Three, because I begin from the IGO end of it, I bring in organizational theory to help generate my hypotheses. Those starting from the NGO side of the equation are quick to draw from social movement theory.

Fourth, most of the extent work is case-study compilations without serious cross-institutional measures. In that the GCS literature is young, this is expected. But theory cumulation and comparative impact-testing will clearly improve if some broad range of NGO impact measures can be ascertained. While it is clear the IGOs are different in form and structure, and hence that specific demands will differ, I do believe a common ‘demand list’ in general language is possible. My intention is to reach across the case study literature with a plausible, generalizable range of indicators.

Fifth and most importantly, I have no personal normative commitment to NGO success. Many of the scholars of NGOs are also activists, or openly sympathize with them in their work. Much of the literature on NGOs in GG starts with the nature of NGOs, rather than target impact assessments, because of the very clear ‘pro-NGO’ bias of many of the researchers. I reject that; this dissertation does not endorse NGO penetration of IGOs.

CHAPTER 3

METHODOLOGY

3.1. Choosing an Empirical Methodology

Thomas Risse (2002:262) notes that “the realist and state-centered legacy in international relations theory requires that scholars first establish that transnational actors matter.” This dissertation starts from that concern.⁴⁴ I begin from the basic premises of state-centric IR theory, and I accept the basic prejudice toward theoretical parsimony which requires that we only examine new actors if they ‘matter’ (King, Keohane and Verba 1994:29-30; Eckstein 1992:129). No one disputes that NGOs have increased their “influence-attempts” in world politics in recent decades. The critical question for theorists is whether they have impacted its outcomes.⁴⁵ Only demonstrable impact justifies increasing the complexity of our theories.

I look for impact on in-house decisions and outcomes (Risse 2002:262). In the context of IGOs, that translates respectively into policies and practices, rather than borrower behavior. Policies reflect the decision-making of the IGO. Its practices affect final outcomes. Such impact is empirical; it is not normative or sociological. This is important, because much of the impact claimed for NGOs is ‘ideational’ (Risse 2002:264, Keck and Sikkink 1998:ch. 1, Wendt 1999) – the alteration of expectations, norms, culture. Yet this is challenging to operationalize and even harder to falsify. Rationalists and empiricists – most realists and liberals in the field – will be skeptical.

⁴⁴ In more natural language, Randall Schweller once argued in conversation, that the greatest problem in the NGO literature in IR was the lack of an “empirical smoking gun.” I agree with that basic assessment.

⁴⁵ I thank Donald Sylvan for reminding me of this important distinction between “influence-attempts” and actual “impact.”

Hence I make a methodologically conservative choice for most of the research. The dissertation begins as rationalist, ‘actor-centric’ and empirical. I examine an actor in world politics which claims relevance and impact. I begin from the assumption that the IGOs and NGOs are distinct with separable preferences. Only in the discussion in the discussion of H4 do I move beyond this to consider more constructivist understandings of the actors.

Risse (2002:263) continues, “there is growing consensus in the literature that INGOs and other non-profit TNAs make a difference in world politics.” While the research question of the dissertation starts from this notion, the methodology does not. That is, I accept the basic conjecture that NGOs make so much ‘noise’ in the inter-state system that they now represent a paradigmatic challenge to state-centric IR theory. However, methodologically, I am not prepared to agree with the consensus Risse conjectures. My methodological supposition begins from a rationalist, actor-centric parsimony. Given the long record of state dominance of world politics, it is wise to be cautious in agreeing to a consensus on NGO impact after less than two decades of research (Krasner 1995).

3.2. *Neutrality*

Finally, as noted earlier, much of the scholarly NGO literature is openly normative. This also includes the best hitherto treatments specifically of NGOs and the BWI (Fox and Brown 1998; Nelson 1996; O’Brien et al. 2000). By normative, I mean that they openly proclaim the rise of NGOs or a broader transnational civil society as a positive event. Ann Florini and P.J. Simmons (2000:4), e.g., write “the world badly needs *someone* to act as the “global conscience.” Not only do these researchers examine the evolution of NGO involvement in world politics, they also celebrate it. John Gaventa (2002) openly writes that in researching and studying NGOs, scholarship helps to make them more respected. The very fact of studying NGOs *as if* they were serious actors helps to make them so.

In NGO-driven volumes, the academic contributors repeatedly assert their own involvement in and sympathy for the campaigns they are studying (Fox and Brown 1998;

Nelson 1995; Edwards and Gaventa 2001; Florini 2000; Khagram Riker and Sikkink 2002; O'Brien et al. 2002; Ougaard and Higgott 2002). Consider the openly partisan nature of this remark by Smith and Johnston (2002:5): "Scholarship in this field...needs to identify the mechanisms that allow activists to build successful transnational coalitions and campaigns." Such blatant ideological preferences create two obvious problems: first, reduced trust from, and access to, the NGOs' institutional targets in our fieldwork, and, second, distortions in the literature.

First, so well-known is the enthusiasm of NGO scholars for NGOs that it acted as constant impediment in my research. If Smith and Johnston are correct that scholars are to help activists find winning strategies, then it is hardly surprising NGO targets would avoid talking to scholars. This was the case in my own research. The initial working assumption of most of my BWI interviewees was that, as an academic studying NGOs, I therefore supported their claims against the institution. This created a reticence and hesitation I worked hard to overcome. I frequently found BWI interlocutors hesitant and cold to questions. As it became apparent I had no such agenda, it became easier to gain access to, and openness from, BWI interviewees. I consciously tried to walk a neutral line between the BWI and NGOs, so as to gain the trust and openness of both (Jorgensen 1989:ch. 5). But there can be little doubt that scholarly NGO partisanship drives up non-response rates to academic inquiry within the targets of NGO pressure. Notable as well, this neutrality surprised many of the NGO representatives with whom I spoke; there was a general expectation I would be sympathetic and not 'neutral.'⁴⁶

This broaches the second problem, IR research on NGOs needs less ideological excitement for them and more theoretical and empirical research.⁴⁷ Too many scholars in the field overidentify with the NGOs. Consider this inaccurate statement by Smith and Johnston (2002:5): "activists see a need to build broad and strong alliances that can compensate for their separate weaknesses and poverty, and this demand for unity forces them to seek ways to negotiate their many important differences." Yet there is no evidence of a serious effort among NGOs to unify – no platform, no organization nor

⁴⁶ One NGO staffer accused me of being a "tool of the IMF," because neutrality was impossible and simply a rhetorical posture of the Fund.

⁴⁷ Gordenker and Weiss (1996b:221) bluntly admit a large dearth in basic research on NGOs.

even a manifesto. Indeed the current is running the other way.⁴⁸ This is simply wishful academic conjecture to bolster NGO voices in world politics.

Similarly, there is little on the downsides of NGO involvement - how NGOs complicate the wider process of global governance or specifically the work of IGOs (Risse 2002:269 in passing). As another actor in already complex global governance,⁴⁹ clearly they add further coordination costs. And within the BWI – the specific focus of this dissertation – their concerns require another layer of bureaucracy in institutions widely accused of “goal congestion” (Gilbert and Vines 2000:10, 32; Gilbert, Powell and Vines 2002:39; McQuillan and Montgomery 1999:Pt. V; Bhagwati 2004:236). Where NGOs function as international interest or pressure groups (Willetts 1982), they may generate the same negative consequences interest groups do within domestic systems (Florini 2002:231; Simmons 1998). Many of my BWI interviewees, in operations especially, attested to the increased costs and coordination of responding to NGOs and often complained that this problem was not raised in the media.

Possible deleterious impacts of NGOs on the BWI, IGOs more generally, and GG as a whole, are beyond the scope of this dissertation, but an intriguing and understudied, if ‘politically incorrect,’ area of NGO research. Risse (2002:264) hints at this in noting that we know little about failed transnational social campaigns, because most research selects on the dependent variable. Others have noticed this. Willetts (1996:2) writes, “there are anti-establishment, populist connotations to the idea of social movements and

⁴⁸ In three years of research on NGOs at the Bank and Fund, my very strong impression is quite the opposite. Despite years of talk, there is no functioning NGO global organization, or even regional ones. (As Tarrow said, the most coordination is national.) WSF is so diverse, so raucous that it hard to imagine it as focal point of NGOs globally. ECOSOC has no NGO leadership caste, and proposals for a UN ‘peoples assembly’ have languished. Almost none of my NGO informants were even aware of the Conference of Non-Governmental Organizations in Consultative Relationship with the United Nations (<http://www.ngocongo.org/>). Around the Bank and Fund, concerned NGOs have repeatedly, for more than two decades, allowed the Bank and Fund to shape the rules and agenda of cooperation because the NGOs cannot self-organize. After hundreds of phone calls, interviews, email chains, Civil Society Dialogues and other meetings, I have seen no serious evidence to support the notion that NGO activists see any such need to aggregate their interests. Not one NGO interviewee proactively mentioned that to me. Upon asking the question, I was generally told either it had not been considered, or that too much organization would violate the NGO sense of identity as small, scrappy, independent voices. As one NGOer said, “we’re not trade unions.” To which one trade unionist said to me at a different meeting, that the very problem with NGOs is that they will not organize.

⁴⁹ The Commission on Global Governance (1995:2-3) includes states, IGOs, NGOs, “citizens’ movements,” MNCs, “global capital market” and the “global mass media.”

the literature tends to assume that all progressive and liberal people should support them.” He goes on to correctly notice that rightist social movements are rarely studied. He is undoubtedly correct. Similarly, Tarrow (2002:233) notes that

there is nothing wrong with this focus on secular, progressive and Northern-supported campaigns as long as it is made explicit that they are but one peak in the transnational archipelago of transnational interactions, many of which are not secular, not progressive, and profoundly hostile to the groups supporting the global civil society project.

I embrace this positivist neutrality here. In fact, the IR literature on NGOs needs far more balanced treatment.

3.3. Research Design

This study is a “plausibility probe” (Eckstein 1992). I deduce from a basket of hypotheses explaining IGO change a range of cross-institutional indicators of NGO impact on IGOs. I test their utility in a preliminary mapping against two high-profile IGOs. The empirical work of this dissertation will therefore be case studies. Investigation of NGO impact on IGOs is immature enough that large-n, quantitative studies are not yet feasible. Larger-n, cross-institutional quantitative studies should be a goal of the research program I sketch here. But they must await some manner of consensus from the case study literature on the proper measures or indicators. My work is a preliminary effort, a plausibility probe, or a rather large “pre-test” (Schutt 1996:285), to do just that. This is the ‘measurement study’ mentioned earlier.

Hence the method employed follows a “structured, focused comparison” (George 1979) for case study analysis: across a tight, predefined series of indicators, I compare two similar institutional cases. I use institutional documents to track organizational change, buttressed through field research and observation, as well as interviews and a survey of selected NGO and BWI officials. The indicators and hypotheses are written in general language and pre-date the casework. They do not deviate to follow idiosyncrasies of the cases. This is deductive reasoning from explanatory hypotheses to indicators.

I follow George and Eckstein fairly closely. The indicators and hypotheses I have identified are couched in general or “disciplined-configurative” language. They are explicitly meant to ‘travel’ to other cases, or ‘have legs’ for further work beyond the

Bank and Fund. Yet this would be fairly costly and time-consuming without an assurance of the validity of my design, so I follow Eckstein's suggestion of a plausibility probe before applying the structure to wider range of IGOs. I avoid the configurative-ideographic case study method both George and Eckstein reject. No history of the Bank and Fund as whole entities is provided here.⁵⁰ Rather as both demand, I track a few specific and generic variables so as to maintain focus and clarity for theory-building.

George notes (1979:59) that theoretical cumulation is possible in a small-n environment through systematic progression on a series of well-selected cases. I have tried to follow that here. The Bank and Fund are useful starter cases, as they receive so much attention. They are not "crucial cases" in Eckstein's sense, but might best be called 'most relevant': given the high profile of the Bank and Fund, and NGOs' energies concerning them, there is likely more to learn here at the start of this project. Finally, I follow George's explicit recommendation (1979:62) for qualitative methodology to use a focused set of "standardized general questions." The survey and interview questions batteries directly parallel one another, and they correlate exactly to the indicators and hypotheses (Diagram 1).

The hypotheses explain changes at IGOs that appear to accord with NGO preferences. That is, the dependent variable across all the hypotheses is 'NGO-sympathetic change at an IGO,' while the suggested independent variables are tagged to individual causal hypotheses. When NGO-sympathetic change at an IGO can be established, that prompts the question why so. Different kinds and amounts of change suggest different hypotheses. Hence, I present three, after the null.

The explanatory hypotheses of why the BWI have changed their behavior connect to empirical markers to establish the extent of the change. I look for behavioral change in practices and policies.⁵¹ Practices are the behavior of staff and the institution's

⁵⁰ These are available elsewhere. On the Bretton Woods structure in general, cf. Kenen 1994. On the Bank cf. Kapur, Lewis and Webb 1997: Vol. I, chs. 2-7, and Mason and Asher 1973. On the Fund, cf. the mammoth self-history (Horsefield 1969; De Vries 1976, 1985; Boughton 2001), or the much more digestible James (1996). For a detailed tracing of the Bank's regular workings, cf. World Bank 2003. No such work exists for the Fund.

⁵¹ I borrow this basic division on impact from Fox and Brown (1998). Nelson's treatment (1995:vii) uses this division as well. Others implicitly make this distinction, e.g., between 'norms' and practices (Khagram, Riker and Sikkink 2002).

programming (the implementation of that for which the IGO was created). Policies are those macro-statements of preferred general principles which motivate the selection, and shape the contours, of practices or programming. Therefore, throughout this dissertation, I assume that changes of policy (I6) represent greater and deeper impact than changes in practices. For policies ultimately feed down into practices and alter them when they themselves are altered (Fox and Brown 1998b). Policies are universal and generic; projects and programs are local or specific.⁵²

Finally, the reasoning of the dissertation is deductive. Each hypothesis is grounded in a body of IR theory, supplemented with organization theory. The movement of the research is therefore downward from hypotheses of behavior toward indicators or operationalizations of those behaviors. The indicators are to provide empirical evidences for the hypotheses.

This deductive reasoning suits the poor theoretical cumulation of this field of study. There is no widely-accepted body of theory to explain NGO impact, so I try a variety, through trial and error, for a good fit. The theoretical cumulation failures to date stem from the lack of an agreed-upon empirical framework by which to observe IGO change. The process of writing the research has therefore been partially retroductive. As there are no accepted scales or markers to determine NGO impact on an IGO, theoretical expansion has been impoverished. Much of the extant work falls into descriptive and ad hoc case-study presentation. I explicitly try to rectify this by providing a basket of empirical markers (six indicators of impact with sub-indicators) for generalizable, cross-IGO observation. Each marker is deduced from and tied closely to a hypothesis. These markers should be elaborated and expanded in future work, and so should then firm up the testing of future hypotheses.

⁵² In the case of the World Bank, e.g., the country policy outlined in the Country Assistance Strategy (CAS) paper sets the guidelines for the types of projects then to be pursued in lending.

3.4. Two Kinds of Comparison

3.4.1. Inter-Institutional

The most direct results are drawn from comparison between the institutions' responses. Chapters 4 and 5 present the outcomes of the researches cross-sectionally – that is, by the indicators and hypotheses listed, cross-referenced against the modes of data collection (presented below). The Bank and Fund have responded quite differently and I postulate several possibilities for explaining those differences in Chapter 6. These imputations of intervening variables are weak of course. They are based on just two cases. But they too are suggested in general, theoretical language so that they might 'travel' to future, larger-n studies.

3.4.2. Longitudinal

Although the data collection across the indicators is essentially cross-sectional, there is longitudinal change, or a counterfactual, implied here. There is a simple before-and-after or then-and-now comparison here for each institution. Some 25 years earlier, several years after the start point of contemporary accelerated globalization (Scholte 2000), there was no serious BWI interaction with NGOs. The alterations tagged by the indicators and tracked in the data collection fall in this time frame, and compare with the status quo ante.⁵³ Specifically, NGOs began noticeably pressuring the Bank in the late 1980s and the Fund in the mid-1990s.

This implicitly suggests the counterfactual that the Bank, Fund and other IGOs would act differently ("B") than they otherwise do ("A") because of NGO input. This portion of the research will investigate if indeed any of the BWI are doing "B" instead of "A." "A" is the status quo ante of no serious cooperation or recognition of NGOs, and "B" is some manner of behaviors from the IGOs that correspond to NGO demands. If an IGO's procedures and attitudes appear roughly similar, i.e., if "B" still looks like "A,"

⁵³ For a good image of the 'non-role' of NGOs until quite recently, cf. the Bank's twenty-fifth anniversary review (Mason and Asher 1973), and the Fund's self-history (Horsefield 1969; De Vries 1976, 1985; Boughton 2001). None even mention NGOs.

despite routine and focused NGO influence attempts, then there seems little point in turning to the explanatory hypotheses. For this reason, I present the results of the data collection on the indicators first (Chapter 4).

3.5. Techniques of Data Collection

I employ four methods of data collection: 1) documentary analysis, 2) surveys 3) interviews, and 4) participant observation (Schutt 1996:87).

3.5.1. Documents

The documentary analysis is, primarily, an examination of the official Bank and Fund's printed material on practice and policy toward NGOs. There is a potential but unavoidable validity threat: I must trust the BWI publications, which some NGOs do not (Miller-Adams 1999:7). Part of this is common sense – the BWI do not wish to present themselves in a poor light. More troublesome is the possibility that attribution to NGOs of changes made may be institutionally taboo. Several interviewees noted that the BWI are very self-referential and the presence of an informal, but well-known, in-house imperative against attributing internal changes to outside pressure. Certainly Bank documents suggest an obvious preference for internal narratives in which ideas bubble up from within as the result of some initiative or working group. This is apparent in the Bank's very generous treatment of the nasty IDA-10 fight with NGOs at the U.S. Congress (1993:96), and the single passing reference to the relevance of NGOs in the creation of the Inspection Panel (1994:74), despite its former chair's assertion that NGOs were crucial to it.⁵⁴ At the Fund, NGOs have only recently begun to dent the regular presentation of the annual report.

There is the further issue of the fractured and patchy nature of the Bank's presentation of policy on the NGOs. As others have noted (Nelson 1996:624), the Bank produces an enormous amount on NGOs, perhaps in a bid to overwhelm its potential

⁵⁴ This was in Edward Ayensu's public remarks on April 11, 2003 at American University.

interlocutors.⁵⁵ It is difficult to gain full oversight of its statements on NGOs. This is not a problem in the IMF's more limited treatment of civil society.

Official governance documents and statement of Board-approved policy from the Bank and Fund include: the *Articles of Agreement*,⁵⁶ the Annual Report,⁵⁷ the Operational Manual (Bank only; particularly GP 14.70),⁵⁸ and the "Guide for Staff Relations with Civil Society Organizations" (Fund only).⁵⁹ Other publications will be consulted, but frequently they have disclaimers that they do not formally represent the Bank or Fund's position. Hence the annual reports receive the heaviest treatment.⁶⁰

3.5.2. Survey

A survey (Appendix A, with the cover letter in Appendix B) was sent to all the NGOs who have attended the primary general interaction point between the BWI and NGOs: the biannual 'Civil Society Dialogues' (CSDs).⁶¹ The lists of the participants and the topics they discuss are a powerful measure of which NGOs are actively engaged in lobbying the Bank and Fund, and what their preferred issues are. I have constructed a

⁵⁵ Several NGO interviewees suggested that the Bank purposefully tries to overwhelm them in paper.

⁵⁶ Bank:

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/0,,contentMDK:20042527~menuPK:58864~pagePK:43912~piPK:44037~theSitePK:29708,00.html>.

Fund: <http://www.imf.org/external/pubs/ft/aa/index.htm>.

⁵⁷ Bank:

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/0,,contentMDK:20040600~menuPK:34625~pagePK:34542~piPK:36600~theSitePK:29708,00.html>.

Fund: <http://www.imf.org/external/pubs/ft/ar/index.htm>.

⁵⁸ <http://wbln0018.worldbank.org/institutional/manuals/opmanual.nsf/textonly>.

⁵⁹ <http://www.imf.org/external/np/cso/eng/2003/101003.htm>.

⁶⁰ A common peculiarity of Bank and Fund material is that most of its work comes with a disclaimer that the Board has not approved these statements and that they may not be taken as definitive Bank/Fund statements. This is rather maddening for outside observers, as it is often difficult to identify the official BWI position on a given issue. And this has generated real controversy as well. I have seen, and been told stories of, outsiders, including NGOs, who cite BWI work to BWI officials, only to be told that the work in question is not official Bank/Fund policy even though it comes from the Office of the Publisher of the Bank and or Publications Services from the Fund. No interviewee was able to clearly resolve this problem, although I broached it repeatedly.

⁶¹

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20094168~menuPK:220438~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

database of the NGOs in attendance as best the information from the IMF and Bank will permit.⁶² I used it to sample and survey the relevant NGO community.

I obtained the necessary lists of participants from the Civil Society Team (CST) of the External Relations Department (EXT) of the Bank and the Policy Communication Department (PCD) of the External Relations Department (EXR) of the Fund. Integrating them into a single database, - which NGOs attended which meetings through time - is an empirical first. This time-series database has not been compiled before; it should be maintained and expanded after the completion of the dissertation. It is a useful empirical marker of which NGOs critically engage and pressure the BWI consistently. This will be useful to both sides of the debate, as well as researchers. The questionnaire was mailed on June 4, 2004. Follow-up email solicitations and phone calls, where feasible, were made in July, August, and September 2004. 227 solicited attendees at Bank events; 219 went to attendees of Fund events. There was substantial overlap, for a total of 229 mailers. 143 went to addresses in Part I (donor) countries, including 64 solely to American NGOs. The remaining went to Part II (borrower) countries and other LDCs.⁶³ Thirty-eight NGOs responded to the Bank survey; thirty-two responded to the Fund survey.⁶⁴

The survey itself has two portions – one quantitative, of closed-ended questions, the other qualitative, of open-ended questions. The ten closed-end questions were designed to accord with the four hypotheses and six indicators presented above. A simple five-point Lickert scale was deployed to insure greater variability than simply yes/no. The qualitative or idiosyncratic questions were designed for self-expression and to provide for insight outside the rigid quantitative sections. As discussed this plausibility probe is a measurement study – an effort to find useful indicators of NGO-sympathetic

⁶² The spreadsheet of NGO attendees at the CSDs is too large to include here. Readers who would like a copy may email me at kelly.260@osu.edu.

⁶³ IDA, in the World Bank Group, divides states among those who provide concessionary finance capital (Part I) and those who borrow it (Part II). States with a per annum, per capita GDP under \$865 (FY2002) may borrow.

⁶⁴ The spreadsheet of the NGOs' answers to the survey is too large to include here. Readers who would like a copy may email me at kelly.260@osu.edu. Please note that respondents are coded anonymously in accord with the confidentiality guarantees of the cover letter (Appendix B).

change at IGOs. The idiosyncratic questions gave recipients room to postulate indicators and hypotheses other those I suggested.

When NGO qualitative remarks are provided, informants are identified with the first letter of the BWI on which they were speaking (W or I) and then a number, e.g., W7 or I30. These anonymity guarantees insured full expression. Attribution will not be provided.

3.5.3. Interviews

The interviews targeted the BWI side of the interaction, although select interviews of NGO representatives willing to speak with me were conducted as well. The interview questions are attached as Appendix C.

Because my request to survey within the BWI was rejected, I interviewed as many relevant informants as possible there. My interview choices were based on the BWI participants in the CSDs and were submitted to the Bank's EXT Department and the Fund's EXR Department. These departments made the final decisions on whom I might interview. Assurances were made that the interviewee sample fairly reflected the institutions' attitudes on NGOs. This is not quantitatively verifiable. The list of interviewees has been suppressed for reasons of confidentiality. I interviewed twenty-nine staff from the Bank and ten from the Fund.

When BWI qualitative remarks are provided, informants are identified with the institutional letter of the BWI in which they work (B or F) and then a number, e.g., B23 or F9. These anonymity guarantees insured full expression. All spoke on the record, but anonymously. No attribution will be provided. And where necessary, any citations that may give away interviewees' identities or divisional affiliations have been suppressed. I have erred on the side of perspicacity. These formal interviews occurred in June, July and October 2004. Other conversations and email exchanges occurred through the duration of the dissertation data collection period (2003-2004).

Following George's admonition to use standardized and general questions, the BWI interview questions are exactly the same as those of the NGO mail survey. I used the same Lickert scale as well, before opening up the question to wider discussion. This

was a purposeful effort to make the survey and interview data as cross-comparable as possible.

3.5.4. Participant Observation

Participant observation targeted both the BWI and the NGOs. I attended the Civil Society Dialogues of spring 2003, spring 2004 and fall 2004 in Washington, D.C. I attended a NGO-BWI conference at American University in the spring 2003. I also attended the fourth World Social Forum in January 2004 in India.⁶⁵ The WSF is the annual conference of the worldwide anti-globalization movement. Much of the public ire of NGOs against the Bank and IMF, as parts of the IFA, emanates from this portion of the NGO community I also attended and ‘marched’ in the anti-BWI protests in Washington, D.C. in spring 2003, spring 2004, and fall 2004. Selected photographs of the dialogues, WSF IV, and the anti-BWI protests are provided in Appendix D. A plate of an anti-BWI NGO pamphlet is included in Appendix E.

I broadly accept the utility of *Verstehen*, empathy, and Fenno’s “soaking and poking” (1990). My dissertation benefited enormously from direct exposure. In many cases, the interviews would simply have been impossible without having established these direct personal contacts earlier.

3.6. Limitations

In the interest of full disclosure, it is important to mention several possible weaknesses of the design proposed.

The most obvious is that NGO demands will not align, creating contradictory signals from the Bank and Fund along my indicators. For example, NGOs frequently object to a ‘one-size-fits-all’ development approach (neoliberalism), while simultaneously they call for coherence among donors’ standards (‘harmonization’).⁶⁶ It is

⁶⁵ <http://www.wsfindia.org>.

⁶⁶ On this issue, the IMF released a report in 2003, entitled “Evaluation of Fiscal Adjustment in IMF-Supported Programs,” arguing that the Fund actually showed a good deal of program flexibility. The report is available at <http://www.imf.org/external/np/ieo/2003/fis/index.htm>.

unclear how the BWI could respond satisfactorily. Others have noted this too (IMF/Dawson and Bhatt 2001:9, 13). F7 said, “there are contradictory demands from NGOs on the Fund. They want the Fund out of states when it talks of structural adjustment and want it to stay in for safeguards.” O’Brien, et al. (2000:60) suggest that a major break between NGOs is along North/South lines. Thus, where NGO demands conflict, documenting impact becomes harder, especially on policy. The indicators I have crafted did respond to the general critiques or demands made by NGOs, but there is no manner by which to ensure their universality.

Second, the anti-globalization groups may be necessary to definitively treat this topic. But they are very difficult to sample. The reform-minded NGOs attend the CSDs. Using lists of attendees from the dialogues, I sampled their attitudes through a mail survey. The radical NGOs, the street demonstrators who follow the Bank and Fund around the world, often demanding their abolition, are much more difficult to grasp. They are fluid and ideologically reject meetings with Bank and Fund officials. Yet they clearly pressure the BWI. One NGO representative said to me that the anti-globalization movement ‘softens up the ground’ for less radical NGOs to push for change in venues such as the Civil Society Dialogues, or in BWI operational work. A Bank official too once mentioned that, if only because of the awful public image the street protestors generate for the institution, the Bank had begun to meet more seriously with NGOs. Numerous NGO delegates at the CSDs recommended that I attend the WSF for a serious introduction to the antiglobalization movement.

Yet in my experience to date with the protestors, they have a notable distaste for formal interaction with academics. Many whom I approached were openly suspicious of answering questions or engaging in follow-up. A good sampling of the anti-globalization movement is now the greatest ‘data gap’ in expanding the scope of this project. Meeting these advocates in their own environment, at the WSF, would hopefully make informal interviewing and follow-up easier. Given the hostility and trouble of formally sampling

the anti-globalization movement, low-impact observation at the WSF may be the best manner to approach them.⁶⁷

Third, interviewees' qualitative remarks often disagreed with their scoring. They frequently seemed to pull their punches on giving a number, but would then provide fairly harsh remarks. For example, one interviewee (citation repressed) said "there is no question that NGO engagement is not cost-beneficial." Yet he scored this question (H3, question 8) with a 2, not a 1, which seems to contradict his/her statement.

3.7. Presentation of Results

Chapters 4 and 5 will present the results of the data collection, cross-referenced by each sub-indicator, and each hypothesis, for each institution separately. A comparative analysis of the different results of the Bank and Fund is retained for Chapter 6. The results of the data collection presented however are often bifurcated by the rather deep cleft between the BWI and NGO community around it. That is, I have attempted to collect data from both 'sides' of the debate, and the information presented by each to me was often radically different. Where possible I try to present a unified view of the BWI's movement on the range of indicators and of the hypothesized causes of that movement. Where solid figures are available (rarely), I have deployed them, but these are often contested as well. For example, NGOs viscerally dislike the Bank's claim that NGOs participate in over 70% of projects, because they claim that participation is often so minor, so ad hoc, that it is irrelevant (Nelson 1995). This manner of disputation over even the meaning and integrity of the BWI's numbers makes measurement tricky at best. Occasionally their perspectives at these data points align, but often they did not. Where the clefts are deep, I present both views.

Chapter 4, concerning the indicators, will present the empirical information gathered on the impact of NGOs on the BWI. It will be divided into two sections, each corresponding to a different institution. Within those sections, each impact indicator, with

⁶⁷ Bédoyan and Van Elst (2003) deployed an interesting sampling strategy. It could be replicated at the specific, anti-BWI protests at the Spring and Annual Meetings. However the expense and complication place certain restraints on feasibility at this point.

its sub-indicators where relevant, will be examined by each of the first three means of the data collection. (The last means of data collection, participant observation, is fairly subjective, and so these observations will only be provided where specific anecdotes or impressions are especially striking.)

The presentation of the results will cross-reference each mode of data collection with each indicator. This will provide a picture of the (non-)movement on each of the indicators suggested. It is hoped this systematic, point-by-point presentation of points of NGO-sympathetic change will add rigor and clarity to the methodologies used by others to examine NGO impact at the BWI. Hence the presentation is straight reporting of data, rather than analytical summaries. Where deep divisions between the information provided by NGOs and the BWI are apparent, this is passed on to the reader. This is often the case for the indicators, with the BWI claiming much greater movement up the scale of change indicators than the NGOs will admit.

Chapter 5, concerning the hypotheses, is structured similarly. The results of each form of the data collection will be presented for each hypothesis. Again, the manner of presentation will be a cross-reference of the mode of data collection against, in this chapter, the posited hypotheses. As with above, this rigid, bullet-pointed manner of presentation method is explicitly chosen because so much of the extant work provides its results in ad hoc, non-generalizable categories. This is an effort to retain generic language, despite the idiosyncrasies of the specific cases, for cross-institutional use. Where deep divisions between the NGOs and BWI over the interpretation of BWI change are apparent, this is passed on to the reader. This is particularly the case between Fund interviewees, who leaned to H3, while the NGOs (strongly) tilted toward H2, as does the Fund's printed material. At the Bank, all three data sources pointed toward H3, with hints of H4.

CHAPTER 4

INDICATORS OF IMPACT

In this chapter I present the empirical data collected along the scale of indicators. I present the quantitative scores of the survey and interview at the beginning of each section on an indicator. 1 is a low score indicating little movement; 5 is the inverse; 3 is neutral. I then provide the qualitative feedback in the greater detail of the sub-indicators.

I begin with the Bank, as movement there has been greater.

4.1. World Bank

Table 1 presents the integrated aggregate quantitative data from the surveys and interviews for the World Bank presented in Chapter 4.1.

Indicators	I1	I2	I3	I4	I5	I6	
<i>NGOs (survey)</i>	2.76	3.11	2.61	2.65	2.87	2.53	Mean
	3	3	3	3	3	2.5	Median
<i>WB Staff (interviews)</i>	4.01	3.72	3.34	3.17	2.66	2.52	Mean
	4	4	4	3	3	2	Median

Table 1: Summary of Indicators (World Bank)

Most notable in the data is the dissonance between the Bank's estimations of its movement and the NGOs'. The documentary analysis, as well as the qualitative feedback presented below, reflect that cleft. The NGOs routinely score the Bank's movement lower than Bank staff.

It is also relevant for the measurement study portion of the dissertation that the NGO data does not follow well the linear, downward trending relation predicted. The Bank data do; they tilt coherently toward I1-4, with a gradual slipping away on the highest indicators. The NGO data, by contrast, 'spikes,' violating the scalar prediction of model.

I1-6 were constructed to be increasingly more intrusive on the Bank; hence the scores should be highest at I1 and lowest at I6. The NGO data's mixed performance by the expectations of my scale does jeopardize my results. The dissonance along the indicator scale makes its difficult to predict, solely from the NGO data, which hypothesis is accurate. However, these formal indicator data are buttressed by the qualitative indicator data (presented below). They too - including the NGO qualitative data - tilt toward a strong showing on I1-4. Therefore, I am broadly comfortable that integrated indicator data (qualitative and quantitative, NGO and Bank) suggest that the Bank performs on I1-4, and then slides (therefore predicting H3).

The closest there is to an 'official line' from the Bank on NGOs might be the following: "Most development projects approved by the Bank Group today involve the active participation of nongovernmental organizations in their implementation, and most of the Bank Group's strategies benefit from consultations with civil society organizations" (WB 2003b: 64). This fits the H3 tilt.

4.1.1. II) NGO Unit

NGO survey: mean: 2.76; median: 3

Interviews: mean: 4.01; median: 4

There is no participation "czar" at the Bank (Miller-Adams 1999:92, 96), although there has been sustained presidential leadership and entrepreneurship under

President Wolfensohn. There is no one central NGO affairs office. The two major parts of the Bank focusing on NGOs are the Civil Society Team (CST) in the External Relations (EXT) vice-presidential unit (VPU), and the Participation and Civic Engagement Group (PCE) in the Social Development (SDV) in the Environmentally and Socially Sustainable Development (ESSD) VPU. These together with NGO-relevant offices and staff are brought together in the loose knit Civil Society Group (CSG). Broadly, the Bank has evolved from dealing with NGOs to CSOs to civic engagement.

4.1.1.1. IIa) Staff

Initially, the Bank's engagement was in its own words, "ad hoc" (1980:78). In 1981, the NGO-Bank Committee was formed. The first NGO Unit was created in 1986 in EXT. In the 1990s it was rolled over into SDV and was renamed the NGO and Civil Society Unit in 1995. In 1997, it became the kernel of a wider Civil Society Thematic Team of interested, NGO-relevant staff across the Bank, the including EXT VPU. These changes reflected the Bank's changing understanding of NGOs as civil society. A separate Participation Unit was created in SDV in the wake of the Learning Group on Participatory Development in 1994. In 2001, the Participation Unit and the NGO and Civil Society unit were merged into Participation and Civic Engagement Group (PCE) within SDV. A separate civil society staff was retained in EXT.

EXT has more of a *global* and *external* role and is responsible for coordinating the Bank's civil society outreach. PCE's role is internal and country-level; it develops, implements, and monitors the Bank's civic engagement strategy. A joint team for coordination across these two sections of civil society staff is the Civil Society Team (CST).⁶⁸ Beyond the immediate staff of CST, there also emerged over the 1990s staff

⁶⁸ This institutional roll-out has been complex and is poorly elucidated in the Bank's materials. Correspondence with Bank staff explained it as follows:

The PCE Group was a merger of the NGO and the Participation Units, which existed as separate operating units since the *Participation Sourcebook* was considered by the Board in 1994 - the NGO Unit was actually established in the mid 1980s within EXT and it later become an SDV unit. The merger took place towards the end of fiscal year 2001. The NGO (and Civil Society) Unit was instrumental in the creation of the Civil Society Thematic Team (CSTT), which was later named CSG. The CST emerged as an alliance between SDV and EXT. It was established around the same time as the merger of the NGO/CS and Participation Unit. The CST and its related teams focuses

across the institution with NGO expertise (“focal points” in Bank-speak). These have been brought together into a loose affiliation called the Civil Society Group.⁶⁹ CSG is located in the Washington headquarters and is comprised of 40 staff; there are also roughly 80 country staff officers for civil society affairs (CSC). This totals 120 staff. The Bank breaks this down as⁷⁰:



Diagram 2: World Bank Civil Society Staff

Institutionally, besides the Civil Society Team, Civil Society Group and the NGO/ external affairs officers posted to each country office are a large number of staff spread across many divisions that deal with NGOs on a regular basis. The numbers of these staff and their time spent is not documented in any serious way. But several divisions stand out and clearly reflect concerns brought to the Bank’s attention primarily by NGOs.

The most obvious candidates are the Human Development (HDN), ESSD, and the Poverty and Economic Management (PREM) networks. Of these, the Environment Department was the first major ‘NGO-friendly’ entity, within what later became ESSD.⁷¹ Wade estimates 300 environmental staff alone (1997:733). Most recent is emergence of a

more on policy dialogue at the global level, whereas the PCE Group focuses primarily on "operational" issues, lately on promoting social accountability and enhancing the Bank's analytical capacity on the "enabling environment" for civic engagement.

⁶⁹ The actual list of staff in the CSG (which includes all the civil society staff from EXT and SDV) is available at:

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20093801~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

⁷⁰ This graph is available at:

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20093777~menuPK:225317~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

⁷¹ The Bank’s organigram is complex:

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/0,,contentMDK:20040598~menuPK:34619~pagePK:34542~piPK:36600~theSitePK:29708,00.html>.

Gender and Development Group within PREM, headed by a former women's NGO staffer. More generally, a 1998 survey (WB/Ibrahim) of Bank staff attitudes toward NGOs found 75% of staff have dealings with NGOs.

The following time line elucidates the institutional proliferation of NGO-related offices at the Bank:

1981: NGO-World Bank Committee

1984: The NGO Working Group on the World Bank

1986: NGO Unit

1987: Environmental Department

1990: Learning Group on Participatory Development

1993: Public Information Centers

1994: Inspection Panel; Environmentally and Socially Sustainable Development;
Participation Unit

1995: NGO/Civil Society Unit

1997: Civil Society Thematic Team

2000: NGO specialists in 70 of the 100 Resident Missions abroad

2001: Participation and Civic Engagement Group

2002: Civil Society Team

2003-05: Joint Facilitation Committee (proposed – to replace the Bank-NGO
Committee)

4.1.1.1.1. IIa1) Documents

The documentary data on staffing focused on its utility. While the interview data below suggest the current staff total of 120 and overlap in other departments is sufficient to meet Bank needs, there has been some internal criticism that it may not be enough (WB forthcoming [2005]:27). In 1999, a report from the Bank's Operations Evaluation Department (OED) concluded that "capacity of the NGO Unit...remains limited" (WB/OED 1999:21). This seems to be changing, although the OED report also found the NGO staff had "low status" within the institution. Anecdotal evidence from my interviews suggests that this is still accurate.

4.1.1.1.2. IIa2) Survey

The NGOs had little to specific to say on the civil society staffing at the Bank. Those few who did comment generally noted that the staff was too small, too uncoordinated, and too powerless (W1, W5, W6, W12, W15, W16, W23). W9 said the “NGO organization at the Bank is large but more a PR and risk management than substantive vehicle.”

4.1.1.1.3. IIa3) Interviews

Most interviewees had only a mixed sense of how many NGO-related staff filled the institution. Most hazarded a guess around 100. But many were anxious to point out that “the Bank has come a long way. Twenty years ago we had one environmentalist; in 1992, we had ten civil society specialists; today we have 250 staff” (B21, B8).

Most EXT staff (citations repressed) agreed on the basic number of 120 dedicated staff culled from the printed matter: 70 NGO specialists in resident missions, plus 10 in CST, plus 40 in the wider CSG. One EXT staffer (citation repressed) added that “anyone who has an external role in the Bank now has a formal role to deal with NGOs. Over 300 staff deal now with NGOs on regular basis, but this is hard to pull out because NGO work has been so mainstreamed in the Bank now.” Many noted how the decentralization of the Bank made tracking difficult (B16, B20, B23).

Many interviewees also had a poor sense of the amount of time the institution devoted toward NGO-related activities. No such personnel records exist. Estimates from most interviewees centered around 10-15% of Bank staff time, with lows around 5% and highs around 20%. However, a ranking EXT official (citation repressed) put it lower: “Of our 10,000 professional staff, 55% of them are in operations. Four to seven percent of their time is spent on NGOs activities.” Another (citation repressed) posited time spent with governments at 75%, the private sector at 20%, and NGOs at 5-10%. B17 concluded that “almost everyone in an operational or communication department deals with NGOs on a regular basis. NGOs have been mainstreamed in those departments, with weekly if not daily interaction with NGOs.”

Several (B10, B12, B14, B15) found it all to be “too much,” but the general tenor if the interviews found the time allotted to NGOs to be roughly appropriate. Nevertheless one interviewee (B10) added “but there is a disproportionate amount of institutional stress and anxiety to the 5-10% figure; there are high transaction costs.” And “there is an asymmetry of effort. If the NGOs write a letter to us in one hour, we may spend up to one month of man-hours to compose a proper response, because it must bounce around and be cleared” (B12). Several noted the expansion of this staff under Wolfensohn’s tenure (B3, B8), particularly of social scientists sharing issue interests closer to NGOs.

Finally, an IFC staffer (citation repressed) provided this sense of its staff commitment: “IFC does 250 projects a year, including 10-12 category A projects. Only five or so of those are really hot, but then NGOs can consume a lot of the project team’s time.” A MIGA staffer too (citation repressed) spoke of “time spikes,” when NGO protests of a project required the institution to devote extra-normal numbers of staff. S/he estimated 5 projects per year that “attained an NGO profile.” Both IFC and MIGA have only one dedicated staffer for NGO affairs, but can and do draw from other resources around the Bank Group.

4.1.1.2. I1b) Resources

4.1.1.2.1. I1b1) Documents

An imminent report from CST finds that staffing, while expanding, needs to be more structured and focused (WB forthcoming [2005]: 27, 32). The following divisions were listed as those which devoted time and monies to NGOs: CST, CSG, the External Affairs Officers in resident missions, the World Bank Institute (WBI), the Inspection Panel (IP) and the Small Grants Program (SmGP). Concrete figures were difficult to uncover. After considerable prodding, EXT provided an aggregate figure of NGO-related staff spending at \$6.4 million, and \$900,000 for operational work. (The full spreadsheet of NGO financial data at the Bank for FY 2005 is Appendix F.)

4.1.1.2.2. IIb2) Survey

I uncovered no specific NGO remarks on this. Many were curious to know what figures I might find, as few had a concrete sense of the sums involved. There was a general sense of ‘more money would be better’ in the NGO meetings I attended, but there were, surprisingly, few complaints about money. This seems to bolster my contention that NGOs are pushing more for recognition as legitimate actors, than as interest groups pursuing redistribution.

4.1.1.2.3. IIb3) Interviews

A high EXT official (citation repressed) provided this breakdown, “our 250 loans a year cost an average of \$350-400, 0000 each. Three to five percent of that is spent on NGO-related issues.” (The Bank’s administrative costs approximate \$1 billion per annum.) A few others with greater knowledge of amounts spent provided similar figures (citations repressed.) Few others had more than guesses on any figures, as they aren’t systematically kept. One interviewee (B9) with considerable NGO experience suggested that the Bank spends four times more on NGOs today than it did twenty years ago. An IFC representative (citation repressed) tagged the Corporation’s aggregate NGO spending at \$1 million of \$250 million per annum operating budget.

Most felt the perceived amount to “be very high for an IFI” (B19, B27). A few added insistently, that these sums were “too much” (B14, B15).

4.1.1.3. IIc) Information Dispersion

A long standing NGO critique of the Bank is a secretive attitude toward information. Indeed two NGOs solicited in the survey refused to respond on the basis that the Bank does not provide information to adequately judge the questions posed. Much of this argument is couched under the label “transparency.”

Beginning in the 1990s, the Bank moved toward transparency and openness with great speed. The Bank now routinely speaks of transparency, and a majority of my Bank interviewees used expressions like “sea-change” or “enormous shift” to describe the rapid

turn by the Bank toward declassifying as much as possible. One (B19) said the Bank had been “cornered” by NGOs on the issue.

4.1.1.3.1. IIc1) Documents

NGO pressure in the 1980s brought the Bank to its first information disclosure policy (IDP) in 1989. It has been liberalized twice, under expanding pressure from NGOs.⁷² Significantly, the 2001 review includes the release of the Country Assistance Strategy (CAS) to the public – a major NGO demand for over a decade.⁷³ The Bank claims that the new IDP involved substantial consultation with NGOs as well (WB 2002:7).

The posting of documents for comment before their final version is now routine for a new policy. It is embraced in the GP 14.70.9 and .11 in the Operational Manual. Many interviewees confirmed this as well, and much can be seen on the Bank’s website. Pre-posting includes both documents on substantive NGO concerns – for example, proposed revisions of the Operational Manual or the hotly contested Extractive Industries Review (EIR) – as well as the Bank’s own reflection on engaging NGOs. The Bank has generally shared its observations on engaging NGOs directly with them.⁷⁴

Further, there has been since 1988, an annual Civil Society Progress Report (WB/SDV 1988-2001). In the mid-1990s, under pressure to practice its affairs more transparently, the Bank began to establish document center around the world. These

⁷² <http://www1.worldbank.org/operations/disclosure>.

⁷³ The opening of the CAS to the public under NGO pressure has a component that suggests the NGOs may have so much impact on the Bank, that the Bank damages its own ability to act. One Bank interviewee (citation repressed) argued at length that opening the CAS was a terrible error, because its now public nature has made it less useful. Where earlier it was a more trenchant socio-political critique, now it contains “a lot of boilerplate because the country government and NGOs can see it.” The current Bank information disclosure policy is available at <http://www1.worldbank.org/operations/disclosure/documents/disclosurepolicy.pdf>.

⁷⁴ The most recent effort is quite significant. In the wake of the failure of the World Bank-NGO Committee, the Bank has made an effort to outline a new general strategy for engaging NGOs. That policy paper (WB forthcoming [2005]) has been posted for over a year to accept NGO comment at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20161871~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

Public Information Centers (PICs) are now in 62 countries.⁷⁵ Since 2002, the annual reports list those projects with civil society involvement.

4.1.1.3.2. IIc2) Survey

Almost every NGO staffer I interviewed or spoke with at the CSDs stressed the importance of information disclosure. Most agreed that the Bank was in fact vastly more transparent than just a decade ago. But there was criticism.

Common in the NGO qualitative response was the concern that transparency is somewhat vitiated by the release of documents too close to the date of the meeting or decision for which they are germane, and that frequently they are only in English (W6, W14, W8, W9, and in an NGO strategy session on the IFC October 3, 2004). W23 appended that NGOs were too reliant on leaking.

Another common response was that the Bank distributes so much information that it is hard to know what is most relevant. More than one interviewee (W16, W6) referred to this as an “information flood.” It was also routinely objected that the Bank’s prose is “extraordinarily opaque” (W6, W16).

4.1.1.3.3. IIc3) Interviews

Most interviewees were convinced of the Bank’s openness to NGO information requests. Almost all interviewees noted the dramatic change in transparency at the Bank. Fairly common was a variant of the following: “we try to be as transparent as possible” (B6, similar B20, B25). B7: the Bank is “reasonably responsive” B8: “very little today that is not disclosed.” B27 (similar B1, B9) referred to a “huge change since 1992; the Bank makes an extensive effort. It has almost gone too far. There must be a limit to transparency, or people won’t say anything.”

75

<http://web.worldbank.org/WBSITE/EXTERNAL/PUBLICATION/INFOSHOP1/0,,contentMDK:20127224~menuPK:291714~pagePK:162350~piPK:165575~theSitePK:225714,00.html>. There is a great irony in the use of the PICs. According the Bank’s 1995 annual report (46), only 2% of information requests came from NGOs, while the “greatest demand for information came from the business community.”

A few noted the mechanisms by which NGOs could ‘inreach.’ B19 praised the web page, and noted the link to civil society on the front page. B22 praised the Public Information Centers (PICs) in borrower countries for easing access to Bank data. Others noted an increased willingness to post on the web and otherwise circulate beforehand major reports in which NGOs were interested. B20 (similar B23): “We err on the side of transparency now. The posting of papers in draft form for NGO comment is standard and routine now.” It is the “standard way we do business, and the Board sees this” (B24).

There was some criticism. A few thought NGOs asked for material just to ask for it. B12: “we provide a great deal, because NGOs want it. Governments don’t want it, but the NGOs don’t use it. It’s pathetic.” Many noted the high volume of leaks, particularly from the EDs to NGOs, and most thought it was too much. B25 spoke of “lots” of leaks, which had become a “severe” institutional problem. So routinely does it now occur, B23 spoke of a “formalization of informal channels.” B17 agreed that NGOs had “lots of informal access.”⁷⁶

IFC and MIGA interviewees, however, noted the difficulty their agencies had with transparency because of their relations with private firms. There was a preference for transparency: “Disclosure is now a core value of the IFC” (citation repressed). But many noted blocks because of confidential business agreements with private firms. NGOs have criticized this. Hence one IFC respondent (citation repressed) said, “the NGOs push us too far on opening up everything to the public, because they don’t trust us.” Another (citation repressed) noted that the Corporation only formally supplies one document, the Summary of Project Information (SPI), to NGOs who want more information.

4.1.1.4. IId) Access to Elites

NGOs frequently seek access to Bank elites – the management, Board, EDs, policy staff, etc. President Wolfensohn is interested in NGOs, but he may be an outlier. A important future question is whether his successor will maintain his openness, establishing a tradition of access to the highest levels.

⁷⁶ I, in fact, was even a leak recipient, by both BWI and NGO staff, despite my only occasional presence.

4.1.1.4.1. I1d1) Documents

As early as 1985 (WB 1985:69), the NGOs on the NGO-Bank Committee were given access to the EDs. There was no other printed material I could find suggesting that NGO staff act as filters on access. CST is not presented as a buffer to keep NGOs from penetrating the institution. CST even recommends NGOs go around it when they can.⁷⁷

4.1.1.4.2. I1d2) Survey

There were few specific remarks about access. Only two respondents (W9, W15) suggested that the Bank's NGO staff acted as "gatekeepers" explicitly to limit access, or "act as a place to which the rest of the institution can buck their NGO concerns." In general in NGO meetings, access hardly appeared to be a concern. Most seemed content to tag CST as "coordinators" (W23) rather than gatekeepers.

4.1.1.4.3. I1d3) Interviews

Most interviewees agreed that NGOs had excellent access. B24 said, "enormous amounts of time are spent on NGOs at the level of senior management, including the president." Two interesting estimates on President Wolfensohn's time were provided by EXT staffers. A high official in EXT (citation repressed) estimated that Wolfensohn spends 5-7% of his time on NGO affairs. Another (citation repressed) provided a more detailed analysis: "Wolfensohn has 5-10 meetings/day, around 1500 meetings/year, hence, maybe, 50-100 meetings/year with NGOs. That's 8% of his time." Another EXT interviewee (citation repressed) seconded that statistic.

More generally across management, another EXT official (citation repressed) surmised that senior managers spent 10-20% of their time on NGOs. In fact most noted extemporaneously that "big NGOs have better access to Bank management than staff do" (B3) or that "some NGOs are very savvy at having disproportionate access" (B8). A

⁷⁷ See under the question 'how do I contact the World Bank?': <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20093224~menuPK:220429~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

sizeable majority also thought that the NGOs had too much access, took it for granted, or squandered it on small concerns. B7: “they have more access than they show gratitude for.” B9 said, “NGOs are entitled to access, but this needs to be rebalanced; the noisy ones get the attention now.” B27 indicated a perception across many interviews: ““NGOs don’t realize how good their access is.” B24: “80% of staff think that NGOs have too much access”

A few (B15, B18, B20) even went so far as to suggest the NGOs had “captured” Wolfensohn and played him off against less interested managers and staff. And there was frequently unhappiness at the level of expertise and experience among the NGOs sent to meet managers. Others (B1) noted that large NGOs have an annual opportunity to meet Wolfensohn one-on-one. IFC interviews (B10, B29) noted that NGOs there also had good, perhaps excessive, access to its executive vice-president.

Most interviews either thought NGOs had too much access to upper management and Wolfensohn, or were at least “surprised” at the depth of access (B19). Remarks of this kind, unusually unsolicited, were regular enough to form the basis of my claim, in Chapter 6, of an incipient staff backlash against NGO penetration. Wolfensohn’s departure in mid-2005 may pre-sage a “staff pushback” (Bank-speak) of NGOs.

No staff thought CST played a funneling or gatekeeping role to prevent NGO access to the institution.

4.1.2. I2) Program Consultation

NGO survey: mean: 3.11; median: 3

Interviews: mean: 3.72; median: 4

In its 2003 Annual Report (18), the Bank openly lists consultation as one of its three main modes of engaging NGOs. (The other two are the facilitation of NGO-borrower government dialogue, and partnerships with NGOs on certain projects, which is discussed below under I3.) Broadly the Bank is anxious to stress that it listens.

4.1.2.1. I2a) Outreach

The Bank's major outreach effort began in early 1990s, as the notion of participation took off in development studies (Miller-Adams 1999; WB/OED unpublished [October 27, 2000]). The Wapenhans Report of 1994 and the outcome of the three-year Learning Group on Participatory Development (WB/Operations Policy Department 1994) turned the Bank sharply toward participation as a means of project effectiveness. The Board of Executive Directors endorsed participation's 'mainstreaming' in 1995. The largest element of participation is consultation in project design.

The Bank describes the extent of its outreach as follows:

This greater emphasis on the need to reach out to civil society has been reflected in at least 15 Bank operational policies or directives for staff, recent IDA Replenishment reports, the 2000 World Development Report on Attacking Poverty, and it is an underpinning of the Comprehensive Development Framework (CDF) and Poverty Reduction Strategy Paper (PRSP) processes. The benefits of engaging CSOs are also supported by a number of Bank studies over the past decade and by an expanding body of anecdotal data.⁷⁸

The first printed acceptance of this dates to 1995 (WB 1995:27); in 2000 (WB 2000a:23), it spoke of "moving the Bank toward a culture of listening, learning, partnership, flexibility, and innovation." The Bank's 'approaches' to development practice today all embrace participation – the Poverty Reduction Strategy Paper (PRSP), the Comprehensive Development Framework (CDF), and Community-Driven Development (CDD). Its creation and reviews of Sector Strategy Papers (SSP) and project safeguards are also participative now (2002:68-69), as is the CAS. The Bank has also constructed various fora in which to engage NGOs: the now-defunct World Bank-NGO Committee and its possible successor, the Joint Facilitation Committee (JFC), the Structural Adjustment Policy Review Initiative (SAPRI), as well as around initiatives like the EIR, World Commission on Dams (WCD), and GEF. The Bank website is robust with a link on the front page for civil society. The Bank provides links on its own website

78

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20093161~menuPK:220423~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

to NGO research, some of it very sharply critical of its work.⁷⁹ It has also provided its facilities to NGOs to present in person some of this work.

4.1.2.1.1. I2a1) Documents

As early as 1983 (WB 1983:51), the Bank was reaching out to NGOs for “informal consultation.” Remarks in the annual reports document continuing consultation for the next 15 years, until it was so institutionalized it simply no longer was recorded. To mark this normalization of consultation the Bank has released guidelines on how to conduct it (WB 2000b; WB/NGO Civil Society Unit August 2001). It argues for consultation as well as its seriousness to Bank operations. (Explicit warnings against “tokenism” and “window dressing” are provided.) EXT’s figures (Appendix F) put the consultation total for FY 2005 at \$3.4 million; many interviewees that was too high

The Bank’s written material suggests that consultation is both desired and occurring regularly. Language from the Operational Manual is most important because it is formally approved for Bank praxis. GP 14.70.10 states that “staff are encouraged whenever appropriate to involve NGOs, particularly local NGOs, in Bank-supported activities,” and paragraph 17 “encourages the involvement of NGOs throughout the project cycle...” OP 4.02.4.b (on environmental action plans) expects staff will “take into account the views of interested parties (including local nongovernmental organizations).” The 1992 Annual Report (100) states, that “Bank staff are encouraged to work closely with NGOs in most aspects of the Bank’s work.”

The Bank’s claim that consultation occurs regularly is supported by a quick content analysis of recent annual reports. In 1995, the words ‘participation’ and ‘participatory’ occurred 28 times in the Bank’s Annual Report. In 2003, they occurred 62 times. Its primary country documents, the CAS and the PRSP (for IDA states) are increasingly consultative (WB/OED unpublished [October 27, 2000]). The Bank describes the PRSP as “broad-based, participative and country-owned” (2003a:44) and

⁷⁹

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20127029~menuPK:277368~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

the CAS as “prepared in consultation with country authorities, development partners, civil society organizations, and other stakeholders” (2004:18). Since the mid-1990s, the Bank has increasingly constructed its CASs after participatory poverty and social analyses in-country (WB 1996:51). In 1998, 20% of CASs involved “broad and substantial participation” (WB 1998:74n13); a year later that figure had reached 50% (1999:140); in 2000, it was 100% (2000a:25). Consultation may become mandatory for the CASs in the near future.

Perhaps the most thorough-going consultation with NGOs to date is the revision of the environmental and social safeguards occurring at IFC. Through a web-based consultative process, NGOs have been given the opportunity to comment, paragraph by paragraph, on the proposed language. NGOs are also now consulted when new IDA negotiations begin (WB 2002:33).

The biannual “Civil Society Progress Reports” (WB/SDV 1988-2001) provide more detailed information on consultation and participation. Since 1988, the progress reports have tracked the percentage of Bank projects planned with NGO engagement. This is the closest in the extant Bank data to an aggregate of projects with consultation. The following table presents planned collaboration with NGOs as a percentage of all projects. Unfortunately, the involvement documented is only anticipated, not ‘after action.’ There is no way to be sure these figures are not inflated⁸⁰:

⁸⁰ In fact the Bank’s Operations Evaluation Department claims them to be so (WB/OED 1999:xi).

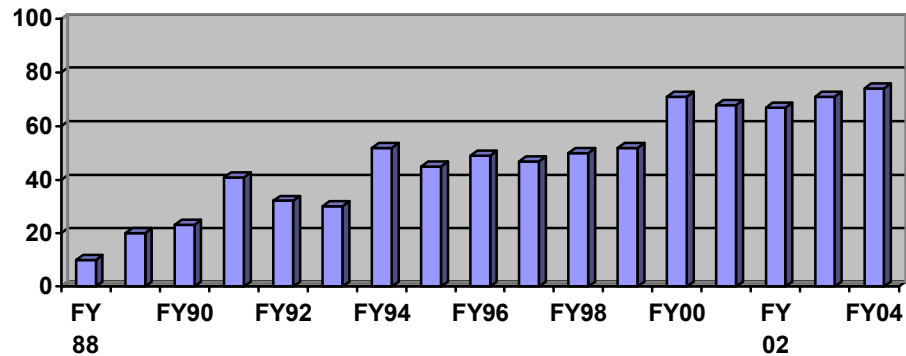


Table 2: Planned World Bank – NGO Collaboration (as a percentage of all projects)
Source: World Bank Annual Progress Reports on Collaboration with NGOs and Miller-Adams (1999:85)

A common NGO critique however is that much of this consultative work is financed through trust fund and co-financing arrangements, rather than from the Bank’s own resources. There is some evidence to support this (WB/OED unpublished [October 27, 2000]: 26). Many Bank interviewees also confirmed this NGO suspicion, although none had any hard data. The Bank’s Annual Report of 2002 (35) includes the following description: “Trust funds help the Bank leverage its poverty reduction programs by funding due diligence activities for development operations, promoting innovative approaches for projects, forging partnerships, and expanding the scope of development collaboration.” In 2004, it said something similar (WB 2004:112): “Increasingly such (trust fund) resources...underpin many of the Bank’s external partnerships.” Although cryptic, this does seem to indicate that trust funds provide resources to reach out to NGOs. The counterfactual of interest, which cannot be established, is whether project task managers or Bank policy analysts would still reach out and engage in consultation if these pots of money were not available.⁸¹

A second common NGO critique is that consultation is rushed, poorly informed, sloppy, and ‘ornamental.’ An unpublished OED report substantiates that charge

⁸¹ Trust fund assets available to the Bank exceeded \$6.89 billion in FY 2003. That adds 37% onto the Bank’s gross 2003 lending of \$18.51 billion (WB 2003a). Co-financing in FY 2003 added another \$3 billion useable assets.

(WB/OED unpublished [October 27, 2000]:11): “The quality of participation was highly variable and has not kept pace with the significant increase in the quantity of participation.” A staffer affiliated with (citation repressed) said, “A major finding of the ‘Participation Process Review’ was that there is a lot of consultation, but it’s not very well done.”

The primary in-house criticism of all this consultation has been its poor organization. OED (WB/OED August 28, 2002:3) has found that “consultation with NGOs/CBOs remains tentative. [The Bank] is still in a tentative, experimental mode when it comes to actively seeking their increased involvement in aid coordination processes.” CST’s imminent report on NGO affairs too has found much consultation, but that it lacks a systematic, institution-wide framework (WB forthcoming [2005]:30).

4.1.2.1.2. I2a2) Survey

Despite the efforts listed above, the NGOs have been quite critical of Bank consultation. Fairly common criticisms include: the release of documentation only days before consultation is closed, highly compressed time-frames for external input, the lack of translation and consultation as a formality to “check off a box on some Bank form” or as a “box-checking exercise” (W14, W16). Much of the qualitative response I received on the survey argued that the problem with consultation is its quality (W9, W 16, W36, W15). The NGOs do agree that consultation occurs. But many objected that this did not capture the Bank’s failure to do it well.

A good example of NGO complaints on the quality of consultative procedures is the brewing controversy over the revision of IFC environmental and social safeguards. In early October 2004, a group of mostly Northern advocates walked out of the consultation in protest. The NGO representative who read their protest statement said the “consultation is fundamentally flawed and closed to real engagement and meaningful dialogue.⁸²” Another said, “IFC seems more interested in getting this done than in getting it right.”

⁸² The statement is available at http://www.bicusa.org/bicusa/issues/CSO_statement_4_October_2004.pdf.

4.1.2.1.3. I2a3) Interviews

The consensus among interviewees was broadly that large amounts of money and time were spent on consultation and that proactive outreach on the Bank's part to NGOs was common (B1, B7, B8, B14, B15, B16, B20, B24). Speaking generally, B23 suggested that "the culture of the Bank has generally provided space to engage NGOs; there is broad permission to engage." B17 spoke of "lots of proactive outreach; it is now systemic." An EXT (citation repressed) said, "more often than not, we reach out, but there is still a quality control issue: getting papers out early enough, translating materials, providing feedback to NGOs and avoiding an overrapid consultation period (like IFC on safeguards)." IFC interviewees saw the Corporation behind the Bank proper on this, but improving: "They are not usually asked to contribute, but they bang on our doors, and if they push hard enough, they do get meetings" (citation repressed). Only the respondent from MIGA said that the Agency was still hesitant over consultation.

While no formal data exist on levels of consultation, B1 suggested that "80% of investment projects and 40% of adjustment projects now have consultation." Another (B3), said that "participation has been mainstreamed in the CAS process." B16 said, "there is a lot more interaction than just five or ten years ago." Infrastructure, indigenous peoples and water projects particularly were flagged as consultation-heavy because of deep local impact (B24, B26). Others noted the expansion of consultative groups on the environment, gender and the very poor, as well as NGOs themselves (JFC).

Many interviews noted the increasingly common practice of posting material on the internet for comment. The Bank's annual World Development Report was frequently mentioned in this context (B16, B17, B19). A few staff even noted that although the PRSP is to be a government-owned document, the Bank is pushing consultation hard on the borrowers (B8, B11, B26).

But there was much skepticism on the quality of consultation. B2 (similar B7, B27) noted a "culture within the building that NGOs should be briefed only, not consulted. There is low interest in building real partnerships. The Bank not staffed properly for outreach." Others suggest that it is just 'box checking' "to satisfy an obligation" (B14). Another (citation repressed) said, "The biggest problem the Inspection

Panel the biggest problem that the IP uncovers again and again is poor consultation. Quality has never matched the quantity.”

4.1.2.2. I2b) Required Consultation

A fairly common NGO criticism of the Bank is that consultation may occur, but unless it is required, there is no guarantee it will. So it is relevant to examine where the Bank has mandated that consultation or participation occur.

Consultation with NSO is now increasingly expected, but formal mandates are rare. The Bank broke its rules of the *AA* when it reached out to NGOs in the mid-1980s on the environment (Wade 1997:657), so participatory approaches, while encouraged, are not mandated (Miller-Adams 1999:97). The Bank is pushing hard for the CDF and PRSP to be consultative. It has even reprimanded a democratically elected government (Nicaragua) for generating its PRSP without consultation. The Bank’s own figure on consultation records “conversations with 60,000 poor people in 60 countries” (World Bank 2003: 119). (No date is attached to that figure, but given the recentness of the Bank’s interest in participation, it likely does not extend back beyond a decade.)

4.1.2.2.1. I2b1) Documents

Chronologically, the first area for required consultation was the environment. In 1990, the Bank created categories of environmental jeopardy for its projects and mandatory environmental assessments for the most threatening (categories A and B) (World Bank 1990:63-66).⁸³ By 1995 all environmental projects required consultation (World Bank 1995:27). In highly sensitive areas – indigenous peoples (OP 4.20), involuntary resettlement (OP 4.12, Resettlement Action Plans), environmentally risky projects (OP 4.02, Environmental Impact Assessments) - it is required. OP 4.02 is the most substantial in practice. It requires participation and consultation for projects deemed environmentally risky.

⁸³ NGOs note however, that it is the Bank, ultimately, which determines which projects are assigned which categories. There is still considerable room for slippage, as Morse Commission’s inquiry into the Narmada dam demonstrated (Wade 1997:687ff).

In the words of one Bank staffer, “it is not a policy of the Bank to have consultation in all Bank projects” (B3). The Bank has traditionally been hesitant to engage in consultation or participation around policy lending (WB/OED unpublished [October 27, 2000]:4). Several interviewees suggested that the CAS now required consultation, but its current Operational Manual statement, BP 2.11, has no language on NGOs or civil society. The PRSP too is supposed to be consultative, but this cannot be mandated, as it is formally a country-owned document. Nevertheless, the Bank has been pushing quite hard for the process to be consultative (WB 2000a:83; 2003d:37, 38).⁸⁴

Generally across the institution, consultation is not required of project preparation or institutional expansion. “Although neither organizing consultations nor following these guidelines is mandatory, it is considered useful” (WB/NGO and Civil Society Unit August 2001:6). Nor does there appear to support for a requirement: “task managers do not want a mandatory policy telling them to use participatory approaches” (WB/OED unpublished [October 27, 2000]:28). Most of the language in the Bank’s operational manual speaks of “encouraging” participation or that staff “should” consult (OP 4.02, OP 4.12), yet tougher language like ‘must’ or ‘required’ is notably lacking. The Operational Manual section devoted specifically to NGOs is a ‘good practice,’ not required, section (GP 14.70). In general, there has been a slow reduction of what one NGO critic (citation repressed) called “actionable language” in the Operational Manual and elsewhere (B17 also). Anonymous remarks from many Bank interviewees substantiate this trend, as does the consolidation of NGO affairs into a few particular sections of the manual.

4.1.2.2.2. I2b2) Survey

Most of the NGOs surveyed and interviewed felt that consultation was now a de facto requirement, if not formally required. But there was deep skepticism that it is hardening into a formality or “box ticking” on a form (W9, W14, W16).

⁸⁴ As one interviewee (B11) put it, “we are teetering on pushing participation on countries in the PRSP, but it is supposed to be country-owned and driven.” The Bank has struggled with states that have not wanted a participatory process for the PRSP to do so anyway (WB 2003:24).

A second major criticism was a frequent, unanticipated response about “consultation fatigue” (W23, W12, W9). This was particularly noted by many NGO representatives with whom I had direct personal contact around the Bank. There seems to be a growing sense that the “Bank will talk us to death” (W6), but that this does not frequently translate into change. An environmental NGO (W37) critical of the IFC safeguard process said that “consultation for the Bank is a PR exercise.”

4.1.2.2.3. I2b3) Interviews

Most Bank interviews suggested that although consultation may not be formally required in every area, it is a de facto expectation now (B10, B12, B15, B18, B19, B22, B27). Interaction with NGOs is “taken for granted now. It’s routine, and this won’t change after Wolfensohn leaves” (B28). B7 and B17 suggested that today, task managers would have to explain why consultation did not occur. B9 stated, “there is an assumption now for consultation, not whether there will be consultation.” B4 stated that “there is an expectation for consultation now in the institution, but there is still no acid test for determining when consultation should occur.” It was common to note that “the structure for consultation across the institution is very uneven” (B12). B27 said “there is no definitive policy mandating consultation, because it is hard to specify what particular consultations should be.” Both IFC and MIGA interviewees concurred that consultation is routine, but ought not be required.

There were some dissenting voices. Many were concerned that NGOs were not entitled to formally exige consultation. B22 said, “it is not the Bank’s role to reach out: projects and programs are country-owned.” B15: “Consultation should only be required where it is useful or makes sense, but it shouldn’t be mandated, or all these Northern fanatics will take us to the IP. There is too much on consultation now.” B18 made a more important point, “there must be limits on consultation because the NGOs do not have the same limits of confidentiality and trust that we do. They leak everything.” This hints at a point I make in Chapter 6 - a growing BWI resentment at poor NGO professionalism.

But even these staff recognize consultation’s reality as an expectation. Several of my interviewees were harshly critical of NGO penetration of the institution and saw

consultation as costly and of little utility. But even they seemed to admit that it was now an “obligation,” if only as an “excuse” to avoid management wrath or and investigation from the Bank’s compliance ombudsmen.

There is however a possible blemish on this record. Several interviewees noted that trust fund, rather than Bank monies, are usually used to finance consultation. Today, the Bank administers over \$1 billion in trust fund resources (WB 2003a:44). These sources are off-budget within the project cycle, so enhancing the NGO criticism that consultation is not truly mainstreamed within the Bank.

4.1.3. I3) Program Impact

NGO survey: mean: 2.61; median: 3

Interviews: mean: 3.38; median: 4

The question of program impact demonstrates why this dissertation is as much a measurement study as an empirical one. The Bank flatly states, “the World Bank does not fund NGOs” (WB/Operations Policy Department 1995:47; WB/Participation and NGO Group 1996:10). The Bank’s fiduciary relations are with states only. Hence some cleverness is required to unearth impact benchmarks; the most obvious – dollars spent on NGOs – is not available.

The 2003 Annual Report (18) openly speaks of partnership with NGOs as one of its three major modes of engagement with NGOs. (The other two are the facilitation of NGO-borrower government dialogue, and consultation with NGOs on projects and policies, which was discussed above under I2.)

4.1.3.1. I3a) Required Impact

A requirement of impact (I3) is a common follow-up criticism of the Bank to a requirement of consultation (I2). NGOs worry that expansive consultation is pointless if it does not actually impact programming. So it is relevant to examine where the Bank has mandated that impact emanate from consultation or participation.

4.1.3.1.1. I3a1) Documents

Nothing in the Bank's material requires that notions emanating from consultation be embedded in projects. The Bank has tried to slide around this through statements such as "the Bank expects the borrower to take the views of affected peoples and NGOs fully into account" (1990:65) or "consultations can and should be powerful and serious exercises" (2000:8). But ultimately, the Bank's language on consultation stresses that "consultations provide input to decision-making, but do not guarantee influence. Consultation...should not be confused with shared control over outcomes" (2000:8). An OED summary note (WB/OED August 28, 2002:2) concurred: "if processes do not result in genuine input and impact on decision-making, they are hardly more than gestures. For example, one respondent lamented that participants 'were treated like decorations...but their inputs [aren't] taken into account.'"

This has created problems for the Bank, as consultative and participative rhetoric has raised expectations from NGOs. An unpublished OED report on consultation concluded (WB/OED unpublished [October 27, 2000]: vi): "Participants were generally given too little feedback after they were consulted, leaving them uncertain as to whether their contributions affected the Bank's strategy."

4.1.3.1.2. I3a2) Survey

The most common, unsolicited qualitative remark on the Bank surveys concerned the translation of consultation into impact. Ten separate respondents tagged this issue. I also heard it quite frequently in informal discourse. In the words of one, "there is no clear evidence that anyone is listening to consultation" (W9).

The common NGO critique of consultation is that it does not lead to actual impact, and so loses its value. "Talk is cheap," more than one NGO interlocutor told me. Many spoke of "consultation fatigue," whereby the Bank seemed prepared to "talk us to death, until we give up" (W12). Even several Bank staff agreed. B13 said, "It used to be that we would just listen to NGOs and then forget about them." B17 said, "There is lots of task manager discretion – from formulaic box checking to engagement." Many used

the term “consultation fatigue” as well, and one (B19) openly said, “NGOs feel cheated or left out when the Bank doesn’t accept their input.” In a similar vein, another (B6) said the “Bank does not manage expectations well.”

4.1.3.1.3. I3a3) Interviews

Most interviews quickly noted that impact from consultation was not required and defended that. In language demonstrating the deep cleft between NGOs and the Bank over the purpose of consultation, many respondents provided some variant of the following line from one (B19): “Why should it (impact) be required? Consultation doesn’t necessarily mean you should change something.” B18: “NGOs want required impact commitments because they feel a sense of entitlement.” Another (B15) said, “We are not necessarily going to change the way they want; we must make a judgment” about project proposals. And B1 (similar B23) said, “The Bank should not be obliged to change because of NGO views. NGOs just represent a minority view; democratic governments do not understand why NGOs should be heard before them.”

The question of an informal ‘NGO veto’ arose regularly. There was some tension over whether NGOs exercised a de facto veto over particularly controversial projects, with opinions generally split. B10 said, “there is a de facto veto around specific controversial projects. Wolfensohn himself is unwilling to confront strong NGO resistance, even if the Bank’s technical departments agree to a project.” B18 said there is no veto now; “this would be absurd, but this is where the debate is going.” However B9 stated, “there is no de facto veto from NGOs through Wolfensohn.” And B17 said, “there is no veto of any kind anywhere, and should not be either. We are owned by governments; NGOs don’t seem to understand this. This is a great source of conflict with the NGOs.”

The tension over an “entitlement to input” (B18) reemerges in the legitimacy discussion. Were the Bank to recognize NGOs as legitimate participants, it would increasingly be hard to avoid a mandate that desired changes emergent from consultation be implemented. This was recognized. B26 noted, “No guarantee should be provided; that would be a blank check.” B27 said “We can’t give the NGOs a negotiating privilege

within the Bank, and this deeply aggravates the NGOs.” Here Bank interviewees frequently fell back on a stock line that the institution is owned by its shareholders and that “the Bank has no statutory obligation to NGOs. There is no de facto veto, but rather an understanding of the politics. We are not governed by the NGOs, but by the Board” (B24).

Many spoke defensively. As B19 put it, “Consultation has raised expectations which cannot be fulfilled.” B6: “There is lots of room for staff to ignore consultation.” Many defended the discretion task managers have in choosing whether, and with which NGOs to work (B17, B24, B27), despite the frequent NGO complaint that this discretion is the reason impact is so uneven. EXT officials interviewed provided a generally positive variant of this question, “Issues of negative impact on a community require an assessment, and the Bank’s record on this is decent” (citation repressed).

4.1.3.2 I3b) Program Changes

The second sub-indicator of impact is whether programmatic change actually occurs.

4.1.3.2.1 I3b1) Documents

As with so much at the Bank, NGO-relevant data is not well-kept or tracked. As OED has written, “there is no ready source of current or historical data on funding for NGOs and CBOs in Bank-supported projects” (WB/OED 1999:9); the forthcoming overview of Bank-NGO affairs from CST (WB forthcoming [2005]: viii), notes the same problem. Broadly OED finds that the “NGOs/CBOs have been underutilized in Bank work” (WB/OED August 28, 2002:1). NGO exploitation is ad hoc and frequently sloppy (4). This general judgment is born out below. I have tried to find and present the major programs relating to NGOs and present some figures concerning them. But as several Bank studies (WB/Ibrahim 1998; WB/OED unpublished [October 27, 2000]; WB forthcoming [2005]) have noted, the funding scene is chaotic and disorganized. The low

quality of evaluation (I4), also an OED finding, further inhibits a rationalized presentation.

Although the Bank does not formally fund NGOs directly, it has in practice done so through funding streams to borrowers with the expectation that they will contract or engage NGOs in some way. Like much of the Bank's continuing engagement of NGOs, it is unclear if the Bank is violating its *Articles of Agreement* or 're-interpreting' them.

The most common way by which the Bank expends resources on NGOs directly is to hire them as vendors (WB/Operations Policy Department 1995; WB/Participation and NGO Group 1996). If an NGO can build a school more cheaply than a competitor, they are an easy choice; NGOs can and do enter the international competitive bidding process of the Bank (WB/Operations Policy Department 1995:53ff). Yet in this capacity, NGOs essentially function as for-profit firms.

Beyond this role as subcontractors, the most immediate changes relevant to NGOs in dollars spent are the monies that go to NGOs through the Social Funds. Because the Bank cannot fund NGOs through project lending, it directs them to other sources over which the Bank has varying levels of influence. The Bank's NGO website has several dedicated pages laying out various trust funds and grants available, and provides a paper publication as well.⁸⁵ The Development Grant Facility is the financial window through which much of the Bank's funding for NGOs passes. It was budgeted at \$178.2 million in FY 2004 (WB 2004:7). Its best known dedicated program for NGOs is the Small Grants Program (SmGP), which has existed since 1983. Its home page adjudges it an "extremely positive and significant impact on improving civil society dialogue, information dissemination and partnerships."

NGOs complained to me, however, that the dollar figures are low (\$6 million in FY 04) and its funding through grant sources suggests its low rank in Bank financial

⁸⁵ The website is: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20094251~menuPK:220439~pagePK:220503~piPK:220476~theSitePK:228717,00.html>. Notice the title of the page – "World Bank Funding for Civil Society." Such a statement would seem to contradict the Bank's lending limits, but is further evidence of the Bank's willingness to fudge on some rules to accommodate NGOs. The publication is the "Guide to Resources for NGOs and Other Organizations of Civil Society, 2nd edition" (World Bank 2003c).

concerns.⁸⁶ The Bank's own evaluation of the SmGP is quite positive, entitled "Making a Little Go a Long Way: How the World Bank's Small Grants Program Promotes Civic Engagement" (WB/ SDV September 2003). Just six years ago, in 1998, its budget was below \$1 million (WB 1998:74). Indeed several Bank interviewees pointed to the SmGP and other Bank-provided compilations on resources for NGOs as evidence that the Bank does in fact embrace NGOs (WB/SDV 2001 and 2003).

Similarly, the World Bank Institute (WBI) provides training, particularly to small grassroots NGOs from the South in World Bank procedure, basic economics, and other project-related and capacity-building topics. Much of this falls under the Community Empowerment and Social Inclusion (CESI) Program.⁸⁷ There is also a grant window through the Bank-administered GEF to support NGO efforts on biodiversity (WB 1992:100).

There have been numerous regional initiatives that either involve NGOs, or whose existence is inconceivable without their pressure: the Indigenous Knowledge Program and Indigenous Peoples Grant Facility, Rollback Malaria, the Multi-country HIV/AIDS Program (MAP) in Africa, South Asia Urban Air Quality Management, the GEF Strategic Partnership on the Black Sea-Danube Basin, the Clean Air Initiatives for Latin American and Asian Cities, and the Mediterranean Development Forum. Many of these programs involve local NGOs receiving micro-grants for subprojects. MAP, for example, has funded over 27,000 NGO led projects since its inception in 2000 (WB 2004:28). At the global level, there is a continuing World Bank-WWF Forest Alliance, the Cities Alliances, and the ProVention Consortium. Since 2002, approximately 5% of the Bank's loan portfolio has had "environmental content" (WB 2004:66). Many of these initiatives are discussed in World Bank (forthcoming [2005]).

Institutionally, the departments heavily influenced in their creation by NGO concerns also represent sources of resources diverted. The Environment Department's enormous research apparatus is devoted to sustainable energy and water goals that NGOs

⁸⁶ The quotation and budget figures are drawn from the SmGP's website: <http://wbln0018.worldbank.org/dgf/dgf.nsf/1ceba8f5effa2874852566a9007ceeee/b1bb1a846f563de085256d9b005d57bb?OpenDocument>.

⁸⁷ <http://www.worldbank.org/wbi/communityempowerment/index.html>.

themselves have sought in the Extractive Industries Review (EIR).⁸⁸ It demonstrates just how successful NGO penetration has been, that the Bank's Environmental Department was a strong ally for NGOs in the dispute over the EIR. The EIR was ultimately watered down, not by the Bank, but by member states.

At the global level, the Bank has also supported programming quite close to NGO preferences on its lending choices. Indeed, it funded most of the Structural Adjustment Participatory Review Initiative (SAPRI), which included over 500 NGOs, many of whom were openly critical from the beginning of structural adjustment. But the HIPC (1996) and Enhanced HIPC (1999) initiatives are probably the prominent alteration of Bank spending in the last decade reasonably, if partially, attributed to NGOs.

HIPC, and its enhanced follow-up, granted \$41 billion in debt relief by 2002, amounting to two-thirds of the debt burden of its participating states (WB 2002:3). Although the Bank's official documents make no mention of the pressure of NGOs for debt relief, there is little doubt that it has been a central goal of the NGO community around the BWI.⁸⁹ Many NGO interview and survey informants listed it as a central goal. NGOs raised the issue forcefully around the fiftieth anniversary of 1994, and pushed hard for it through the following decade. While there is no quantitative or documentary proof of decisive NGO impact, most BWI interviewees were prepared to admit that the NGO played a significant role. One interviewee (B2) even suggested that attribution of HIPC to NGOs was "verboten" within the institution, because it would not have occurred without them.

The Community Driven Development (CDD) approach, begun in 2000, is also frequently attributed to NGO pressure. Through CDD, local NGOs in project-site communities receive resources directly from the Bank. The first community development fund, in FY 1992, received only \$8 million (WB 1992:100). In FY 2003, CDD efforts represented 10% of the Bank's overall lending portfolio of \$20 billion (WB 2003:71). Although many interviewees mentioned CDD and attributed it to NGOs, the Bank's own documentation does not, nor did any NGOs mentioned it in the survey feedback. It is

⁸⁸ <http://www.eireview.org/>.

⁸⁹ The only passing remark on NGOs and HIPC I have uncovered in the last ten Bank Annual Reports is as follows: "in 1999 multilateral organizations, bilateral creditors, HIPC governments, and civil society worked together to create a deeper, broader and faster initiative" (WB 2002:28).

unclear if they find it another Bank attempt to split NGOs along North/South lines. The Bank also claims that the Poverty Reduction Support Credits – monies that support the goals outlined in the PRSP – are spent “after extensive consultation among stakeholders” (WB 2003a:44).

I list these various programs, approaches and initiatives because there is no definitive presentation or summarization. EXT provided a correspondence, in Appendix F, which totals NGO-related program spending in FY 2005 at \$770 million, and total NGO-related spending at \$780.7 million. But these were informally provided and arte only a recent, one-year time slice. As noted in the discussion of consultation, the Bank’s annual reports denote which projects have NGO engagement. But no dollar figures are attached to track change over time. One former Bank staffer (Malena 2000:30) summed up as follows, “Available evidence suggests that reactive/submissive forms of involvement (NGOs as ‘beneficiaries’ and ‘mercenaries’ [service providers]) are much more common than proactive/critical forms (‘missionaries’ or ‘revolutionaries’).” But her work speaks only to the direction of Bank flows to NGOs, not to their volume. Not surprisingly, the bulk of flows go to ‘conformist’ Southern NGOs,⁹⁰ but with no aggregate, quantitative figures, it is unclear how significant this is across the institution.

Given the paucity of formal data, a common substitute for impact is the inclusion of NGOs further ‘upstream,’ in the project design portion of the project cycle. It is widely argued that where NGOs are more directly involved in project identification and design, their impact will be more substantial (WB/Operations Policy Department 1995:29-31, 45-46; WB/Participation and NGO Group 1996: 6; WB 1989-2004). Project impact is more likely, as well as deeper, where the NGOs are engaged upfront, rather than in end-phases like implementation or local mobilization. Hence a commonly tracked marker is the percentage of projects with NGO engagement ‘upstream’ (in project identification, preparation or appraisal).

The following table provides the NGO’s role in project design over time.

⁹⁰ Malena was also the central author of WB/Operations Policy Department (1995). There she also argued that the Bank mostly cooperates with nonpolitical and service provider NGOs.

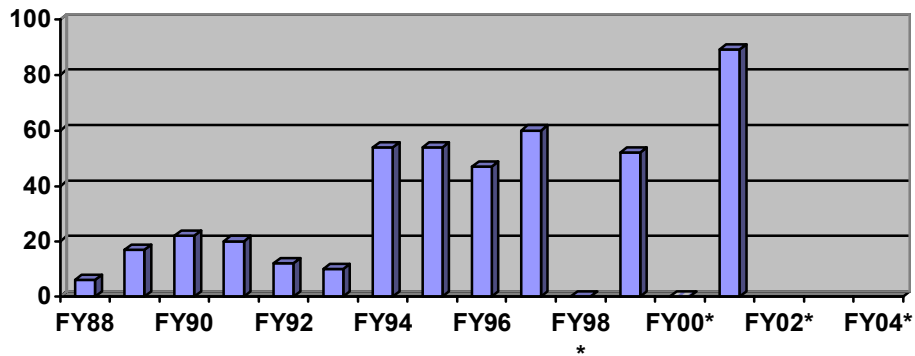


Table 3: Planned NGO Role in Project Design (as a percentage of all collaborative projects) * Data point missing ** Not Yet Available
 Source: *World Bank Annual Progress Reports on Collaboration with NGOs and Miller-Adams (1996:85)*

This chart is a counterpoint to Table 2. Table 2 provides a raw percentage of NGO collaboration in projects. If that is a useful metric for tagging consultation (I2), Table 3 is a tougher marker and a start for identifying impact (I3). However, Table 3 tell us little about the quality or depth of this involvement.

CST also notes in passing that “there is a lack of reliable and/or easily accessible data to evaluate and track the Bank’s engagement with CSOs,” but no further data exists at this time (WB forthcoming [2005]: 14). Two other studies (Nelson 1995; WB/OED 1999) disaggregated the data somewhat. Nelson argued that only played a “major role” in only 25% of Bank projects. OED found “substantial” involvement in 37%, and financial assistance to aid NGO participation in project design in only 17% of cases. Both however used figures dating from the 1980s and early 1990s. Most Bank interviews indicated that it is likely that significant design impact has broadened since then. However, the Bank has no data to support that conjecture. The consensus seems to be in the Bank that NGO impact on projects is still mostly in the implementation phase as intermediaries or service providers.

It is important nevertheless that these many programs and mixed statistics not be overrated. It is indicative of the Bank's unsure commitment to NGOs and civil society that its integration of them has been so ad hoc and multifarious. Saad Ibrahim (WB/Ibrahim 1998:24, 35-36) has rightly noted the disorganization of the Bank's lending activities regarding NGOs. He then calls for a reorganization, including one simple lending window, formally recognized by the Board, and opening the *Articles of Agreement* to formally incorporate NGOs. CST too has noted the confusion of the Bank's financing of NGOs and counseled for their reorganization (WB forthcoming [2005]). The utter failure of such reorganization is itself strong evidence of the failure of NGOs dramatically reshape the Bank's business practices. Management has openly said "that the existing funding mechanisms for NGOs in the context of Bank operations are adequate" (WB/OED 1999:58). There is clearly impact, but the one-year figures provided by the Bank (Appendix F) - \$20 million in direct funding, and \$750 million in indirect funding – are small compared to an average \$20 billion turnover in loans.

4.1.3.2.2 I3b2) Survey

Few NGOs provided specifics of impact on specific programs or projects. Several did note a general willingness of the Bank to put more money into NGOs and NGO friendly projects (social lending, projects with high NGO involvement, more serious subcontracting and involvement) (W11, W23). I did perceive in my personal interactions some unwillingness to admit Bank change (W30). The presentation above, from the Bank's own material, does not fit well with the image of (poor) Bank change suggested by the qualitative survey work.

A common NGO critique is that NGO involvement, where it does occur, is marginal. In the words of one, "NGO impact is not very meaningful, just tinkering around the margins" (W8). Table 3. But that data is planned, not actual, NGO engagement; as OED has noted, there are no databases of actual funding flows. Indeed, OED has been even tougher, suggesting that "where actual NGO/CBO involvement occurs, it is rarely well planned and managed" (WB/OED 1999:14).

The most important institutional-programmatic expansion tagged by the NGOs was the formation of the Inspection Panel (IP) in 1994.⁹¹ There was broad agreement in the qualitative feedback from NGOs that the IP is in fact a major NGO victory at the Bank (W23, W16). NGO-sympathetic scholars find this as well (Fox and Brown 1998; Clark, Fox and Treakle 2003). Notably, the Bank's own printed matter does not attribute the IP to NGOs, even though its first chairman did.

4.1.3.3.3 I3b3) Interview Data

Many interviewees presented projects or programs with which they were familiar. The most identified high profile programmatic shifts were the Bank embrace of the Highly Indebted Poor Countries Initiative (HIPC) and inception of the Inspection Panel. Most interviewees attributed HIPC, to a lesser or greater extent to the NGOs, but it was the IP that provoked most of their discussion.

Nearly unanimously, staff attributed the in-house programmatic shift toward transparency and the Inspection Panel (IP), and the MIGA-IFC analogue, the Compliance Advisor/Ombudsman (CA/O) to NGOs.⁹² The former head of the IP, Edward Ayensu (2002-2003), openly said at a panel concerning IFI accountability, that the NGOs were crucial to its establishment: "I want to pay special tribute today to the NGOs for the establishment of the IP."⁹³ And there was universal agreement from my interviews that the IP is a direct result of NGO pressure. There is a passing attribution of the IP to "growing criticism on the part of nongovernmental organizations" (WB 1994: 74).

Among the IFC/MIGA interviewees, there was also universal assent that its own "CA/O was a programmatic change that would not exist but for NGO pressure" (citations repressed). More generally, many suggested the Bank's move to transparency was driven by NGOs. B1 referred to a "huge cultural change on transparency in part because of NGOs." B26 spoke of "a presumption of disclosure, in part because the NGOs pushed for it."

⁹¹ <http://wbln0018.worldbank.org/ipn/ipnweb.nsf>.

⁹² <http://www.cao-ombudsman.org/>.

⁹³ These were public remarks on April 11, 2003 at American University.

There was a strong sense that NGOs, supplemented by the IP, exerted a “negative selective impact” (B11). This impact was more identifiable than positive change (B17). NGOs could so protest and dispute particular projects that Bank might ultimately give up simply from frustration (B1, B6, B7, B10, B15, B12, B13). B1: “When NGOs make noise, we will look.” B13 said, “They agitate so much on some projects that we back off, even if they are good projects.” B10 spoke at length about excesses other interviewees hinted at:

There is self-censorship. The threat of NGO protests is so high, that the Bank Group just doesn’t consider some projects anymore – about 5-10% of possible projects. There is preemptive protest or drive-by shootings. NGOs have warned us that if we try some types projects they will definitely campaign against them. The NGO preference for small is beautiful and big is bad has affected the Bank Group. There is a lot more microfinance and small and medium-sized enterprise lending.

Specific loan projects were mentioned by some, usually in the context of negative selection. The Chad-Cameroon pipeline, e.g., has been heavily changed because of NGO intervention. One interviewee (B15) noted that “Chad-Cam” has required over \$5 million for administration, where normally \$100,000 is spent on supervision during implementation. Another (B13) noted an investment project in Bosnia by Coca-Cola that NGOs had derailed. Several interviewees (including one from a US government agency with an interest in the IFIs) noted that the World Bank’s expanded commitment to fund renewable energy sources as a result of the EIR, was a major NGO impact on the Bank (B7, B10). Others spoke of the general expansion of NGO presence in Bank projects over the last twenty years (B16, B21). Yet there was growing concern over the bureaucratic cost of this presence. Complementing Table 3, B16 speculated that “NGOs add three to six months onto an average of six to twelve months of planning in the project cycle. An average project cycle is around 5 years. NGO engagement lengthens that by 6 months on average.”

The general tone was that the Bank “is incorporating social, environmental and cultural concerns into its lending” (B8, similar B13, B27), but that much of NGO programming was still “add-ons through trust funds or bilateral” (B12). There was some skepticism that this would last. B2 (similar B24) noted that ‘participation’ feels “like a typical Bank fad or buzzword.” Overall the sense was “we are still far behind real influence on the Bank’s portfolio” (B3).

4.1.4. I4) Evaluation

NGO survey: mean: 2.65; median: 3

Interviews: mean: 3.17; median: 3

Organizations measure those inputs and outputs they consider crucial, and the Bank is no different. The World Bank purports to take evaluation very seriously throughout its operations. The Bank has five operations evaluative capacities in-house⁹⁴ and has occasionally contracted outsiders to perform this function as well (the Wapenhans, Morse, and Meltzer Reports of the 1990s). OED, the lead evaluative unit, produces a large body of work, including its flagship *Annual Report on Development Effectiveness* (ARDE). ('Development effectiveness' is Bank-speak for evaluation.) Since its 1999 Annual Report, a separate chapter has been devoted to operational effectiveness.

Indicator I4 therefore examines the Bank's evaluation of NGO engagement. My concern here is not the substance of Bank evaluations of NGOs, but the presence of them. The devotion of resources toward retrospection and review suggests a greater seriousness than experimenting with pilot programs or hiring a few staff. Evaluative reviews of NGOs and engagement with them suggests a higher level of institutional commitment - on the 'back-end' (OED), as well as up-front (CST, consultation). The examination of NGOs retrospectively indicates that the Bank takes NGOs seriously – seriously enough to examine them.

4.1.4.1. I4a) Review Service

The Bank's after-action reports for projects – Implementation Completion Reports (ICR) – contain no specific evaluative requirement for participation, consultation, or NGO involvement. While certain portions of the ICR template do permit project task managers (the authors of the ICR) to elucidate NGO participation, it is not required or scored in any quantitative way. As one Bank interviewee (B19) put it, "ICRs

⁹⁴ They are : the Operations Evaluation Department (OED) and its twin at IFC, the Operations Evaluation Group, the Quality Assurance Group (QAG), the Internal Auditing Department (IAD), the Inspection Panel and its IFC/MIGA twin, the Compliance Advisor/Ombudsman (CA/O), and the World Bank Institute's evaluation unit.

do evaluate, just not with the depth and seriousness necessary.” Another (B15) noted that ICRs were so routinely backlogged and overdue, that most of their completion becomes a “box-checking exercise, not just on participation.” Such skepticism was fairly common among interviewees.

Founded in 1974, OED too provides an after-action audit of projects, entitled the Impact Evaluation Report.⁹⁵ Unfortunately, these are confidential, so it is unknown whether they seriously evaluate NGO involvement or not. OED has however generated two aggregate reports on NGOs to date - a 1999 report on “Nongovernmental Organizations in World Bank-Supported Projects” (Précis 177) and the widely leaked, but never completed, 2000 “Participation Process Review.” According to interviewees within OED however, the department has no current plans to generate another such report.

The second evaluative division within the Bank is the Quality Assurance Group (QAG).⁹⁶ Founded in 1996, QAG serves to provide real-time feedback on projects, whereas OED provides after-action reports. As an evaluative capacity, QAG, like OED, falls under I4. An expenditure of QAG resources on evaluating NGOs or participation should indicate an institutional concern for the utility of NGO engagement.

Although QAG oversight panels do not include NGO participants, there is emerging evidence that QAG expends some effort on NGO involvement in Bank work. Since FY 03 QAG has sought to integrate “inputs from stakeholders” more regularly into its analyses of projects’ design (“Quality at Entry”).⁹⁷ And QAG’s review template of the Bank’s “economic and sector work” does include questions about the consultation of NGOs and civil society.⁹⁸ But QAG’s annual report has not to date seriously looked at NGOs.⁹⁹

⁹⁵ <http://www.worldbank.org/oed/>.

⁹⁶ <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/QAG/0,,pagePK:109619~theSitePK:109609,00.html>.

⁹⁷ Cf. the “Sixth Quality-At-Entry Assessment Approach Paper,” at

http://siteresources.worldbank.org/QAG/Resources/QEA6_Approach_Paper.pdf.

⁹⁸ <http://siteresources.worldbank.org/QAG/Resources/ESW%20FY02%20QUESTIONNAIRE.pdf>.

⁹⁹ The most recent available is for FY 02:

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/QAG/0,,contentMDK:20068742~menuPK:125809~pagePK:109617~piPK:109636~theSitePK:109609,00.html>.

4.1.4.1.1. I4a1) Documents

The Bank formally committed itself to “participatory evaluation” in 2000 (WB 2000a:39), but it is unclear where that has led. There is little in the Bank’s formal publications to indicate that the Bank takes after-action evaluation of NGOs seriously. GP 14.70.31 encourages the Civil Society Team simply to “monitor NGO involvement in Bank-financed activities.” It does this through its progress reports on NGOs (WB/SDV 1988-2001), but these are not released with the regularity of the 1990s.¹⁰⁰ This suggests that such monitoring is not a high priority in CST. And neither OED nor QAG have any formal terms of reference to do so either.

The Bank does engage in participatory evaluation of its projects. “Since 1997, the Bank’s evaluation strategy has emphasized: participatory evaluation, to actively involve all relevant stakeholders” (WB 2000a:39). But this is not the same as evaluation of participation. World Bank project evaluations are more participative, according to the Bank’s own data (1998:41), but this does not mean that the Bank expends resources evaluating whether participation is useful or not. This is an important distinction because participatory evaluation is better understood as a marker of the Bank’s commitment to consult NGOs and civil society groups (I2). But it is not a marker that the Bank itself takes participation very seriously as a means to improving its performance. This is certainly the Bank’s rhetorical position, but there is surprisingly little evaluative work by the Bank to buttress this assumption.

The data Tables 1 and 2 draw from the annual progress report on civil society (WB/SDV 1988-2004). But these reflect a poor M&E commitment. It had been noted earlier (Nelson 1995; Malena 2000:22) that the Bank’s figures of NGO involvement (I2) and involvement in project design (I3) “overinflate” NGO involvement by listing any involvement of any kind (WB/OED 1999:xi). They provide little discussion of the quality of engagement. It is perhaps ironic that the one published OED report on “NGOs in World Bank-Supported Projects” (1999) also noted just how poor the Bank’s M&E of NGOs is (xvi). The Bank still has no integrated NGO evaluation mechanism.

¹⁰⁰ From 1988-1999, they were annualized. Then came a 2000-01 report. The next is 2002-04 but not yet published. It is unclear if this signals the eventual termination of this report.

There are however, what might be termed ‘spot-checks’ of NGO cooperation – case studies of projects and areas with NGO collaboration (WB/East Africa Department 1993; WB/Hino 1996; WB/Clark 2000; WB/Garrison 2000). These case studies tend to be fairly ideographic and are more optimistic than critical. Given that the Bank engages in approximately two to three hundred projects a year, they do represent a serious evaluative effort.

There was also by the mid-1990s a “Bank-NGO Projects Database” to provide “ongoing monitoring of trends and patterns in Bank-NGO operational collaboration” (WB/Operations Policy Department 1995:83). This is an internal database and therefore inaccessible. No interviewees brought it up, and OED (August 28, 2002:1) noted that its primary function was illusory: “the language of NGO/CBO involvement in Bank-supported projects outstripped the reality.” An unpublished OED evaluation of participation (WB/OED unpublished [October 27, 2000]:11, 15) was similarly critical of the poor databases kept by the Bank on NGOs. CST is also unhappy that “the lack of an effective, institution-wide, outcome-based, monitoring and evaluation system weakens both operational efficiency and stakeholder support for the Bank” (World Bank forthcoming [2005]:15).

Indeed it seems the only serious M&E of NGOs has been a few OED efforts that ironically find that the Bank poorly monitors and evaluates NGOs. In its own words, OED notes that the “M&E of NGO and CBO activities is weak... NGO and CBO involvement in projects is rarely monitored” (WB/OED 1999: 33, 36). OED concludes that a “new Bank-wide monitoring system” (xix) is needed. In a follow-up policy note (WB/OED August 28, 2002:4-5) and unpublished report on participation (WB/OED unpublished [October 27, 2000]:7,8), OED reiterated these conclusions.

There have been a few ‘initiatives’ to provide some retrospective work on collaboration with NGOs. In 1991, the “Learning Group on Participation” was begun and its final report, “The World Bank and Participation” (WB/Operations Policy Department 1994), was central in getting a Participation Unit erected in SDV. In 1999 (WB 1999:140), there was a “Civil Society Initiative,” but that seems to have faded.

4.1.4.1.2. I4a2) Survey

The NGO survey results showed little awareness of OED or other formal review mechanism. Only a few recipients mentioned a formal Bank evaluation mechanism. But among those who knew of OED and the other mechanisms, the perception was of good but thin oversight (W23, W9, W26, W37). But the general consensus seemed to be of “no real quality evaluation of NGOs” (W6; also W8, W12, W16, W1, W32). The expression ‘box-checking,’ already discussed above returned here. Not one NGO surveyed or interviewed spoke of evaluation beyond a formality of process.

4.1.4.1.3. I4a3) Interviews

A common response in the interviews was to note that evaluation of NGO engagement did in fact occur, but with little seriousness or depth (B11, B14, B17, B23, B27). “There just is not much willingness to evaluate NGOs,” said one staffer (B3). Others provided a variant of the following: “There is no generally consistent system in the Bank for evaluating civil society engagement; there is no consistency between QAG and OED for evaluating NGOs” (B3). B9: “The Bank is not very convinced about the ability to measure participation’s impact.”

Several were skeptical in general about the Bank’s after-action evaluation, including NGOs. B15 (similar B19) said, “Lots of things, including participation, become a box-checking exercise on implementation completion reports because there is a big back-log of them.” An OED interviewee (citation repressed) admitted that the department “does not have dedicated NGO monitoring.” An IFC interviewee (citation repressed) admitted that IFC does not seriously track or evaluate NGOs either.

There was some discussion in CST that the annual progress report on civil society might be improved, but this has not happened as yet. “We don’t think the civil society annual reports are very rigorous or meaningful right now” (citation repressed). IFC has created one in-house retrospective report on NGOs, but it is not public. MIGA has produced no evaluation to date. One interviewee (B2) raised another possibility however:

“to evaluate NGOs helps legitimate them in-house, so evaluations do not happen much; there is a willful denial to see NGO relevance.”

4.1.4.2. I4b) Complaint Mechanism

The Bank does have a formal grievance mechanism for PAPs working through local NGOs – the IP. Not surprisingly, its existence is a also major programmatic impact on the Bank (I3). To date it has investigated approximately thirty-five complaints. The CA/O plays a similar role for the IFC and MIGA.

4.1.4.2.1. I4b1) Documents

Formally, the Bank seems to have come around to accepting the Panel, and it speaks of it in ways reflective of NGO values: “The process for addressing claims has empowered and given voice to people who may have been adversely affected by World Bank-financed projects” (WB 2004:94). But there is some evidence of what NGOs call “panel-proofing.” In its 2002 Annual Report (53), the Bank noted an evolving project design “tendency to shy away from components that might trigger review under the Bank’s safeguards policies.”

In general, the Bank’s annual reports say little about the IP. Interviewees told me that this is because it is so unpopular within the institution, even at the Board level. And the IP is somewhat toothless. At one meeting I attended, a representative of the IP practically asked NGOs to bring more cases to the panel. The IP cannot make recommendations or follow up on its analyses. Indeed, so hostile is its relationship with management, that it now destroys its files of staff interviews in order to prevent managers from suing to obtain them (which occurred in the late 1990s).

4.1.4.2.2. I4b2) Survey

There are concerns, in parallel to those raised over the efficacy of CST and PCE (I1), that the IP is window-dressing. Most NGO respondees noted that the IP cannot make

recommendations to mitigate the damage it uncovers, nor may it follow-up through continuing oversight. Several also spoke of “panel-proofing” (W1, W9) in which Bank staff would purposefully design project language to avoid “actionable content” for the IP (or the CA/O).

4.1.4.2.3. I4b3) Interview Data

Bank opinion on the efficacy of the IP was split. Some (B9) thought the “IP to be very effective; people would not take implementation of some of the Bank’s policies seriously if it were not for the Panel.” Opponents also saw it as efficacious. B14 (similar B15, B17, B23) said, “NGOs should not use the IP as a threat to the staff.”

Others thought it was hemmed in increasingly by a suspicious management and staff. One (citation repressed, similar B4, B6, B8, B15, B27) noted that “IP has a good relationship with NGOs, but we must manage NGO expectations. They were very high at the start of the Panel. NGOs came to the Panel because they don’t get responses from the Bank.” Others (citation repressed, similar B17) also noted the reduction in the IP’s area of competence as loan safeguards are nationalized, and removed from Bank oversight. And generally, the IP seems to be attracting fewer cases than expected (B8). B27 said it does not deserve the attention it receives. There have been over 3,000 Bank projects since it was founded in 1993, yet only thirty-five appeals.

However, it was suggested (B6, similar B20, B24, B27) that “panel-proofing is a good thing. It avoids problem projects; it has a demonstration effect in the Bank; it is preemptive change.” This is the element of negative selection introduced above. The IP (with its close connections to the NGO community) acts as an informal filter or ‘negative selector’ on projects likely to attract critical NGO attention. About half of my interviewees thought “the IP helps keep the Bank on its toes” (B22).

Opinions from IFC and MIGA interviewees were similar, although more disdainful, of the CA/O. Jealousy of the Fund, which has no formal grievance mechanism, was common.

4.1.5. 15) Legitimacy

NGO survey mean: 2.87; median 3

Interviews: mean: 2.66; median: 3

A series of papers for the Bank on civil society in Latin America (WB/Latin America and the Caribbean Region 1999) includes a line that sums up well the prevailing Bank attitude on NGO legitimacy (9): “Finally, some themes have been touched on during the Series and left pending. The debate about the representivity or accountability of CSOs and whether they actually present the ‘voices of the poor’ was implicit in most presentations and explicit in many.” One of those discussions (WB/Garrison 1999:32) lucidly presents the quandary of the Bank, and IGOs generally, on the question of NGO legitimacy: “it is clear that NGOs, while not officially representing the poor, often defend the interests of disenfranchised populations not present at the policy debate and address diffuse issues (e.g., environment, human rights) which lack any natural constituencies, yet are crucial to the well-being of society-at-large.” As Keohane and Nye (2000:32) mentioned more generally, NGOs seem to represent something significant, but all are wary of according them formal legitimacy. Hence, “left pending” may be the most trenchant formal expression on NGO legitimacy in all the Bank literature here reviewed. It perfectly conveys the fudge on this question so evident in the Bank’s materials and in my interviews.

There is broad support for the notion of a ‘legitimacy gap’ (my expression): generally NGOs closer ‘to the ground’ in the South and the project areas themselves enjoyed greater legitimacy (WB/Operations Policy Department 1995:39-41; WB/OED 1999:31). OED (1) specifically divides up NGOs into local, grassroots CBOs that “exist to serve their members...while NGOs aim to serve others.” Yet there was even concern about the legitimacy of small, Southern NGOs. Interviewees frequently noted that many are gongos or quangos manipulated by local elites, “because they know Northern donors like NGOs” (B8). Yet no one in the Bank was prepared to accept a scale or metric for ascertaining which NGOs were legitimate. Not one interviewee even mentioned the

accreditation system of ECOSOC. When I mentioned it, all rejected it. And no interviewee thought the Bank should create a formal accreditation system.

4.1.5.1. I5a) Voluntary Inclusion

4.1.5.1.1. I5a1) Documents

The “left pending” attitude can be seen in the contradictory strains in the Bank’s own publications. As early its 1997 World Development Report, the Bank admitted that “government is no longer viewed as the sole representative or voice of the society’s multi-faceted interests” (WB/Garrison 1999:31). And the Bank rhetoric of “partnership” and “stakeholders” has clearly elevated the role of NGOs and other civil society actors. OED notes that the demand among task managers for NGOs outstrips the supply (WB/OED 1999: 33). Wolfensohn’s CDF represents a clear shift to willingly include the third sector, particularly at the very top.

Yet a 1998 survey of Bank staff attitudes (WB/Ibrahim) found continuing reticence to endorse NGO engagement, because it “politicizes” the Bank’s work (10, 21). This reflects Nelson’s complaint that the Bank’s model of development is technocratic, not partisan. Ibrahim found most staff reticent to engage NGO as “normative” or “advocacy” actors (15); and only on one-third willing to rank NGOs as equal partners to the state or Bank (18). It is striking to note his conclusion that “the more loaded the meaning of civil society, the less likely that it will be considered a safe partner by the Bank’s more conservative staff.”

Even worse for NGOs, Ibrahim’s response rate was only 47%, even though his work was a formally charged Bank effort (unlike mine). Despite much follow-up effort, he is forced to conclude: “Assuming that nearly all staff are busy, it is not too far-fetched to suggest that most of those who did not respond do not believe in the worthiness of the participatory exercise... In the middle and lower echelons of the Bank staff such [NGO] commitment is disjointed, lukewarm, and fickle – or altogether non-existent (13).”

A similar parallel is found in the call for a clearer lending framework for NGOs. Both Ibrahim (35) and OED (WB/OED 1999:xix) have called for it, in order to

rationalize the Bank's convoluted language on NGOs in lending. Yet there is no integrated NGO lending window coming. To do so would indicate institutional redefinition by placing NGOs as lenders next to states. By keeping NGO funding unrationalized, the Bank can continue it without facing the awkward logic of assigning NGOs some formal position that would provoke the states.

Finally, both the Committee on Development Effectiveness (CODE) and OED found that NGO specialists in the Bank enjoy a low organization status (WB/OED 1999:21, 59). CODE perceives a "need to change mindsets within the Bank to be more sympathetic and willing to work with NGOs." Similarly, CST has noted that NGO's legitimacy is frequently questioned inside the Bank (WB forthcoming [2005]:7). It is frequently unclear who the NGOs represent or how they were selected to speak on another's behalf. This was strongly reflected in my interview data, and may be the single biggest constraint preventing NGOs from reshaping IGOs as global governance agencies. If staff only see NGOs as transnational interest groups in the vein of Willetts, they will not permanently break through on I5/6 and H4.

4.1.5.1.2. I5a2) Survey

NGO opinion on their legitimacy to the institution was mixed. Several NGOs did in fact find that the Bank understood them as legitimate. "The Bank's acceptance of NGOs as legitimate co-participants in this work, and this has been made possible by various NGOs work on the ground which can whose success can be measured and attributed to NGOs" (W2 *sic*). Another respondent (W30) suggested that the Bank willingly comes to NGOs as representatives or otherwise legitimate voices of PAPs. "The World Bank's programs could be implemented through civil society instead of a direct approach to civil society" (W30).

Among the rest, skepticism was common, and not one NGO interview directly on this suggested that NGOs were voluntarily preferred in the Bank's work. Interviews and participant observation revealed many doubts among NGOs. At one meeting a speaker suggested that "the IFIs say they want to hear directly from the affected peoples, but this is bogus. We have been bringing Southern partners for years to Washington, DC" (NGO

strategy meeting on IFC, October 3, 2004). Many Northern NGO representatives told me of the efforts they make to consult Southern colleagues, defer to their preferences, and otherwise bind Northern and Southern NGOs into coalitions.¹⁰¹ One respondent (W6) said, in a position generally shared by most of the NGOs I met at the CSDs and WSF, “the Bank is genuinely fractured on this question [of NGO legitimacy]. A tension runs through the institution. Our representational nature is not clearly defined. This makes representation claims disputed.”

4.1.5.1.3. I5a3) Interviews

The basic Bank attitude on legitimacy is fudge or hedge (one interviewee, B16, even put it that way to me). The debate is alive in the institution, and “the whole question of NGO legitimacy has never been satisfactorily resolved” (B25). A typical hedging answer came from B10: “NGOs are advocacy or special interest groups, but since many come from within democratic societies, they have some representative quality. Shareholder nations have already conferred legitimacy on these groups; we may not like it, but that is the reality; we have passed a tipping point.” Another common response was some variant of the notion of NGOs as partially representative ‘add-ons,’ but not fully legitimate: “participation has been accepted, but clients come first” (B4) or “NGOs are not a substitute for the formal political system, but a complement to it” (B21). As one respondent put (B8), “Twenty years ago the answer to your question was a one; today it is a three.”

As interesting perhaps was the body language and response to the question itself. Several interviewees noticeable became uncomfortable with the question. Many tried to

¹⁰¹ My own experience does bear this out. Many of the Northern NGOs with whom I meet during the Spring and Annual Meetings did display regular concern that Southern voices be included. They routinely brought in Southern visitors for the meetings, often at their own expense. At WSF IV there were numerous workshops on building successful North/South NGO partnerships. There is of course no definitive data set on such a slippery question, and the Bank and Fund seem increasingly wary that Southern NGOs are manipulated by Northern ones they perceive as interest groups. Nonetheless, my own anecdotal experience was a regular and routine effort to go ‘around the table’ at NGO meetings to include input from all regions, especially in the South.

rewrite the question,¹⁰² and the discussion prompted generally lasted longer on this question than most others. B16 provided a nuanced answer that best elaborates the feedback of my interviews:

There is no Bank-wide consensus on what they represent. Does paying attention to NGOs undermine elected governments? This is now a debate within the institution. This is still being worked out because it is relatively new in the institution's tradition. There is internal ambivalence on NGOs, because they often pose as an alternative to governments, but NGOs are not elected by anyone but themselves. There must be some legitimate role for NGOs. Just conducting business between us and the ministry of finance is not longer a viable alternative. That is not enough dialogue. But it is unclear how representative NGOs really are and just who they represent. The language of 'stakeholders' and 'civil society' is preferred to 'representation.'

Opponents of NGO intervention frequently provided a sarcastic variant of the question: "Who are these people? What is their legitimacy? There are too many briefcase NGOs [just one or two people]" (B15). Questioning credentials – a variant of the 'who are these people?' question – was frequent. B12 said, "NGOs are often of specious credibility. There are lots of individuals, pseudo-groups and for-profit CSOs. This happens frequently. And NGOs often invoke networks of NGOs in order to inflate their numbers." B4: "More and more the legitimacy of NGOs is being questioned in the institution, but this is a red herring because it is raised by those who want to question the role of NGOs and close off this space."

The notion of NGO legitimacy alone - based on democratic or representative claims - was widely rejected. There was a general sharpness in response on this topic, and it is taken quite seriously within the institution. Very common was a variant of the following: "Legitimacy is the issue that worries me most [in the Bank's dealings with NGOs]. They are not representatives; they are interest groups. They just represent themselves, not anyone else" (B18, similar B22, B27). The question of whether NGOs, especially Northern NGOs, could represent or speak legitimately on behalf of PAPs arose constantly. B20 said, "it is presumptuous to claim to represent people on the ground. Who elected them?" B24 asked, "What to do when NGOs claim to represent local people but are not accredited by them?"

¹⁰² This is a fairly common phenomenon in interviewing, but there was a noticeable 'spike' among interviewees over this question. Interestingly none came to a similar reformulation. I discuss this in Chapter 6.5.1.

Many spoke of a ‘legitimacy gap’ for NGOs (B2, B3, B5, B6, B13, B14, B1, B20). Those closest ‘to the ground’ in the developing world tended to be most representative, while Northern NGOs were often spoken of as interest groups, not representatives. In the words of one (B2, similar B14), “CBOs are legitimate, but INGOs are a nuisance.” Many noted that the Inspection Panel will only accept claims from grassroots NGOs which can be verified. B17 elaborated: “Clearly they don’t represent local people; who knows who they represent?” B20 said, “Developing country NGOs speak differently and have different goals. When Northern and Southern NGOs, randomly chosen, are put together, it becomes obvious that global civil society doesn’t speak with one voice. We just sit back and watch the fireworks.” But “even being local doesn’t mean an NGO is more legitimate than a local government” (B28).

No interviewee proposed seriously talking to NGOs unless it was project effective, suggesting their legitimacy per se was weak. Even the staff of EXT interviewed were reluctant to endorse cost-ineffective participation solely on democratic or representative grounds. Most interviewees preferred to interpret legitimacy as or through utility – they are legitimate co-participants because they bring knowledge the Bank does not have (B25, B29). B17 provided a rather typical summary of this attitude: “NGOs have some legitimacy from their knowledge;” B15 put it more caustically: “NGOs are legitimate when they can make projects or policies better. But they are illegitimate when they are on a power trip to run the place.” In a similar utilitarian vein, a few noted that NGOs are not the actual recipients of loans, and hence formally should have no say (B16). But most interviewees recognized that my questions were explicitly pulling apart legitimacy and knowledge utility, and came down against the former. When pushed, most staff provided a variant of the following: “the knowledge of NGOs does not impact legitimacy” (B23).

B8 tried to square this circle by suggesting that “NGOs are not representational, but participatory democracy creates room for nonelected voices. And there are no natural constituencies for the environment and human rights to hold elections.” No other interviewees went to such lengths however.

4.1.5.2. 15b) Formal Changes in Operational Language

I sought here for formal language calling NGOs legitimate ‘participants,’ ‘stakeholders,’ ‘constituents,’ or similar terms.

4.1.5.2.1. 15b1) Documents

The Bank does refer to NGO and other civil society actors as “stakeholders” (WB 2003a:44; WB 2003b; WB/OED unpublished [October 27, 2000]). The Bank’s printed material flirts with the notion of NGO representativeness (1999:140; 2003a:18). OED notes in passing, e.g., that “mature NGOs...[can] represent beneficiary views” (WB/OED 1999:20), and CODE’s review of that report (59) worries about “NGOs/CBOs being accountable to their constituencies and of checks and balances being in place within the organizations.” In 1995, the Bank wrote, “NGOs assisted in ensuring that the views of...displaced families were represented” (WB/Operations Policy Department). The same document (39) later states that “representativity” is critical when engaging NGOs: “The closeness of an NGO’s ties to local communities and the extent to which beneficiaries consider the NGO a legitimate representative of their interests is an important criteria.” This sentiment is reinforced in the 1998 “Issues and Directions” paper on NGO relations (WB/NGO Unit August 11, 1998) and its successor, “Issues and Options” (WB forthcoming [2005]).

But this notion – in Bank-speak, that NGOs bring ‘voice’ – is mixed and poorly fleshed out. Frequently voice/representation itself is not the goal itself. Representation is usually instrumentalized (WB/Operations Policy Department 1995:28; WB/OED unpublished [October 27, 2000]) for project success purposes. A good example is the Bank’s technocratic rather than democratic interest in building civil society association (WB/Operations Policy Department 1995:64). Also the Bank’s interest in voice is openly limited by its preference for local and “non-political” NGOs (WB/Operations Policy Department 1995:41).

Perhaps the most common answer in Bank work to the question of legitimacy is to hedge by describing NGOs as “amplifying the voices of the poor” (WB/Garrison

1999:32; WB/NGO and Civil Society Unit 2001:6; WB/CST 2003:1, 17). This may represent the most the NGOs can attain. There is, as Ibrahim noted, no one thorough and formal statement on NGOs and civil society from the Bank. It is difficult to pin down its view (which may be intentional, so as to engage them without arousing excessive ire from the Board).

4.1.5.2.2. 15b2) Survey

Several respondents (W6, W30, W36) noted that the Bank's willingness to understand NGOs as "stakeholders" or "development partners" was a major success for the community. Others were very skeptical of the veracity of this commitment. In the words of one, "they call us representatives, but they treat us like interest groups" (W23; also W1, W8).

A major issue which emerged from the NGO data is the legitimacy gap. Many NGOs (W1, W6, W8, W9, W37) noted the increasing discrimination the Bank makes between Northern and Southern NGOs on the question of legitimacy. This emerged in the interview data as well, where smaller, Southern NGOs were recognized as more legitimate than Northern ones. In the words of one (W37), NGOs "need to have a field presence in the South to be legitimate." Another put it "to the Bank, legitimacy must be someone from the ground" (W9).

There was fairly deep resentment, as this was often perceived as a tactic. At WSF IV I attended conference sessions on building "NGO solidarity" in the face of efforts "to cherry pick those NGOs the IFIs like" from the rest. One NGO respondent (W8, also W6, W26) put it as follows: "The Bank calls some NGOs advocacy or Washington-based in order to divide them into good and bad NGOs. This is an effort to undermine the representative role of NGOs by separating them... There is a battle for the soul of the Bank on legitimacy." W9 summarized the concern that legitimacy could lead to cherry-picking:

The Bank is constantly trying to show that Northern NGOs are illegitimate. It is deeply ingrained in the Bank's culture that NGOs are illegitimate and that only governments are legitimate. Legitimacy only comes up when they are trying to marginalize our comments. They are trying to trivialize us by invoking 'Washington-based NGOs,' and the Bank is getting better at this, at stripping us away. The legitimacy question has become a good political wedge against us.

4.1.5.2.3. *I5b3) Interviews*

Several interviewees used language that opens the institution's doors to NGOs. In the tropes of the institution, one means of legitimizing NGO presence is to speak of the Bank as a "publicly-owned development institution," rather than as an IGO (B4, B20, B26, B29). Such language increases political space and legitimacy within for NGOs. Response on this was mixed among interviewees. A common response was a variant of this technocratic line from one economist (B14) – "we know our business; they should let us do it." But there is no formal language from the Bank calling it publicly-owned.

Most interviewees repeated the hedging answers on the issue of formal qualification. B12 noted, "calling them civil society treats them as a substitute for democracy, but this gets the Bank in trouble." The most common answer was a variant of: "They cannot be formal constituents, but de facto they are" (B15), or "we should talk to them, but formal legitimacy for them is impossible" (B17).

The Bank's borrowers were frequently referred to as "clients," yet no interviewee was willing to speak of NGOs that way. At most, interviewees were prepared to formally term NGOs "stakeholders." B18 suggested that Wolfensohn himself saw them that way, but the term carries little representative weight. A few (B9, B17) called them "interested parties." Many called them "interest groups" or "lobby groups" (B2, B11, B12, B18, B20, B22, B27). As B29 said, "they are stakeholders, pressure groups, and interest groups, but not representatives."

None embraced 'civil society' as anything more than a non-profit space. None found it exclusive to NGOs or as a worthy substitute for democratic legitimacy. B23 (similar B24) spoke of "Northern NGOs trying to define civil society as leftist; this is delusional and arrogant." B27 (similar B29): "NGOs are no more legitimate than any other group of citizens from that country." When it arose in discussion, interviewees preferred the language of global pluralism through NGOs and a multi-stakeholder civil society, to global democracy (B2, B7, B20, B25, B28). Said B28, "If the NGOs spoke the language of pluralism instead of democracy, there would be much less unease within the institution over NGOs."

Many were conscious that NGOs were challenging the legitimacy of the state to speak for the people within its borders and elevate themselves as an alternative voice. This was roundly rejected. Even a former NGO staffer, otherwise very sympathetic to NGO penetration of the Bank, felt compelled to say, “There should not be a one-to-one relationship between consultation and impact. Our client is ultimately governments and we have to keep that in mind. How can we be required to respond to an NGO when we are owned by governments? We would be absconding our responsibility to governments” (citation repressed).

This places NGOs in logic of utility by treating them as external partners or opponents, but not actually internally legitimated. All but three out of twenty-nine interviewees backed off from calling NGOs ‘constituents’ of the Bank. One interviewee (B19) hopefully suggested that “calling them stakeholders is an achievement because it moves [our understanding of NGOs] more toward politics than economics.” However the consensus seemed to be that NGOs are one of many outsiders in civil society around the Bank, but who do not enjoy special status within.

Many were concerned about whom, precisely, NGOs were representing, as well as their own internal democracy. B9 spoke at length, expressing sentiments common in my interviews:

NGOs are not as legitimate as a democratic government, CSO, or trade union, unless there is a formal representational structure. Most are usually only accountable to their founders. They are not very democratic themselves. That we should listen to NGOs does not mean that they are constituents. The Bank’s only constituents are governments. NGOs are interested parties.

B13: “We are accountable to our shareholders, but who are they accountable to?” B23 noted that “many lack a field presence and internal democratic procedures.” B25 asked, “How are the NGOs funded?”

Particularly Northern NGOs received criticism as rootless critics who made much noise but hardly speak for anyone. B29 said, “Northern NGOs are the elite of global civil society. It is sad and pathetic that they bring token Southerners to IFI meetings in the North. Northern NGOs are non-inclusive and untransparent.” B17 continued:

Clearly they don’t represent local people. Who knows how they represent? NGOs themselves are the least democratic element of civil society. They have unknown memberships and poor transparency. Northern NGOs increasingly avoid consultations because their power gets diluted, as local voices trump their own. It is awkward for them when Southern ‘partners’ disagree with them.

The legitimacy gap returns here. Northern NGOs were frequently criticized for manipulation rather than representation. B18 said,

Northern NGOs bring talking points to meetings for Southern NGOs. NGO pressure capabilities have intensified because of the power of the internet and globalization. So some NGOs are responded to disproportionately. EXT spends too much time on NGOs, particularly Northern INGOs, among all stakeholders. It manages the fallout of NGOs on some very specific, high-profile projects.

I5 is ultimately split, or fudged. Few NGOs can be legitimate to the Bank. They must have close grassroots links, and it is the Bank and particularly its TMs who make that decision on a project-by-project basis. As B3 put it, “civil society is a true but unequal partner.” There is no institution-wide benchmark. Many INGOs that pressure the Bank do not have such links, or they are too tenuous for the Bank to accord them serious recognition as speaking for anyone but themselves. The advocacy NGOs, which are more the focus of this dissertation, have not missed the implication that they have weak legitimacy or that the Bank makes decisions on their representativity unilaterally (WB/Operations Policy Department 1995:37-42).

4.1.6. I6) Policy Impact

NGO survey: mean: 2.53; median: 2.5

Interviews: mean: 2.52; median: 2

Engagement with NGOs on policy issues is the most difficult area of Bank-NGO relations (Miller-Adams 1999:87). This is not surprising, as the policies recommended by the Bank define its role and purpose and distinguish it from the NGOs to begin with. Hence I6 is listed at far end of the indicator scale. Where NGOs can pull an IGO toward their policy preferences, they begin to blur distinctions of identity (H4).

Specific policies in the Bank are formulated within the Operations Policy and Country Services (OPCS) vice presidency. Of late, OPCS has taken to posting proposed policies on the Internet for comment before they are submitted to the Board for approval (WB 2003d:41). Several interviewees said this was nothing less than a “sea-change.”

4.1.6.1. I6a) Policy Consultation

NGO policy engagement with the Bank began in the mid-1980s as the Bank-NGO Committee turned from specific project concerns to institution-wide principles. Although most NGOs engaged with the Bank are contractors or operational NGOs, advocacy work has clearly risen, and many NGOs blend the two (WB/Participation and NGO Group 1996:4-5, 16). The Bank has listed the primary topics of policy engagement with NGOs as 1) poverty, 2) environment, 3) participatory development, 4) governance and management, and 5) increased openness (WB/Participation and NGO Group 1996:16-18).

Broadly, the Bank's policy dialogue began through the evolution of the Bank-NGO Committee. As it faded away in the late 1990s, the biennial CSDs took its place. These dialogues have some discussion of specific, high profile projects like the Chad-Cameroon pipeline, but are most dedicated to policy engagement.

4.1.6.1.1. I6a1) Documents

As early as 1983 (WB 1983:51), there was policy dialogue with NGOs through the NGO-Bank Committee, and the annual reports in 1980s make occasional reference to continuing dialogue there (1984:62). Policy dialogue however jumps out of the NGO-Bank Committee by the 1990s. The MDB and later debt jubilee campaigns brought NGOs into starker contrast with the Bank. Even before the protests seriously began, the Bank (1987:62) argued that "their views are increasingly taken into consideration in the formulation of appropriate development strategies." But in the 1990s, the effect of NGO pressure can be seen even in the bland language of the annual report (1991:98). And the first policy intervention by NGOs worthy of mention in the annual report begins that year (WB 1991:98). Today, an imminent Bank report on its NGO relations finds policy consultation across the institution (WB forthcoming [2005]). And the Bank does perceive the paradigm challenge the NGOs are bringing (24-25).

The Bank is generally committed to the principle of consultation over policy. The Civil Society Dialogues themselves seem entrenched now as institutional routine after

five years. In the *Guide to the World Bank* (WB 2003d: 35-36) is the observation that policy “strategies are revised on a rolling basis every three years, through extensive consultation with a wide variety of stakeholders.” From 1998 through 2000, the Bank engaged in an institutional reorganization called the “Strategic Compact.” Its purpose was “moving the Bank toward a culture of listening, learning, partnership, flexibility and innovation” (WB 1998:23). Even if NGOs reject such claims, such language in an annual report is a clear example of the effort to learn both Wade and Miller-Adams noted as well.

The Bank’s own consultation guidelines include discussion of consultation on policy (WB 2000b; WB/NGO and Civil Society Unit August 2001). There have been many high profile policy areas of consultation: SAPRI, EIR, IFC environmental and social safeguards, and the recent reformulation of the Bank’s forest strategy. In its own words, the Bank says that “CSOs have been formally consulted on the major policies introduced or updated by Bank staff in recent years” (WB/CST 2003:23). This appears broadly accurate.

4.1.6.1.2. I6a2) Survey

Among NGOs there was a perception of consultation fatigue on policy dialogue. Many asked what was the point of more dialogue if it made no difference. A common NGO criticism was that the “Bank simply walked away from SAPRI, WCD, and EIR after serious work over years” (W17, similar W1, W35, W6, W8, W9). Northern NGOs particularly are deeply disturbed by the perception of flippancy from the Bank on policy consultation.

4.1.6.1.4. I6a3) Interviews

The interview data on NGO-induced policy change was mixed. The first reaction of most interviewees was to claim that change inside the Bank generally bubbles up from within. B27 said bluntly, “NGOs are not the driver on changing Bank policy.” Yet this may not be fully accurate. Several interviewees noted a taboo to ascribing changes in

policy in the institution to outside pressure, including NGOs. In the words of one (B19), the Bank engages in “very ritualistic behavior” which downplays external forces. B2 said similarly, “the Bank is in denial over the importance of NGO influence; HIPC is denied in-house as having come from NGO pressure. There is a willful denial to see NGO relevance. We say, ‘oh, we were going to do that anyway.’” Certainly the print data from the Bank provides no ascription of policy change to outside actors or forces beyond vague claims about ‘changing ideas in development’ or the ‘global economy.’

The interview data therefore is the likely best manner to ascertain if policy changes in the institution might reasonably be attributed to NGO pressure. There was a fairly solid consensus that the policy dialogue with NGOs was meaningful. NGOs “raise outside pressure, and open space for internal allies” (B19). B1 (similar B2, B12, B29) noted that “NGOs have an agenda setting function” at the Bank.

But the depth and acrimony of discussion elicited growing concern from a minority of interviewees (B2, B14, B15). B10:

NGOs have imputed a legislative and executive power [to the Bank] far in excess of anything that was ever contemplated. They are trying to circumvent the normal consensus-building process. They use the Bank, as a global institution, because they cannot succeed in lobbying national governments. They are trying to force policies on the rest of the world through the Bank.

There was a broad concern that NGOs were not technically competent enough to maintain a proper policy dialogue (B14, B22).

4.1.6.2. I6b) Policy Change

4.1.6.2.1. I6b1) Documents

The evidence is disparate but extensive that the Bank has shifted policy due to NGO engagement. The World Bank officially declared its goal as “poverty reduction” in 1991 in Operational Directive 4.15 (Miller-Adams 1999:155, fn. 21). Its web page lists the institutions motto as “World Free From Poverty,” which became the official motto at the time of the 1999 rededication of the Bank to poverty reduction for the new millennium. The 2004 annual report spoke of “putting people first is at the heart of the Bank’s commitment” (WB 2004:61). Miller-Adams refers to the return of the “human dimension” to the Bank’s work (1999:91).

Some of the policy change may be in the manner of negative selection. The NGOs influence on policy choices may be marked on the choices not considered on the menu of options. The Bank's self-presentation, *A Guide to the World Bank* (WB 2003d), displays a noticeable timidity toward traditional Bank operations in favor of those more preferred by NGOs. Consider the first major passage elucidating the Bank's policy goals (11):

For all its clients, the Bank emphasizes the need for

- Investing in people, particularly through basic health and education
- Focusing on social development, inclusion, governance, and institution building as key elements of poverty reduction
- Strengthening the ability of the governments to deliver quality services efficiently and transparently
- Protecting the environment
- Supporting and encouraging private business development
- Promoting reforms to create a stable macroeconomic environment that is conducive to investment and long-term planning.¹⁰³

This is an astonishing passage when viewed against the Bank's decades-long record of infrastructure work and strong support of adjustment lending. Physical infrastructure is not even mentioned, despite an institutional history so marked by it that Karl Rogoff (former chief economist at the Fund) called its penchant for mega-projects "pharaonic" (July 22, 2004). As late as 2002, infrastructure lending still accounted for 29% of total Bank lending (WB 2002). And unspoken in the last bullet point is the adjustment lending that has accounted for more than one-third of the Bank's lending in the past decade (2002:112; 2003:36). At almost 65% of gross lending, these infrastructure and policy lending would seem to merit greater attention; yet it hardly seems coincidental that these are also the two of the core areas to which NGOs object. Conversely, the text takes pain to highlight the Bank's environmental record and commitment to NGO-preferred soft lending ("human development," "investing in people").

Strategically, the Bank's move in the 1990s toward the agendas of private-sector development, good governance and participation (Miller-Adams 1999) all raise the profile of NGOs. Participation is covered throughout the dissertation, and private-sector development beyond my scope. Good governance' thrust is to reduce the state's economic role. While this disturbs the social welfarist principles of many of the NGOs surveyed here, there is no doubt that shrinking the state in the global South gives

¹⁰³ This is not an isolated passage but repeated nearly verbatim in WB/CST (2003:6).

breathing room for hard-pressed Southern NGOs. An explicit goal of the good governance agenda is to “strengthen civil society participation” (2003d:112).

More importantly, the move to strengthen actors outside the government and to improve the functioning of government,¹⁰⁴ suggests the Bank has in fact responded to Nelson’s critique of apolitical developments limits. For an organization committed by its founding articles to non-political interventions, it is flirting quite close to democracy-promotion and right-based lending. By challenging government corruption, the Bank is very near to telling governments how to run their affairs, and by dropping hints about democratization and related topics (‘voice,’ legal reform, ‘perverse rules of the game,’ empowerment) it risks alienating its many non-democratic borrowers (2000a: 11, 14, 15, 32; 2002: 12; 2002:61, 77; 2003d:112-13, 117, 119-120, 126, 135; 2003a:13).¹⁰⁵ Consider both the name and self-description of the Bank’s “Community Empowerment and Social Inclusion Program” (CESI):

CESI’s interdisciplinary tools enhance the capacity of the poor and marginalized to drive their own development; these tools also help institutions respond better to the needs of their constituents. To achieve these results, CESI facilitates dialogue between government and citizens, and builds the skills and confidence of communities to participate actively in the development process.¹⁰⁶

Like the language presented in the 2003 *Guide* or the Bank’s annual reports since the late 1990s, it is simply astonishing to see posted language referring to the ‘needs of constituents’ and the ‘marginalized.’ And it is unimaginable that the Bank would risk the ire of its member-state owners by such statements were it not for other, NGO pressures on its policy language.

Language like this abounds now in the Bank’s material. On the Bank’s home page for NGOs were published the following lines until earlier this year: “The Bank sees an important role for CSOs in helping achieve each of its three objectives – promoting equitable economic growth, reducing poverty and protecting the environment.” In the

¹⁰⁴ In 2003, 20% of IDA/IBRD lending was for “law & justice & public administration” (WB 2003a:34).

¹⁰⁵ Perhaps the most explosive, indeed astonishing, statement on this I have found in the Bank’s voluminous publishing is (WB 2003d:119-120):

The philosophy resulting from the Bank Group’s experience is that poverty is about more than just inadequate income or even low human development. It is also about lack of voice and lack of representation. It is about vulnerability to abuse and corruption. It is about lack of fundamental freedom of action, choice, and opportunity.

¹⁰⁶ <http://www.worldbank.org/wbi/communityempowerment/about/about.html>.

2000 Annual Report is (95): “The Bank has made progress in promoting a more equitable and inclusive approach to development.” In his frontispiece to the 2003 Annual Report (3), President Wolfensohn explicitly calls for “environmental responsibility with social equity.” In the Bank’s frequent calls for the empowerment of women (2003a:13, 63), it risks offending locals through interventions not easily squared with an apolitical mission.

The description of one of the “two pillars of poverty reduction” reads “investing in poor people and empowering them to participate in development” (2002:13). 2003 also saw a Bank conference on “Democratizing Development” with NGOs and Southern parliamentarians (WB 2003a:60). In 2004, it lamented the social “power imbalances” between villagers and corrupt officials, and promoted “equal access to justice for women, particularly in cases of gender-based violence” (WB 2004:80). The Bank’s flagship brochure on civil society defines poverty to include “voiceless, powerlessness, insecurity and humiliation. ...Poor people do not want charity, but freedom of action, choice and opportunity” (WB/CST 2003:18). Some 50% of Bank projects are prefaced by a social analysis that tags exactly these quasi-political factors (WB/CST 2003:11).

Frequently this amazing new language covered in technocracy. In its 2003 Annual Report, the Bank has described its interest in good governance as, “change-resistant institutions can best be reformed...(by) promoting demand for reforms through citizen participation, transparency, accountability, and partnerships” (60). In a similarly bureaucratic moment, it argues (81) that “an essential part of the Bank’s mandate is to deliver law- and justice-related products and activities.” That last is particularly telling. First, the explicit reference to the Bank’s mandate makes clear that this area is, in fact, breaking controversial ground. Second, intervention in domestic legal codes has been rephrased in extreme Bank-ese so as to cover the rather obvious political implications.¹⁰⁷

¹⁰⁷ This is remarkable language demonstrating just how politicized the Bank has become continues (note my italics for the most controversial statements, WB 2003a:81):

In the law and justice sector, the Bank analyzes country and sector conditions, including *legislative* and related institutional regimes. It formulates diagnostic assessments, advises on *policy reforms*, reviews client-country *policy statements* and *draft legislation*, and assists in capacity building in public sector institutions to improve the enforcement of contractual obligations, *laws* and regulations.

This astonishing paragraph opens enormous room for the Bank to engage in something close to constitution-building (meddling?). Again, this activity is cloaked in technocratic language of ‘diagnostics’

Such language may not portend a dramatic shift away from capitalism or neoliberalism in general, but it must be ranked against the Bank's long running self-understanding as an institution that rectifies market failures in capital accumulation in the South (Gilbert and Vines 2000). Now it seems that equality, democracy, legality, and ecology are among top priorities of the Bank. One is hard-pressed to imagine such 'ideologically correct' sentiments without NGO pressure. As Nelson, and Fox and Brown have argued so frequently, before NGO efforts on these issues, there were unheard of at the Bank. Of these moves, Wade (1997:654), a former Bank economist, bluntly says, "undoubtedly the campaign led by U.S. environmental NGOs was a major factor in driving the Bank to change its ways."

Nelson had called in 1994 for "partisan development" from the distant technocracy he portrayed. A Bank interviewee indicated that President Wolfensohn had read his book, and there is little doubt that the Bank's apolitical-ness is increasingly a façade. In 2002, the Bank admitted that it had lent during the Cold War for political rather than developmental purposes (2002:44-45). This is another astonishing admission and volte-face on the long Bank presidential tradition of insisting on the Bank's independence (Kapur, Lewis and Webb 1995a), as well as an amazing confirmation of a long-held NGO complaint (Rich 1994).

In 2003, the Bank topped off its drift toward NGO-thinking with this statement: "Essential are human and legal rights that protect livelihoods and assets" (2003a:13). For the first time in the history of the Bank's annual reports, there is an open call for human rights. This is a bombshell. If taken seriously – a big if, as the annual reports are frequent repositories of boilerplate - it may start the turn to the long-sought NGO goal of 'rights-based lending.'¹⁰⁸ It is true that the remarks about Cold War lending and human rights are tucked in the middle of rarely read Annual Reports. But they signal dramatic shifts in the institution's traditional policy stances.

Finally, although it has been frequently noted that the NGOs provide no firmly coherent alternative to the Washington Consensus, the notion of sustainable development

and 'capacity building,' but there can be no denying that the Bank's politicization when it is engaged with such basic state functions as enforcing contract compliance.

¹⁰⁸ I know of no NGO source that makes a formal case for this notion, but numerous NGO interviewees and survey respondents mentioned this (W35). It comes up constantly in the CSDs.

does imply the importation of some social and environmental aspects into traditional growth-driven development thinking. And the Bank, unlike the Fund, has embraced sustainable development and “responsible growth” (WB September 2004).

It is unlikely these shifts are due solely to NGOs, but there is strong evidence that these are not due to borrower preferences. The upcoming Bank review of NGOs finds them a “de facto part of the Bank’s operational policy framework” (WB forthcoming [2005]:8). It continues (vi), “Critical advocacy and peaceful protest have played important roles in the past in promoting effective reform and policy changes, such as the adoption of expanded debt relief, environmental and social policies and the Inspection Panel.” Many interviewees, below, attribute these changes to the NGOs as well. Among the Bank’s printed material, an IDA study on borrowers’ preferences found such topics as environmental safeguards, gender equality, civic participation and explicit poverty lending to rank far below traditional development goals such as simple growth and social investment (WB/Financial Resource Mobilization Department May 2001:8). So pronounced was the asymmetry between borrower preferences and Bank policy, that a Bank economist (B15) declared that, “the Northern NGO agenda always wins. It’s even more important than what they (borrowers) want. They want less NGO involvement and did not support the 1990s NGO agenda – participation, environment, gender, core labor standards. But they don’t get it.” As early as 1992 (WB 1992:100), the Bank wrote that “NGOs...can be effective advocates for policy change.”

4.1.6.2.2. I6b2) Survey

NGO opinion is split on policy change. Many, both in the surveys and in personal interaction, would speak to this or that particular policy that had changed because of NGO pressure. Debt relief was a frequent example (W8, W13, W26, W31). Forestry was another (W13, W37). Transparency and corruption was a third (W33). One (W6) flatly stated, “I have directly witnessed policy change because of our efforts.” But in other areas, perceptions of policy change are low. “Look at decision-making in the Bank about policies and programs; also accountability and full disclosure of information; and the imposition of conditionalities. The Bank has not changed a bit on these” (W18).

One frequently mentioned example of a widely sought NGO policy change is “rights-based lending” (W35, B11). A speaker for one NGO made this point at the Annual Meetings of 2004 in a CSD on development aid, as did another in a dialogue on IFI accountability. Similar claims were made at the CSDs in Spring 2003 and at WSF. Many other NGOs have mentioned this to me both in direct discussion, and one survey recipient refused to answer the questionnaire altogether because the Bank had so avoided rights-based lending that my survey was unworthy of her time (from an email correspondence). This rings of Nelson’s call that the Bank’s development work must be more avowedly political. But there was skepticism of the Bank’s recent use of rights language. The clash between the NGO perception and the increasing human rights leaning language of the Bank’s written material is notable here.

At the paradigm level the NGOs do not perceive themselves to have made much headway. There was near universal skepticism of the Washington Consensus, yet not one NGO seriously suggested that they were successfully challenging it. While the NGOs appear to think that concerted effort can bring some changes in a specific operational or sectoral policy, there is little evidence to suggest that they can seriously reorient the institution. As an NGO representative put it to me at the Annual Meeting of 2004: “The NGOs have pushed the Bank into a post-Washington Consensus, but this is an empty expression. It is simply the Washington Consensus plus social, environmental and poverty analysis.” Several NGOs mentioned structural adjustment only to convey the Bank’s unshakeable commitment to it (W10, W19, W37). One bluntly put it: “There has been no economic paradigm shift away from the Washington Consensus” (W9). Another (W29) wrote, “the basic macro-economic assumptions don’t change.”

A final trend in the survey responses on policy was the concern over the failure of the Bank to fully support and endorse the findings of policy investigations with NGOs, such as SAPRI, WCD, or EIR. At a number of NGO-only events I attended in 2004, these three were mentioned as a cluster to explain how policy change at the Bank was simply not possible. Several mentioned these in the surveys as well (W1, W14, W15, W16, W17, W24). In the words of one (W15; also W31, W38), the failure of SAPRI especially demonstrated that “the Bank does not learn... It is a fraud that the Bank helps the poor.”

4.1.6.2.3. I6b3) Interview Data

Generally policy changed was denied by interviewees, but with a common appendage about some flexibility. B14 bluntly said, “There is no NGO influence on policy prescriptions.” But another (B24) spoke of “a lot of nuancing now;” and B11 spoke of “much reinterpretation.” The qualitative interview data on this question was rather mixed.

Many (B19, similar B3, B27) suggested that the Bank still performs “business as usual. The Bank has not really changed 90% of the Washington Consensus; the PRSP just smuggles in the same old line.” But certainly, Bank officials are much more comfortable admitting that the Bank makes mistakes and can learn from external input, which includes NGOs. At the many meetings I attended for the research, I heard dozens of variations on this line delivered at the IFC safeguards consultation in October 2004: “We don’t have a monopoly on understanding at the IFC or World Bank Group” (citation repressed, similar B4). B16 (similar B21) said, NGOs “are more important than they probably realize. They are pushing us away from lending to dictators under the rubric of governance. But changing the Bank is like turning a battleship or aircraft carrier. There is a lot of change from an insider’s view, but it’s hard to see from the outside.” Many NGOs told me such language sounds suspiciously like a cop-out.

Many interviewees (B8, B17, B26, B29) tagged the Bank’s ten project safeguards, especially the environmental ones, as NGO policy impact.¹⁰⁹ And in the CSDs, most BWI speakers confirmed that they had in fact been internalized or mainstreamed. “IFC does internalize social and environmental risk now” (citation repressed, October 2004). Others (B4) spoke of reduced conditionality loads, and the reduction of infrastructure lending (B6); B29 thought NGOs had put corruption and governance on the agenda. The most important NGO-attributed policy shift concerned debt. The swing toward debt relief and reductions feed into the programmatic change of HIPC. This was widely accredited to NGOs by interviewees (B2, B4, B7, B1, B23, B25).

More broadly B17 suggested that “every major policy dialogue on an OP or a BP has had change because of NGO involvement. I can’t think of any one policy where we

¹⁰⁹ <http://lnweb18.worldbank.org/ESSD/sdvext.nsf/52ByDocName/SafeguardPolicies>.

went in the same way that we came out.” The 2002 revision of the Bank’s forest strategy was frequently mentioned as the recent strategy re-write most influenced by NGOs. And B23 said, the “Bank’s legal people are uncomfortable with World Development Report chapters on human rights and politics.”

In a word, the Bank has become more “politicized,” more like a GG agency than simply an intergovernmental coordinating body. Many interviews (B3, B19, B28) noted how much the Bank has significantly bent, if not openly violated, its technocratic protocols by embracing governance and other social goals on the NGO agenda. “We are working at the border of what the institution can digest. We are smuggling politics in here through social accountability, governance and participation” said one Bank staffer (B19). Another (B3, similar B28) said “we are using NGOs as an informal way to democratize developing countries.” A third (B15) said, “the Bank’s job is not to alter the fundamental governance of these institutions but this is what the NGOs are pushing on us.”

Yet, on the paradigm question of a post-Washington Consensus, the NGOs have not broadly succeeded. The notions of a ‘post-Washington Consensus’ or ‘sustainable development’ were frequently met with sarcasm, or the query what it was. One (B15) quipped, “the post-Washington Consensus is the Washington Consensus, plus NGOs, plus more time.” B16, decisively linking I6 to H4, noted, “governments rule us and won’t move away from neoliberalism and the Washington Consensus, so we won’t.” More darkly, B2 put it, “we already know what we are going to do, but we reach out to check off the box.”

B16 (similar B20) provided a more nuanced response:

The Bank is evolving toward a post-Washington consensus under pressure from NGOs. But the Bank is moving towards sustainable development not quite as NGOs envision. It is about financial and economic viability, and not heavily environmental. There is no in-house consensus yet on what sustainable development means.

Most interviewees said the NGOs still have not put forward a coherent alternative, so at best there was “evidence-based policy change” (B26). Only B8 said anything remotely like “NGOs are changing the capitalist paradigm at the Bank.”

The ultimate verdict on NGO-driven and –sympathetic policy change at the Bank must not only be mixed, but indeed is consciously a fudge or hedge. The performance of B26 at the Annual Meetings of 2004 was indicative of the Bank’s half-and-half grasp of

both NGO-driven change within the institution, and its mixed feelings toward further NGO-sympathetic policy change. “We learned a lot from NGO evidence accumulated against policy conditionality in the 1990s, so the Bank began to move away from it.” But it is hard for the Bank to “formally endorse rights-based lending; it could paralyze the institution through litigation.¹¹⁰” S/he reiterated the “apolitical orientation” of the Bank, but then noted how the Bank “is pushing the frontiers” with its talk of participation, empowerment, and consultation with beneficiaries. States such as China and Vietnam are deeply uncomfortable with such talk.” Bank staff, s/he said, is pushing as much as possible within the constraints of the *AA*. But, as if to reinforce the image of mixed feelings, s/he finished with the point that “we are still an intergovernmental organization.”

4.1.7. Empirical Conclusion: H3

Table 4 presents Chapter 4.1’s integrated aggregate quantitative data from the surveys and interviews indexed against the casual hypotheses of Chapter 5.

Indicators (Hypotheses)	I1 (H2)	I2 (H2)	I3 (H3)	I4 (H3)	I5 (H4)	I6 (H4)	
<i>NGOs (survey)</i>	2.76	3.11	2.61	2.65	2.87	2.53	Mean
	3	3	3	3	3	2.5	Median
<i>WB Staff (interviews)</i>	4.01	3.72	3.34	3.17	2.66	2.52	Mean
	4	4	4	3	3	2	Median

Table 4: Summary of Indicators Indexed to Hypotheses (World Bank)

¹¹⁰ ‘Rights-based lending’ is cropping up increasingly in the Bank. In just the two years of my dissertation, its frequency at the CSDs has increased, and one interviewee (B11, similar B29) said, “It is cooking inside the Bank.”

The empirical work of Chapter 4.1 suggests H3 for the World Bank. The quantitative and qualitative data on the Bank indicators suggests this very strongly, with a lukewarm interest in H4's indicators (I5 and I6). Inferences from the quantitative NGO data are weaker because of the 'spiky' curve of the quantitative data. The NGO qualitative data is mixed on H3's indicators (I3 and I4), but noticeably skeptical of I5 and I6.

There is agreement from both the NGOs, and Bank staff and materials, that H4 (I5 and 6) is incorrect. But the Bank leans towards H3's indicators (I1-4), while the NGO indicators are torn between H2 and H3.

4.2. International Monetary Fund

Table 5 presents the integrated aggregate quantitative data from the surveys and interviews for the International Monetary Fund presented in Chapter 4.2.

Indicators	I1	I2	I3	I4	I5	I6	
<i>NGOs (survey)</i>	2.13	1.58	1.52	1.89	2.00	2.13	Mean
	2	1	1	1.5	2	2	Median
<i>IMF Staff (interviews)</i>	3.8	3.2	2.2	1.5	1.7	2.1	Mean
	4	3	2	1.5	2	2	Median

Table 5: Summary of Indicators (International Monetary Fund)

The dissonance between the IMF's estimations of its movement and the NGO's is not as great as at the Bank (Table 1). There is difference at the beginning of the scale (I1), but dissipates to near agreement at I6. The documentary analysis, as well as the qualitative feedback presented below, mirror that divide on the early indicators.

It is also relevant for the measurement study portion of the dissertation that neither data curve follows well the linear, downward trending relation predicted. Both curves strike a soft U-shape in which programmatic, H3 indicators (I3 and 4) are the lowest, followed by a mild rebound on the H4 indicators (I5 and 6). I1-6 were constructed to be increasingly more intrusive; hence the scores were predicted be highest at I1 and lowest at I6.

This unexpected performance does jeopardize my results, particularly in that it is shared by both communities. The dissonance along the indicator scale makes it difficult to predict, in the structure of my model, which hypothesis is accurate. Luckily, the uptick on the later indicators, although shared and noticeable, is small and remains below the neutral score of 3. The integrated quantitative data mildly predicts H2 on the basis of the strength of I1 and 2. This inference is buttressed by the qualitative data on the indicators presented below. It tilts toward a strong showing on I1-2 only. I am comfortable that the integrated (qualitative and quantitative, NGO and Fund) data suggest the Fund performs only on I1-2, and then slides (therefore predicting H2).

The Fund has not received the kind of sustained NGO pressure the Bank has. It is more inscrutable, and it is less clear what role NGOs would play there. As O'Brien et al. (2002:175) note, "many activists have hoped that campaigns for change targeted at the World Bank will reverberate on the Fund." This has not been the case. Section 4.2 is substantially more limited than 4.1 as a result.

4.2.1. I1) NGO Unit

NGO survey: mean: 2.06; median: 2

Interviews: mean: 3.8; median: 4

There is no independent NGO unit in the Fund. O'Brien et al. (2000:190) make the trenchant observation that business and for-profit sector representatives have access to policy staff, while NGOs are sent to EXR. Like the Bank, there is no participation 'czar' in Fund.

4.2.1.1. IIa) Staff

4.2.1.1.1. IIa1) Documents

The section of EXR responsible for NGO engagement is the Policy Communication Division (PCD), previously the Public Affairs Division. It was founded in 1989 “in recognition of the increasing interest being shown in the Fund by nongovernmental organizations” (IMF 1989:90). It has seen staff expansion as NGO criticism increased (IMF 2000:155). Leo Van Houten speaks of EXR as a “major contribution...to strengthening the IMF’s relations with civil society” (IMF/van Houten 2002:59).

The Fund also keeps a UN Office with a strong focus on the “social aspects on adjustment” (IMF 2000:151). There is also a Low Income Country Working Group, similar in focus to the LICUS initiative in the Bank, arranged in 2004. Both respond to NGO concerns that the Bank and Fund respond more to the poorest of the poor, but it is not clear if these initiatives are a direct result of NGO pressure. There is no documentary evidence to support this, but one IMF staffer (F7) involved in the LIC working group did say that repeated NGO “harping” on this topic raised its profile inside the Fund.

No printed data was available on numbers of staff engaged in NGO affairs.

4.2.1.1.2. IIa2) Survey

The NGOs had little to say about the civil society staffing at the Fund. Those few who did comment generally noted that the staff was smaller and less developed than the Bank, but found them acceptable (I7, I14, I23). The perception was widespread that the Fund spent almost no institutional time on NGO activities. I23 suggested that Fund staff spend less than 3% of their time engaging NGOs.

More broadly, EXR was disliked, particularly its current director. I23, echoing a sentiment I heard in many informal conversations, said “many NGOs were intimidated by the Fund.” Many NGOs mentioned in conversation that they found it disturbing that an EXR representative accompanied NGO staff at all times in the building (even before

9/11) and sat in on any meetings between NGOs and other staff. Several found this “like the Gestapo.”

4.2.1.1.3. IIa3) Interviews

Most interviewees noted the small NGO apparatus within the Fund. There is only one full-time staffer, one contractual employee and two supervisors in EXR engaged at part-time on NGO issues. There are 3000 total staff in the Fund. EXR staff estimated that approximately 2-3 in staff years were dedicated in a fiscal year. But they, like most interviewees, were at pains to note the “informal growth of staff time commitments to NGOs broadly across the institution” (F8).

F3 expressed the consensus, saying “this is too limited but still meaningful.” F7 rejected this, openly asserting that the Fund needed more NGO staff. Even at the Independent Evaluation Office (IEO), which Fund staff generally agreed exists because of NGO pressure, the NGO commitment is limited. There is no one dedicated NGO staffer, and an estimate of less than 5% of staff time spent on NGOs was provided (citation repressed).

Few staff had a deep sense of what amount of time was dedicated to NGO affairs. But many (F1, F6, F10) noted that much “took place under the radar.” Individual units in the Fund which interact with NGOs do not need to report or record it. Resident representatives of the Fund in program countries (resreps) are also reaching out to NGOs, but they too do not record time spent. There was a strong sense that much NGO outreach and activity was occurring, but there were no solid metrics. The Fund keeps no formal records of staff-time spent in NGO affairs.

The broad estimate of time spent on NGOs affairs across the interviews was lower than at the Bank. None suggested more than 5% of total institution staff. Most thought it was closer to 1-2% and one staffer (citation repressed) with especially intimate knowledge suggested it was less than 1%. F1 estimated that 1-5% of staff time across the institution was spent on NGO affairs, but he protested that “this is not necessarily a good indicator of the substantive exchanges taking place.” F4, F5, F6 and F7 agreed with the low end of that time commitment.

It was common as well to nuance the picture of time committed. F5 divided the commitment over departments¹¹¹: “EXR, Policy Development and Review (PDR) and FAD (Fiscal Affairs) spend more time with NGOs than most IMF departments. In area departments with countries that don’t have PRSPs, there is little inclination. Africa and Latin America do the most with NGOs.” EXR representatives estimate that their division spent 8-10% of its time on NGOs. F10 suggested that “headquarters staff spend very little time on NGOs, except when they go in the field. Resident representatives today spend 15% of their time on NGOs.”

4.2.1.2. IIb) Resources

4.2.1.2.1. IIb1) Documents

There are no solid figures in the Fund’s printed work specifically concerning its NGO activities. There is some tracking of the expenses of EXR. In 1998 (IMF 1998:102-03), the Fund listed EXR’s expenses as 4.7% of its total administrative budget of \$503.7 million. In 2000 (IMF 2000:100), it accounted for 5% of \$583.0 million.

4.2.1.2.2. IIb2) Survey Data

I uncovered no specific NGO remarks on this. Many were curious to know what figures I might find. None had a concrete sense of the sums involved. There were, surprisingly, few complaints about money. This seems to bolster my contention that NGOs are pushing more for recognition as legitimate actors, than as interest groups pursuant of redistribution. Only one NGO respondent (I23) suggested that the Fund NGO staff needed expansion.

¹¹¹ The Fund’s organigram is here: <http://www.imf.org/external/np/obp/orgcht.htm>.

4.2.1.2.3. IIb3) Interview Data

None of the interviewees had a sense of the budgetary figure connected to NGO outreach and engagement. Many noted that it is simply not tracked, and that much outreach is in travel allocations or conference budgeting.

Those who did comment universally noted that the sums were “marginal” or “infinitesimal” (F1, F2, F8, F10). F7 estimated that less than one percent of the Fund’s administrative budget went to NGO affairs. At IEO, the figure was higher - around 5%. A few noted that PRSP/PRGF reviews and outreach should be included, but could provide no sense of figures. Another noted that the resident representatives have an outreach budget, but again no figures exist. EXR representatives did “not believe money spent to be a good marker of NGO commitment by the Fund.” As one noted, “well, NGOs don’t ask for much” (citations repressed).

4.2.1.3. IIc) Information Dispersion

4.2.1.3.1. IIc1) Documents

The Fund’s documentation notes the general accessibility and expansion of transparency confirmed by the interviews and surveys. The Fund’s introductory handbook, “What is the International Monetary Fund?” (IMF August 2001:42), notes that “since that since the mid-1990s, the IMF has vastly increased the volume of information it publishes.” Van Houten (IMF/van Houten 2002) concurs. Both volumes speak of the emergence of Public Information Notices (PINs), and the robust Fund web site. The Fund has also introduced a civil society e-newsletter (IMF 2003:59 and <http://www.imf.org/external/np/exr/cs/eng/index.asp>). Thomas Dawson and Gita Bhatt speak of extensive “provision of information” and “outreach efforts” from the Fund to NGOs (IMF/Dawson and Bhatt 2001:20).

The Fund’s annual reports too speak of a continuing liberalization of contemporary material and the archives in the 1990s. In 1999 (178), it documented the tremendous traffic on its website. The ‘External Relations’ appendix on the annual report has spoken every year since 1994 of “increasing transparency.” In 2001, the Fund

instituted a “presumption of publication,” by which member states would be expected to explain why certain data should not be published (IMF 2001:148). In 2002, the Fund called its endorsement of transparency after 1994 “a dramatic change.” The Fund first adopted a formal transparency policy in 2001 (2004:65).

4.2.1.3.2. IIc2) Survey

Transparency arose in many responses. Many NGOs listed it as a central goal of their work with the Fund, but those who did comment at length found the Fund adequately transparent. Several (I7, I13, I23, I25, I29) found the release of information untimely. Complaints about opaque prose were frequent. A few opined that this was a rhetorical strategy to lower the possibility that external audiences might understand. I23 suggested, in contrast, that the Fund is more complicated and represents a “greater problem of understanding for NGOs” than the Bank. As if to reflect this, I25 wrote in a moment of candor, “The Fund is more difficult to influence than the Bank, in part because their loans are more difficult.” The reliance on leaks so common at the Bank was less pronounced at the Fund (I13).

4.2.1.3.3. IIc3) Interviews

Most interviewees were convinced of the Fund’s openness to NGO information requests. In the words of F6, “the Bank plays a good game with NGOs. It has more money to throw around. But the Fund is more transparent. Transparency was learned the hard way at the Fund; being secretive was not helpful.”

Almost all interviewees noted that dramatic change in transparency at the Fund. F8 referred to “a sea-change on transparency.” Most also noted the deep IMF web site and the quarterly civil society newsletter as outreach mechanisms to put information in the hands of NGOs. Others noted an increased willingness to post on the web and otherwise circulate beforehand major reports in which NGOs were interested. This was particularly marked at IEO. As F1 put it, “as we have published more of our documents, our relationship with NGOs has become more interactive.”

F6 spoke more broadly:

Public Information Notices (PINs) began in mid-90s. Today 70% of country reports are released, and 80% of country PINs released. There is the civil society e-newsletter, the civil society dialogues, and lots of other informal stuff below the radar. Many NGOs can go directly to resident representatives or staff with their concerns, and EXR doesn't even know of it. There is information sharing occurring in these informal contacts.

F8 noted that the CSDs are tailored to NGO concerns, as it is NGOs who request the topics. Like F6, F8 noted that “the Bank is less transparent than the Fund because it is more complex.”

4.2.1.4. IId) Access to Elites

4.2.1.4.1. IId1) Documents

I found nothing in the Fund's printed material on this subject.

4.2.1.4.2. IId2) Survey Data

Few NGOs commented on access. Most complaints focused not on access, but on what was made of comments given. A few (I1, I7, I23, I32) noted again EXR's intrusiveness, particularly its habit of sending a representative to every event with NGOs inside Fund headquarters. In casual conversation, I frequently heard EXR jokingly referred to as a “secret police” or the “Gestapo” because of this practice.

4.2.1.4.3. IId3) Interviews

Most interviewees agreed that NGOs had excellent access, even to management. In fact, F5 suggested, “there remains natural resistance in the lower echelons staff to engage NGOs, but it's higher management that actually that does it more willingly.” EXR staff were quickly to point out that both former MD Koehler and current MD Rato made NGO outreach a priority of their first few months in office. “Good NGOs often have access to senior staff, especially while on mission. Rato has already done an NGO meeting while traveling to Asia,” said F6. F7 added that “certain NGOs have regular access to the top, but only after strong screening. And access to middle management is

provided” as well. Only one interviewee expressed concern about the high level of access NGOs seem to expect regularly (F3).

Most interviewees did suggest the EXR played a funneling role. EXR interviewees defended this by stating that it was necessary “to organize, not block, NGO input” (citation repressed). “Our goal is not to block access but to make it useful to both sides” (citation repressed). “We are not the gatekeepers of the Fund; we only give advice. We do not determine whom staff meet” (citation repressed). Others agreed. EXR is a “facilitator,” particularly for small NGOs (F5). It is necessary to direct information and meeting requests to the correct department, and this does occur without intervention. But, F10 noted, there are few requests to meet managers.

By contrast, several noted that larger NGOs had their “own networks and access” into the Fund (F1, F5, F7, F10), and a few of the very biggest had regular meetings with the MD. In response to the persistent NGO criticism that EXR “tails” NGOs when they are in the building, said one (citation repressed), “EXR does not regulate access, even to the building. EXR sends staff to meetings to see how well IMF staff talk with NGOs; that’s it.”

4.2.2. I2) Program Consultation

NGO survey: mean: 1.66; median: 1

Interviews: mean: 3.2; median: 3

4.2.2.1. I2a) Outreach

Consultation is becoming mainstreamed at the Fund. At the CSDs of the 2004 Annual Meetings, the Fund organized a small, private meeting to solicit written input on LDCs from NGOs before bringing its strategy paper to the Board. According to F7, this type of outreach is now standard.

At the 2004 town hall meeting between MD Rato, President Wolfensohn and NGOs, Rato said “the Fund has a close relationship with civil society... we need an

interchange with civil society to fulfill our responsibilities.” Rato repeated this commitment to “participatory process and outreach in decision-making” in 2005.¹¹²

4.2.2.1.1. I2a1) Documents

The IMF has little formal language regarding the specifics of consultation. There is however a wide and general commitment to engage. Its main introductory brochure (IMF August 2001:7, 14) mentions consultation with NGOs. PRSPs are listed as “participative” (47). Van Houten suggests “institutional discourse has been broadened to cover...civil society” (IMF/van Houten 2002:59). The Fund’s “factsheet” on its relations with civil society speaks of “fostering a culture of listening and learning.” CSOs can highlight important issues, offer information to supplement official data, and provide insights that may differ from perspectives in official circles.¹¹³ MD Koehler himself mentioned in the frontispiece (vii) to the Fund’s 2002 Annual Report his personal outreach to civil society. Finally, in 2003, the Fund released its “Guide for Staff Relations with Civil Society Organizations.”¹¹⁴ It too calls for “proactive outreach” (IV.c.3).

The Fund’s concessional lending window, the Poverty Reduction and Growth Facility (PRGF), requires a PRSP. PRSPs, which the Bank also utilizes, are robustly consultative. Although formally country-owned, both the Fund and Bank expect them to be participative and transparent, with substantial NGO involvement (IMF/Treasurer’s Department 2001:122 and <http://www.imf.org/external/np/speeches/2003/051503.htm>). In every chapter on HICP/PRGF in its annual reports, the Fund strongly encourages participation and consultation.

Yet it is noticeable that consultation with NGOs primarily is sought in that context only, when it can be couched as country-owned. Consultation then actually occurs between NGOs and borrower governments, not NGOs and the Fund. The Fund’s annual reports are noticeably cautious about extending any right or formal claim to consultation on its own work. The PRSP is clearly the preferred channel (IMF 2000:22,

¹¹² <http://www.imf.org/external/np/vc/2005/010105.htm>.

¹¹³ <http://www.imf.org/external/np/exr/facts/civ.htm>.

¹¹⁴ <http://www.imf.org/external/np/cso/eng/2003/101003.htm>.

37, 49. 56, 67; 2001:53; 2002:v, 48, 50; 2003:58-59, 71; 2004:47; IMF/Dawson and Bhatt 2001:18; IMF/EXR 2003:24). Neither the Fund's *Articles of Agreement* nor its staff "Code of Conduct" has any formal recognition of NGOs or civil society or its proper treatment.

The Fund's annual reports first spoke of NGOs in 1990, and provided since then a general commitment to "strengthen its collaboration with...nongovernmental organizations" or "intensify its dialogue...with nongovernmental organizations" (1990:42 and 1994:186; also 1996:193, 1997:188, 1998:154, 2000:155; 2003:58). Like the Fund's self-descriptive pamphlets, a general, nonbinding interest in NGO consultation is regularly professed. The Fund's 2001 Annual Report found the Fund "maintained extensive contacts with...representatives of civil society" (148); that year also, "the IMF participated in a record number of meetings with representatives of civil society" (149). The Annual Report of 2002 made similar claims of "extensive contacts" (82) and provided that "IMF staff had numerous contacts and participated in about 60 seminars and meetings with civil society groups" (133). In 2003 (55), the Fund described itself as "open to outreach and dialogue beyond official circles" and the extent of this outreach as "significant" (58): 310 meetings with NGOs in 2002. It concluded (130) that "IMF's dialogue with civil society...appears well-established in Africa and the transition countries of Asia and Europe." In the words of Dawson and Bhatt, "CSOs loom large at seminars, meetings and protests; ...both the channels of contact and the actual interchanges with these CSOs have multiplied in recent years" (IMF/Dawson and Bhatt 2001:6, 10). But a preference to engage local NGOs, rather than INGOs, is marked (2004:23, 47, 134; IMF/Dawson and Bhatt 2001:11); indeed the Fund, like the Bank, may be trying to go around INGOs altogether (IMF 2004:53; IMF/EXR 2003:94).

Beginning in 1998 (155, also 1999:177, 2000:93; 2003:58), the Fund also routinely claimed that "IMF (Article IV country) missions are...interacting with contacts in...civil society." However, descriptions in the annual reports of the Fund's primary program activity – surveillance under the fourth *Article of Agreement* and the country missions it requires – do not contain reference to consultation with NGOs or civil society (IMF 1998a:33). Indeed in its most recent description of the Article IV surveillance

process, the Fund (2004:3, similar 2002:10, 2003:3) noticeably leaves out such references: “To conduct surveillance in accordance with Article IV, an IMF staff team visits each member country to meet government and central bank official... The team generally also meets with other groups – such as members of legislative bodies, trade unions, employer associations, academics, and financial market participants.” Given the nearly twenty-year interest of NGOs in the IMF, it is a conspicuous lacuna that NGOs or CSOs are not mentioned. By the Fund’s own admission, “there is only a low correlation between the Fund mission team’s presence and the number of contracts with nongovernmental bodies” (IMF/EXR 2003:89). Similarly, an independent assessment of the country mission process provided this estimation (IMF September 14, 1999:25): “There may also be meetings with the private sector and representatives of ‘civil society’- in rough order of frequency: bankers, financial market participants, business associations, academics, trade unions, and NGOs.” NGOs are last in the consultative pecking order. Another form of expanding IMF surveillance, concerning code observance and financial sector assessment, also requires in-country missions. These missions too, by the Fund’s own description, engage only the first and second sectors (IMF 2003:24).

The Fund routinely claims that country missions and resident representatives increasingly reach out to NGOs (IMF 2000:93; 2002:79; 2003:83; 2004:93). “The terms of reference for IMF offices abroad and resident representatives often include maintaining contact and dialogue with CSOs” (2003:58). An EXR survey of 34 of these resreps found that approximately twenty meetings annually were held between resreps and CSOs (IMF/EXR 2003:93ff). However, that survey included business groups and academics among civil society. Meetings with faith-based organizations and NGOs were less frequent, and not well recorded. The survey concluded (89) that “country staff met about equally with (1) labor unions, NGOs, and faith-based organizations; (2) scholars and research organization; and (3) business and trade organizations.” This represents an expansion of time over that found committed by the 1999 external evaluators, and the 2003 staff guidelines on NGOs note that “resident representatives are likely to undertake the lion’s share of relations with CSO” (sec. V.G.5).

A general, nonbinding commitment characterizes all these documents, and much consultation is surmised to occur ‘under the radar.’ But there are mixed signals from the printed material on the actual performance of consultation.

4.2.2.1.2. I2a2) Survey

The NGOs were generally quite critical of the Fund on program consultation. Twelve informants dwelt at length on the topic, and almost all made some mention that consultation could or should be improved. Common themes were that the Fund conducts too little consultation, that it does not do so seriously, and consultation fatigue.

I9 wrote that, “the Fund engages NGOs, but does not listen to them properly.” I22 and I30 sought NGO engagement before loan programs began. I23 referred to Fund consultation with NGOs as “miniscule;” I27 noted “very weak engagement.” I7, I8, I13, I10, I12, I15, I26, I20, I21, I32 all said something similar. I2 provided the most extensive critique: the Fund should “take seriously their role as informed partners and be prepared to take their share of responsibility for incorrect decisions; and live up to their rhetoric about civil society participation in national processes, without trying to manipulate tensions that sometimes arise between people and their governments.” I8 and I12, anticipating my connection between I2 and H2, told me that Fund consultation was a sham altogether, a “manipulative tool” for defense against critics.

4.2.2.1.3. I2a.3. Interview Data

There was a fairly strong consensus among Fund interviewees that consultation with NGOs had spiked dramatically in the past 5-10 years. F1 spoke of a “sea-change in the last ten years; the Fund climate has changed. There is more interaction since the mid-90s, because of the participation agenda and the Internet. Earlier it was not technically or institutionally feasible to talk to NGOs.” F2 spoke of a “pretty constructive dialogue with civil society.” F7 noted that former MD Koehler was committed to NGO engagement. He wanted to meet “responsible NGOs part-way, both while traveling and at the civil society dialogues.”

It was noted however that “there is still a lot of resistance in the building, that we don’t need outsiders” (F7). I did not encounter this however, perhaps because of the limited sample size. Reflecting the printed material, a few interviewees noted an increasing preference to speak directly to Southern NGOs, and cut out Northern ones altogether (F8, F10). Indeed F10 noted a “decreasing Northern NGO inreach” to the Fund, and F9 noted the refusal of NGOs to build any coherent consultative group around the Fund.

Many interviewees (F1, F6, F8, F9, F10) noted the ‘Scholte process’ and the guidelines emergent from it to verify that the Fund is concerned for NGO consultation. Others (F2, F3, F4, F9) noted the process of posting documents for NGO input not only as a means of information dispersion, but also of consultation.

In general interviewees spoke of “some outreach” and “some solicitation” (F1, F2). Opinions were mixed on the proactivity and depth of that outreach. A few suggested that consultation was in fact quite deep. F4 spoke of “a pretty substantial, conscious effort,” and F3 (similar F9) suggested that 90-95% of Article IV country missions now involved civil society. F5 spoke of proactive outreach. Others were more cautious. F6 went on at length: “Consultation is only slowly increasing, and the NGO complaint that consultation is too late is often valid. Often it is the resrep who is doing the outreach. We are increasing solicitation, but the Bank’s micro-focus makes consultation easier than Fund’s macro-focus.” The tepid “there is increasing dialogue and feedback” (F4) was a common hedged response.

There was also a hesitant sense that outreach is wise to do. F3 (F7 similar) suggested “it would be foolish not to outreach.” F4 said, “NGOs have gotten their act together recently to more systematically submit evidence.” F9 noted that “the quality of dialogue has been increasing in the past few years. The Fund is more willing to listen, and the NGOs are more sophisticated.”

There was some variation on occurrence of consultation. F3 suggested that “low income country programs routinely have consultation, but national programs have national consultation. We don’t consult INGOs over PRGF.” F7: “There is considerable variation across countries and resident mission chiefs; input is still inconsistent. Some

mission chiefs do solicit - that is their discretionary judgment, but usually we wait till they [NGOs] solicit us.” F8 and F10 noted that there was very little consultation in IMF surveillance or technical assistance. F10 concluded, “on PRSPs, governments have waived the requirement that the Fund talk only to them, but not outside of this; we are still an intergovernmental organization.”

4.2.2.2. I2b Required Consultation

4.2.2.2.1. I2b1) Documents

There is limited data on the Fund’s requirement of consultation. There are no formal requirements for staff engagement, but much “encouragement.” (That term was used frequently in the interviews.) The civil society guidelines also make many ‘encouraging’ suggestions, but they are not, ultimately, required, as MD Koehler says in the introduction to them (also sec. I.2). The guidelines note that early consultation, if not required, is preferred: “Many CSOs respond negatively if they feel that they are being asked to rubberstamp a *fait accompli*” (sec. IV.D.2). This was a fairly common NGO complaint in the NGO strategy sessions I attended. The guidelines, while unable to require consultation, push that way: “Staff should treat public outreach (including to CSOs) as an integral part of their overall country work, not as a dispensable lower priority when time is short” (sec. V.G.2). “Article IV and program missions could consider adopting a practice of blocking out at least half a day for meeting with CSOs” (sec. V.G.4).

The Fund’s primary program activity – surveillance, and the country missions it requires – do not have any formal requirement to consult NGOs or civil society. As Dawson and Bhatt write, “while IMF management may, and should consult, with CSOs and listen and learn from various view points, they are acutely aware that their institutions is governed by, and accountable to, its member governments” (IMF/Dawson and Bhatt 2001:22).

The creation of a country's PRSP, which PRGF lending now requires, is "required" to be a participatory process (IMF/van Houten 2002:58). However, that requirement is not formally an IMF one, as the PRSP is to be a country-owned process.

4.2.2.2.2. I1b2) Survey

None of the NGOs noted any requirement of consultation, and NGOs interviewed were quick to note that nothing required the Fund to even speak with them. Nor did any respondents speak of a de facto requirement. I7 rejected that outright, and I32 noted the failure of the Fund to "make open dialogue with civil society groups a deliberate part of their work." Another (citation repressed) said at a strategy meeting on the Fund the NGOs are systematically excluded from the Fund, particularly by the director of EXR because of past corporate ties to the Bush administration. Hence the NGOs should consider breaking off engagement with the IMF and return to protests.

4.2.2.2.3. I1b3) Interview Data

No interviewee mentioned a requirement to consult, beyond the exception of the IEO interviewee. Those that were aware of the staff guidelines for NGOs knew that they were voluntary. Nevertheless, there was a common sense that consultation was increasingly expected. F7: "Although there is no requirement that mission chiefs in-country meet with NGOs, it is increasingly an expectation. Meeting NGOs has been somewhat institutionalized." F1 referred to consultation as "quasi-required."

Most (F2, F6, F7, F8, F9, F10) immediately stated that consultation was voluntary and defended that position. There was great concern about bureaucratization, mission creep, and legal exposure to NGOs. F1 also worried that requirements would further worsen work loads and stress local capacity.

But most interviewees were also eager to reiterate that much consultation is in fact occurring, only without a formal mandate. As F2 put it, "there is no requirement to solicit, but it is encouraged." IEO (citation repressed) did note a requirement to consult NGOs, but added that this was an exception within the Fund. F5, F7, and F10 noted that

the PRSP process is supposed to require consultation. But this is formally a country-owned document, so the IMF's leverage is limited.

4.2.3. I3) Program Impact

NGO survey mean: 1.52; median: 1

Interviews: mean: 2.2; median: 2

4.2.3.1. I3a) Required Impact

4.2.3.1.1. I3a1) Documents

The Fund is broadly aware of the NGO critique that 'talk is cheap,' and that nothing prevents the Fund from simply ignoring NGO input altogether. "Some CSOs may tend to think that the Fund preaches, does not listen, does not integrate CSO input from the dialogue into its policy making" (IMF/EXR 2003:96).

The "Staff Guidelines" for NGOs are "not mandatory." Nor could I find any reference in the Fund's printed material to a requirement to change loan programs in response to NGO input. As consultation is not required, neither is impact (IMF/Dawson and Bhatt 2001:22).

4.2.3.1.2. I3a2) Survey

The most common qualitative remark on the surveys concerned the translation of consultation into impact. Without a requirement that consultation lead to impact, many NGOs wondered about the point of consultation. In my informal interaction with NGOs, I frequently heard a variant of the following: "talk is cheap so why shouldn't they have consultation. It binds them to nothing." One-quarter of respondents broached the issue, even though it was not formally on the questionnaire. The common NGO critique of consultation is that it does not lead to actual impact, and so loses its value.

Those who did flag this issue were quite trenchant. I12 noted "a line between consultation and participation. We should not get involved any more unless there is

accountability.” The most I13 could muster on consultation’s translation into impact was “that occasionally we hear good noises.” I21 was much more dismissive: “so-called consultation goes nowhere.” I7 found the good prospects of the staff guidelines on NGOs had been “shelved.” I6, I7, I24 and I30 found the Fund “a long way” from serious consultation. Several mention such frequent disappointments from the Fund, that they no longer held real expectations from consultation (I8, I12, I15).

4.2.3.1.3. I3a3) Interviews

Fund staff tended to agree with the NGO position although less trenchantly. Several noted that the “Scholte process [staff guidelines on NGOs] has not amounted to much” (F7).

All agreed that there were no formal commitments for impact based on NGO consultation, and most defended that as the IMF’s prerogative. There was deep concern that an obligation of impact would tie the Fund to irresponsible policy. F7: “At a country level, we seldom find NGOs technically competent enough to offer alternatives.” F6: “There can’t be an obligation, because often their critiques are ridiculous.” Others worried about the legal standing of NGOs to exigue an impact requirement (F10). F3 said, “only governments are a legitimate voice; we have no competence to decide who is legitimate.” Even IEO did not mandate NGO impact.

Respondents were quick to assert that this did not preclude impact. F1 said, “There is no predetermination to listen to NGOs, but there is an obligation for a serious hearing and dialogue.” F6 noted that mission chiefs are “extremely sensitive” to NGO input. IEO noted “we have built-in pauses in the system to ensure that civil society feedback is incorporated.” As a result, most noted that NGO impact varies substantially across countries and policies.

A recurrent concern was to retain Fund flexibility, which requirements would inhibit. F2 asserted that “participation today is recognized as sensible, and individual managers can seek outside opinions. But they are not obliged to; it depends upon the individual.” F3 noted the importance of retaining discretion for resident representatives

and mission chiefs. All of the interviewees rejected the existence (as well as desirability) of an informal NGO veto over certain loan packages or other programming.

4.2.3.2. I3b) Program Changes

4.2.3.2.1. I3b1) Documents

The IMF does not engage in project lending like the MDBs. Nor does the IMF lend directly to NGOs. Further, the Fund keeps no separate database of NGO-related spending. Figures similar to those provided by the Bank are simply unavailable. This makes serious measurement almost impossible.

The IMF's printed material does suggest a possible, if soft, substitute – the recent policy shift to poverty-reduction and debt-reduction (discussed under I6). In the practice of the Fund, this has been operationalized as increasing concessionary lending – through the Enhanced Structural Adjustment Facility (ESAF), which then became the Poverty Reduction and Growth Facility (PRGF) - and debt relief – through the Highly Indebted Poor Country Initiative (HIPC). ESAF was created in 1987 from its predecessor, the SAF, in 1986. It was rolled over into the PRGF in November 1999. HIPC was approved by the Board in September 1996. It was enhanced (EHIPC) in September 1999.

The Fund's annual reports have increasingly noted the IMF's particular financial commitment to the HIPC-PRGF structure (2002:49). PRGF and related concessionary lending represents roughly 10% of the IMF's total annual loan turnover since 1998 (IMF 2002:iii; 2004:iv). It is also noteworthy that the Fund has contributed some of its own resources to PRGF in the context of EHIPC (through gold sales mostly) and will continue to do so more heavily in the future (IMF 2002:61; 2003:73). "Concessional assistance has become a major feature of the IMF's work" (IMF 2000:49). This new commitment "to play a role in promoting growth and poverty reduction in poor countries" requires new staff outlays which the Fund directly attributes to the PRGF expansion of its activities (IMF 2000:99, 101).

There is some evidence that HIPC and PRGF were created in part because of NGO pressure. Dawson and Bhatt say so explicitly (IMF/Dawson and Bhatt 2001:14,

15). In 2000 the Fund wrote, “the persistence of poverty – and mounting public pressure – underscored that more had to be done.” Given the Fund’s reticence to attribute change to NGOs, it is not a great leap to read “public pressure” as NGOs. Van Houten (IMF/van Houten 2002:57) suggests that the alteration of ESAF into PRGF was due in part to NGO pressure. The nomenclature alteration does “broaden the objectives of the renamed facility” to “give a more explicit antipoverty focus,” rather than the tougher-sounding ‘adjustment’ (IMF/Treasurer’s Department 2001:118; IMF 2000:67, 69; 2002:61). This occurred in the larger context of HIPC and EHIPC across the Bank and Fund, and with the coordination of other IFIs. And E/HIPC was broadly attributed by interviewees across both BWI to the NGOs. The Fund’s 2000 (52) and 2001 (47, 148) Annual Reports also strongly hint that EHIPC is the result of NGO pressures, as do Dawson and Bhatt (IMF/Dawson and Bhatt 2001:15).

Van Houten (56-58, 63, 70), and Dawson and Bhatt (17-18) also claim the Fund’s streamlining of conditionality and focus on “country ownership” of loan packages was due to NGO pressure, although I found no evidence of this elsewhere.¹¹⁵ The Fund’s Annual Reports of 1998, 2000 and 2002 discuss country ownership extensively, but with no attribution of that impulse to NGOs. Dawson and Bhatt (17) note that the Fund itself moved toward country ownership, so it is unclear how much influence NGOs had.

The IMF’s annual reports begin speaking of highly indebted poor countries in 1996, although HIPC as a concrete category and then program occurs later in the decade. Since 1997, HIPC/ESAF has regularly received an entire chapter of the annual report unto itself. While NGOs routinely receive mention, there is, unsurprisingly, no attribution of it to NGO pressure. But there was much NGO pressure for such “concessionary financing facilities,” and the perception that the Fund gave in to the NGOs brought conservatives (McQuillan and Montgomery 1999:35, 227; *Economist* September 23, 2000) to lament the IMF’s evolution into a development institution.

There are some hints that NGOs have impacted the practice of structural adjustment lending in ways NGOs have sought. Since the mid-1990s, the Fund has

¹¹⁵ In fact, a 1998 review of ESAF (IMF 1998b) found the opposite. The Fund’s response (1998a:72) was mixed; there is great concern that too much country ownership will permit “policy slippage” and program monies to be wasted. For my purposes, it is simply important to note that the Fund has hedged on a consistent NGO programmatic demand – national ownership.

shown expanded care for social safety net maintenance in its programs, as the general perception rose among NGOs that the Fund sought adjustment at the expense of the poor (IMF 1995b; IMF/Fiscal Affairs Department 1998; IMF/Andrews, Boote, Rizavi, and Singh 1999; IMF/Dawson and Bhatt 2001:4, 7). The emergence in the early 2000s of the ‘poverty and social impact analysis’ (PSIA) as a diagnostic tool also appears to be a programmatic change driven by the NGOs (IMF 2002:48; 2003:40, 41, 44; 2004:45, 49). PSIA’s “assess the implications of key policy measures on the well-being of different social groups, especially the vulnerable and the poor” (2003:44). However, at the CSDs, Fund officials have backed away from formal or explicit commitments to the prosecution or follow-through.¹¹⁶

IMF surveillance is another central practice that appears mildly impacted by NGOs, although not in a binding manner. In 2000, the Fund first suggested that “surveillance also covers, albeit on a selective basis, such noncore issues as poverty, health and education, the environment, governance, and military spending” (IMF 2000: 17). Although no print evidence exists to tag this shift exclusively to NGOs, it is hard to imagine discussions on weapons purchases or the environment without the interest and pressure of the NGO community.

Perhaps the change in Fund practice most widely and unequivocally ascribed to NGOs in the Fund literature is the ‘conversion’ to transparency and openness of information (IMF/van Houten 2002: 11, 60, 69-70; IMF 1995a:39; IMF 1997:188; IMF 2000:28; Larson 2000; IMF/Dawson and Bhatt 2001:18). The sudden willingness of the Fund to release large amounts of documentation, as well to pressure members to do so, is generally attributed to the NGOs (IMF/Dawson and Bhatt 2001). The primary vehicle of this is the ‘Public Information Notice’ (PIN) begun in May 1997, as well as the extremely thorough website. The institutional embodiment of that transparency commitment is the Independent Evaluation Office (IEO). The IMF’s printed material does suggest IEO was founded due to intense NGO pressure in August 2001 to improve accountability (IMF/Dawson and Bhatt 2001:19; Welch and Wood 1998;

¹¹⁶ PSIA’s are an area of serious division at the time of this writing. NGOs see it as a manner to insert themselves into loan program structures, while the Fund seems to be backing off its earlier interest in them.

[http://www.brettonwoodsproject.org/article.shtml?cmd\[126\]=x-126-16312](http://www.brettonwoodsproject.org/article.shtml?cmd[126]=x-126-16312)).¹¹⁷ NGOs have sought an IP at the Fund as well as the IEO, but this has not succeeded (O'Brien et al. 2000:186).

4.2.3.2.2. I3b2) Survey

Given the low NGO opinion on the Fund's estimation of their input, they were remarkably unified in suggesting that the NGO had in fact initiated programmatic change at the Fund. Well over half tagged the emergence of the programming around debt relief and poverty reduction to their efforts. Some mix of HIPC, PRGF, PRSP and PSIA was widely attributed to their pressure. Many also attributed the Fund turn toward transparency and its instantiation, IEO, to their efforts (I3, I25, I27).

Unfortunately, only one NGO provided an example of a change in a national program. I19 wrote (*sic*) that, "during our meeting with the IMF missions in our country, we stated about not increasing of prices for citizens on energy sector. IMF listened to our suggestions; at least 3-4 years – prices were not increased." No other NGOs from program countries provided such feedback.

4.2.3.2.3. I3b3) Interviews

A healthy mix of the interviewees attributed to NGOs the shift from ESAF to PRGF, the emergence of HIPC, PSIA, the PRSP 'approach,' and the creation of the IEO. None were prepared to suggest by how much. PRGF and EHIPC were particularly NGO-driven according to the interviews. F10 explicitly said there was "no doubt NGOs brought about HIPC." But there was some general discomfort with these new tools. F1 summarized this in noting "this is all tangent to our main preoccupation of macro-economic growth."

The general emergence of the 'social conditionality' attached to the PRGF/HIPC efforts has led to real spending changes in loans according to most. F6 noted that,

¹¹⁷ The EXR web posting on the founding of IEO even mentions NGOs' role, a relative rarity for the Fund (<http://www.imf.org/external/np/eval/2000/091200.htm>). Nonetheless it is described as "key input" where 'harsh criticism' might have been closer to the truth.

because of “social conditionality, the IMF allows subsidies to the poor, health care exemptions, budget deficit loosening.” F4 said that “Broadly speaking, there was more pro-poor expenditure.” F7 stated that “NGOs raise our consciousness on social impact; they have impacted the creation of social safety nets and the speed of implementation.” F8: “IMF now pushes for more social allocations in budgeting. There is a gradual evolution in social conditionality, a required floor of social spending in order to receive a loan.” F4 and F8 noted the increasing use of PSIA’s before loan programs. There are, however, no direct transfers to NGOs, as is possible at the Bank. F2, F5, F6 all noted that the Fund cannot lend to NGOs in any capacity.

Transparency and the IEO was another programmatic change widely attributed to the NGOs (F2, F4, F5, F6, F7). F5 noted that “NGOs had framed the debate on transparency, and then we moved into it.” An interviewee from IEO (citation repressed) agreed that the NGOs help found the new office. S/he also noted that “NGOs help IEO do its work.” Former Director Montek Ahluwalia was an enthusiast for NGO engagement, and generally IEO today has been won over to their engagement. “NGOs can be very informative and extremely useful. It takes time, but NGOs are helpful for our evaluations.” A Fund official blurted out at a CSD in 2003 that IMF embraced transparency because “you told us to do it!” While hardly definitive evidence, the consensus was that NGOs pushed the institution toward transparency.

4.2.4. I4) Evaluation

NGO survey mean: 1.89; median: 1

Interviews: mean: 1.5; median: 1.5

If the NGOs are seriously accepted into the process of IGO decision-making and alter outcomes, then their performance in creating those outcomes will be measured.

4.2.4.1. I4a) Review Service

The Fund's review body is the Independent Evaluation Office.¹¹⁸

4.2.4.1.1. I4a1) Documents

The IMF is aware of the relevance of this indicator. Its 2003 staff guidelines on NGOs recommend periodic reviews of NGO engagement (Annex C.4 and 5). Despite the role NGOs played in founding the IEO, IEO has conducted no systematic review of NGO affairs within the Fund (nor has EXT).

There was an IEO review of the PRGF, the lending window which likely interests most NGOs, and it did include some NGO input (IMF/IEO July 6, 2004).

IEO has taken up a few concerns that NGOs raise. In 2003, a major IEO report investigated the regular NGO claim that the IMF promotes a 'one-size-fits-all-model' of growth and development, and that its structural adjustment lending leads to cuts in social services.¹¹⁹

Within the Fund proper, there was a brief, four page review of Fund's NGO engagement in the 2003 External Relations Strategy of the Fund (IMF/EXT 2003: Annex III).

4.2.4.1.2. I4a2) Survey

While the NGO surveys and interviews suggested that NGOs were heavily responsible for IEO, few made any remarks about its work program. A few (I7, I20, I27) noted that it has not looked systematically at NGOs. They were disturbed but not surprised.

¹¹⁸ <http://www.imf.org/external/np/ieo/index.htm>.

¹¹⁹ The report, entitled "Evaluation of Fiscal Adjustment in IMF-Supported Programs," is available at <http://www.imf.org/external/np/ieo/2003/fis/index.htm>.

4.2.4.1.3. I4a3) Interviews

No interviewee knew of any serious in-house effort to evaluate retrospectively the role of NGOs in the Fund. F10, anticipating the meaning of my question, noted that the lack of any serious evaluation of NGOs in the Fund reflected that “our outreach is still immature.” The EXR interviewees noted “some ad hoc and conversational evaluation with EXR” and the brief review of NGOs in the Fund’s 2003 external relations strategy paper (IMF/EXR 2003:23-27, 88-97). They also noted the lack of an in-house accreditation system for NGOs. The IEO interviewee (citation repressed) noted there was no comprehensive evaluation in expected work plan in the coming years.

4.2.4.2. I4b) Complaint Mechanism

4.2.4.2.1. I4b1) Documents

The IMF has no formal complaint resolution mechanism in its organizational chart.

4.2.4.2.2. I4b2) Survey

Several NGO representatives said to me in person that they sought an Inspection Panel mechanism at the Fund. But all were quite pessimistic about the possibility. There is generally disappointment in the community that NGO successes at the Bank had not reverberated at the Fund. I12 suggested that IMF be legally liable for program problems and to “affected people,” but no respondent spoke seriously of any such possibility.

4.2.4.2.3. I4b3) Interviews

No Fund interviewee spoke of a formal mechanism to address NGO or civil society grievances. There was no standard operating procedure, much less office. The IEO interviewee noted that “the IEO is not becoming like the Inspection Panel,” and there was generally resistance to the NGO notion that the Fund needed an IP as well. A few (F6, F7, F9) noted that as the “Fund is beyond national courts’ jurisdictions,” and

NGO grievance adjudication is “irregular and ad hoc.” Serious complaints would most likely go through the NGO staff of EXR. No interviewee noted, however, that NGOs made any such effort.

4.2.5. 15) Legitimacy

NGO survey: mean: 2; median: 2

Interviews: mean: 1.7; median: 2

The IMF broadly does not see many of the NGOs that lobby it as legitimate representatives of anyone other than themselves (O’Brien et al. 2000:200).

4.2.5.1. 15a) Voluntary Inclusion

4.2.5.1.1. 15a1) Documents

The Fund is quite aware of the representative claims put forward by NGOs. Dawson and Bhatt (IMF/Dawson and Bhatt 2001:2) note that “many CSOs – and NGOs in particular – see themselves as representing the broad public interest and as having a role in ensuring that individuals participate directly in shaping the rules of the international economic system.” Nothing in the Fund’s printed material suggests that NGO claims to be legitimate representatives were seriously adopted.

The topic is rarely even raised, and when so, critically. Two modes of response were common. The first calls into question the credentials of NGOs. In what is a very common motif across both institutions, and both the interviews and printed material, NGO’s claim to a right to speak is turned around on them. “Civil society groups...need to ensure their own accountability, legitimacy and good governance” (IMF/van Houten 2002: 58; also IMF/Dawson and Bhatt 2001:4, 23). Unlike the Bank’s hedging, the Fund adheres consistently to this questioning of NGO credentials: “The IMF is responsible to governments, which are, in most cases, accountable to their populations through reasonably well-defined democratic processes. In contrast, the constituencies and representatives of many CSOs are often unclear” (IMF/Dawson and Bhatt 2001:4).

The legitimacy gap arises at the Fund as well in this context. Dawson and Bhatt (IMF/Dawson and Bhatt 2001:23) wonder aloud about the legitimacy and representativeness of NGOs primary based in the North with thin contacts ‘on the ground’ in the South. The Fund’s external relations strategy openly prefers Southern NGO partners (IMF/EXR 2003:25, 95): “national CSOs may have greater legitimacy and relevance for policy-related outreach.” It wonders too if NGOs “lack broad support, legitimacy and accountability” (96). The 2003 staff guidelines harden this divide. At three points (IV.C.2.c, d and f), it notes that “staff should not rely on North-based groups to speak on behalf of South-based stakeholders. ...Extend the Fund’s dialogue with CSOs beyond elite circles. ...Formally organized, Western-type associations are not always representative of the mainstream in some cultural contexts.” “IMF staff,” it notes, “are often cautious about engaging CSOs, because of concerns about the legitimacy of these bodies” (V.F.1).

The second response to NGO legitimacy claims is to reaffirm the final accountability of the Fund to the Board and the states.

Thus far, collaboration [with civil society] has remained informal and it would be helpful if the Executive Board established a framework for its further development...while confirming the IMF’s accountability to member governments through the Board of Governors and the Executive Board (IMF/van Houten 2002:58).

Indeed when the Fund does speak of NGOs’ roles, it is frequently careful to remind readers that “national authorities are the clear leaders of the [development] process” or “government leadership must be respected” (IMF 2002:50, 48). Dawson and Bhatt write, “it is primarily through those member governments that the views of citizens...should be conveyed to the IMF... Government representatives have questioned the legitimacy of NGOs” (IMF/Dawson and Bhatt 2001:21-22). They conclude (25) by recommending that NGOs pressure their own member governments, rather than the Fund. This gels with the Fund’s preference to engage NGOs only within the PRSP process.

4.2.5.1.2. I5a2) Survey Data

NGO opinion on their legitimacy within the IMF was fairly unified. They do not believe the Fund views them as legitimate participants in its processes.

A few (I7) perceived the legitimacy gap I have tagged inside both the Bank and Fund. I2 noted that NGOs with operations on the ground and roots in local communities had won grudging legitimacy from the Fund. I23 put it more trenchantly. “CSOs are legitimate to the Fund; NGOs are not.”

Generally however, opinions were closer to I19’s remark (*sic*): “Their work with NGOs is non-permanent. Final decisions they do mostly on the base their meetings with government and progovernmental NGOs.” I26 said the “Fund has continued to pay lip service to ...the concept of stakeholder participation.” By contrast, I27 found the Fund trying to “delegitimized or silence NGOs voices.” Not one respondee thought NGOs were voluntarily preferred in the Fund’s work

4.2.5.1.3. I5a3) Interview Data

The Fund’s general attitude toward NGO legitimacy is tougher than the Bank. While the Bank fudges the questions, Fund interviews tended to more forthrightly reject the legitimacy of NGOs. Nonetheless, as at the Bank, the body language and mild discomfort the question seemed to bring was noticeable. This was also the question most ‘rewritten’ by answerers, and the discussion prompted generally lasted longer on this question than most others. F4 gave a good overview of the Fund’s dilemma in recognizing NGOs as legitimate:

I see them as legitimate, but Fund generally does not. Legitimacy is an acute problem where there is a democratically elected government - India, Nicaragua - that does not agree with the CSOs. NGO legitimacy suggests that some democratic processes fall below an unspoken threshold of acceptability. No one would consult Northern NGOs in Article IV surveillance in their countries. But the Nicaraguan government’s democratic mandate is implicitly considered shakier. There is a broad judgment that NGOs speak for someone. NGOs are more than just knowledgeable. They do represent populations we have to listen to, especially in the Southern countries. Talking to them opens up channels to speak to new groups and other sources beyond the Fund.

This sense was shared among other interviewees. There was some hedging; few wanted to completely write NGOs out. F3 said “the Fund engages the NGO community at large to avoid tricky questions of representation of particular NGOs. Instead we hear a multiplicity of voices in order to be intellectually honest.” F6 said, “NGOs are an independent voice. At its best, it can represent the poor and disposed. Yes, there is a place at the table for NGOs, especially in poor and authoritarian states.”

But there was also a widespread, deep concern over what exactly NGOs represent and how they were empowered to speak for that. Skepticism here was common. F5 (similar F7) noted that “the poor didn’t actually empower the Northern NGOs to speak for them. Do the poor actually know what’s being advocated for them on their behalf? There is a status quo bias among NGOs: they avoid a too detailed look at those they claim to represent. There are very nebulous claims to legitimacy.”

Other concerns from the Fund’s printed material were mirrored in the interviews. As with Dawson and Bhatt (IMF/Dawson and Bhatt 2001) there was concern over NGO’s own legitimacy – financial accounting, mission statements, connections to people for whom they claimed to speak. Several wanted some manner of accreditation “to insure the integrity of the PRGF process” (F1). F6 too wanted “NGOs to prove their bona fides.” For this reason F8 rejected NGO legitimacy generally: “They are not really legitimate, because there is no accreditation system. It would be tidier if they were one and Koehler wanted it, but NGOs rejected it for fear of being co-opted.”

The notion of NGO legitimacy alone - based on the democratic or representative claims - was widely rejected. No interviewee proposed seriously talking to NGOs unless it was useful or meaningful in some way, suggesting their legitimacy per se was weak. F2 (similar F1, F7) found that staff were generally uninterested in working with NGOs, but found a “lessening desire in the institution to avoid them altogether.” F3 thought “we should be reacting to ideas, not representation claims.” Several Fund interviewees (F1, F7) brought up a legitimacy concern also heard at the Bank – quasi-NGOs and government-operated NGOs. “In the South there are many dubious NGOs – ‘bad weeds’ - formed for all kinds of economic reasons, to cater to a donor, or which are actually gongos.”

F3 provided the most robust rejection of NGO legitimacy, summarizing many of the issues – the legitimacy gap, NGO internal democracy, quangos, the final legitimacy of governments - brought up in both the interviews and in the Fund’s printed materials.

The INGOs are simply observers on the PRSP. There is a huge disconnect between INGOs and local ones. Some INGOs are far more representative; others are just awful. There should not be an NGO accreditation system, because the only thing legitimate, by definition, is the government. We are an international institution. NGOs have a right to lobby and give input, but look at their governance structure to see if they are an interest group or democratic representatives? CSOs are

generally more legitimate, but even they are often close to political parties or other local interests. So both CSOs and INGOs are suspect in their legitimacy.

4.2.5.2. 15b) Formal Changes in Operational Language

4.2.5.2.1. 15b1) Documents

The Fund has provided no formal categorization of NGOs, and certainly nothing that would recognize legitimacy claims. Indeed, the Fund refuses to deploy the fairly anodyne, Bank-employed, ‘stakeholders’ to describe NGOs: “The criteria that must guide the IMF in its actions will differ from – and could occasionally conflict with - those that guide civil society. The IMF cannot have a multiplication of stakeholders; its accountability must remain with its members” (IMF/van Houten 2002:70). In the context of the PRSP, NGOs are occasionally referred to as “stakeholders,” but never in relation to the Fund itself (IMF August 2000:52, 56; 2002:48, 49; 2003:40). More common, especially among interviewees, were references to NGOs as “interest groups” (IMF/Dawson and Bhatt 2001:22).

The Fund’s fiduciary relationships too remain strictly circumscribed. “The IMF can only deal with, or through, the designated fiscal agency, which is authorized to carry out transactions with the IMF on behalf of the member country” (IMF/Treasurer’s Department 2001:84).

NGOs are simply excluded in these formulations. At best, in the annual reports, the Fund refers to NGOs as nondescript “political groups” (1992: 117; 1993:137) alongside business, labor and academia. There is no formal accord of any insider or privileged status; in its 2003 Annual Report, the Fund explicitly referred to NGOs as “external groups” similar to the press. Indeed, NGOs are treated in the Fund’s annual reports under the “External Relations” appendix. They are scarcely integrated into the body chapters. In 1998 (154, also 1999:177), the Fund’s annual reports began referring to NGOs as an “audience” for its “external communication.” This regular placement in the external relations category, as an audience of its external effort, strongly suggests an understanding of NGOs as external actors, outsiders clearly divided from the Fund, in the institutionalist rather than constructivist vein of my hypotheses.

The Fund has begun deploying the language of civil society (IMF/Dawson and Bhatt 2001), but this has primarily served to locate NGOs in a greater pool of external voices, and so reduce their normative claims. NGOs are “a subset” of civil society, and civil society has no formal accountability relationship with the Fund.

4.2.5.2.2. I5b2) Survey

The NGOs were again quite unified in their rejection that the Fund had proposed any formal language by which to include them as legitimate. Several suggested the Fund do so, only to note the failure of that to occur. I3 wanted NGOs to have “formal standing between the IFIs and their clients,” and I22 and I26 wanted the Fund to approach NGOs as “development partners” equal to states when implementing programming.

Generally the NGOs were quite pessimistic. I7 found that “NGOs are narrow issue interests to the Fund,” and lamented that “the Scholte process [the IMF staff guidelines on NGOs] was shelved and has gone nowhere.” I23 suggested that “if we are seen as ‘constituents,’ it is only because of our ability to make trouble.” I6, I8, I20, I21, and I24 provided similar sentiments. All resented the legitimacy gap; there is a growing perception in the NGO community that the BWI are trying to cherry-pick NGOs with which to interact. I23 also noted that deep commitment inside the Fund to an understanding of the member-states as the only stakeholders, shareholders, or constituents.

4.2.5.2.3. I5b3) Interviews

All interviewees, when pressed, rejected any formal legitimacy or accreditation for NGOs. All were conscious that NGOs were challenging the legitimacy of the state to speak for the people within in its borders and elevate themselves as an alternative voice. This was rounded rejected. Most repeated their hedging answers, but at some point, reiterated, as the Fund’s printed material does, that “our client is the government” (F3) or “only governments are legitimate” (F9). Responding to my phraseology, F1 said, “NGOs

have broadened and richened the debate, but this is pluralization, not democratization.” This was generally the consensus across the interviews.

While full recognition was not embraced, opinion was split on whether NGOs should be accorded some kind of standing. A few suggested that the largest, best established NGOs with recognition at home might be approximating a constituent relationship with the Fund (F1, F3). But most noted that “NGOs are not understood as representatives” (F2, F7, F9). There was concern that if NGOs became a “legitimate alternative, even to authoritarian countries, it could start the IMF down a slippery slope” (F2). Indeed F3 said, NGO recognition would be “stupid; we have no competence to decide who is legitimate.” F6 argued that “numbers alone do not make an NGO legitimate. In the Internet age, it is too easy to bring many people to a protest or to sign a petition. Now knowledge is more relevant for legitimacy.”

There was some resistance. F4 was adamant that “There is some representation; these are not just lobbying arms.” F5 too said, “There was some constituent relationship. CSOs are more than just interest groups. They are connected to whom they represent ‘by fact,’ by the Fund looking at their behavior and making a judgment.” He agreed this was “ad hoc, but it is our own sense of NGO legitimacy.”

Most expressed concern about whom, precisely, NGOs were representing, as well as their own internal democracy. Northern NGOs particularly were derided here. The most generous treatment came from F7: “In my opinion, Northern NGOs represent some kind of global constituency – a legitimate voice in the world community and we should listen to it.” Most however were more concerned. F6 and F8 both noted that “many NGOs are not democratic.” F5 wondered “if NGO advocacy is actually known and understood by those it advocates for.” Southern groups were accorded more room. The notion of the ‘legitimacy gap’ returned. F7 said, “At a mission level, local CSOs are legitimate representatives.” F9 suggested that “the closer you get to the ground, the more inclined staff are to say that NGOs are representatives.” But even this was viewed with skepticism given the gongo phenomenon.

There was also great skepticism about NGOs’ roles in civil society. None embraced ‘civil society’ as anything more than a non-profit space. None found it

exclusive to NGOs or as a worthy substitute for democratic legitimacy. F9 said, “NGO claims to be civil society are not shared in the institution. Those NGO representation claims allow them to take the moral high ground; but this is broadly rejected in the institution. Governments are legitimate; NGOs are not.” F10 understood NGOs as “interest groups,” not representatives or civil society. As at the Bank, he noted an increasing preference to engage parliamentarians instead. They frequently consider NGOs illegitimate. In the end, F7 conceded, “there is no representative understanding of NGOs in the IMF at the global level across the institution.”

4.2.6. I6) Policy Impact

NGO survey: mean: 2.13; median: 2

Interviews: mean: 2.1; median: 2

Given that the primary policy demand of the NGO community is to end structural adjustment lending and rethink neoliberal globalization (Martin 2000; Danaher 2001; Held 2004), the notion of serious NGO policy impact at the Fund can only meet with deep skepticism. O’Brien et al (2000:202) conclude that the NGO program of “social, environmental and governance issues have remained secondary concerns at the IMF,” behind the Bank and other UN agencies, but that NGO pressure has started a debate over neoliberalism (205).

4.2.6.1. I6a) Policy Consultation

In the words of one NGO representative at the 2004 Annual Meetings, the NGOs seek a “culture of learning” at the Fund now. The Fund has begun deploying that very expression (2002:82; 2003:vii).

4.2.6.1.1. I6a1) Documents

There has been a major shift in the past few years. The CSDs have become routine, and these often involve policy dialogue at the global level. Dawson and Bhatt note this as well. There is now “*sustained discussion and dialogue...* While debates tended to be highly polarized just five years ago, the scale and quality of dialogue with some CSOs have improved” (IMF/Dawson and Bhatt 2001:21, italics theirs).

The formal material on policy dialogue is general. Van Houten (IMF/van Houten 2002:59, also 70-71; similar to Dawson and Bhatt 2001:21) notes “that it has become practice to seek input of all such [civil society] groups in the development of many policy initiatives.” The 2000 Annual Report (37) suggests broadly, that “by exposing its advice to public scrutiny and debate, the IMF can also help raise the level of its analysis.” But the commitment to policy dialogue – in contradistinction to the more general program consultation of I2 – is lukewarm. The 2003 staff guidelines explicitly seek to “temper expectations”: “CSOs may have unrealistic expectations regarding the degree that contacts with Fund staff will influence policy” (sec. V.E.3.).

This may lately be changing. The 2002 Annual Report (29) notes “the IMF has engaged in a dialogue with the public on some key issues...[including with] nongovernmental organizations.” The 2003 Annual Report (58, 59) speaks of a willingness to “take into account the view of its critics...in developing and revising IMF policies, practices, and advice” and “efforts at dialogue with NGOs engaged in research and policy advocacy on development, debt, environmental and other related economics issues.” Dawson and Bhatt (IMF/Dawson and Bhatt 2001: 4), as well as the Fund’s new external relations strategy (IMF/EXR 2003:24), note a recent expansion of dialogue to include policy topics: debt relief, globalization, and adjustment policies among others. They suggest (26) the Fund be “appropriately open to ideas outside mainstream economics.” The 2003 staff guidelines also call for robust “policy inputs” (sec. III.3).

Certainly the CSDs have evolved into a policy forum between the Fund and NGOs, but that appears to be the sole policy interaction point for global policy issues (IMF 2004:134). The Fund accredited more than 160 NGOs to attend them around the 2002 Annual Meetings (IMF/EXR 2003:25). Lately the Fund has claimed that “NGOs are

also invited to participate in reviews of IMF policies” (IMF/EXR 2003:25). It finds 310 meetings at Fund headquarters to which CSOs were invited in 2002, but this reaches beyond simply NGOs.

At the country level the IMF engages in some policy dialogue with NGOs. It claims its resident representatives reach out to local civil society, and speaks frequently of the importance of “local ownership” of reform (IMF 2000:93, 22; 2002:79; IMF/EXR 2003:24-25). Most of this occurs, however, in the context of the PRSP, which is formally a country-owned document. Hence it does not formally constitute policy dialogue with the Fund; in the context of the PRSP, NGOs are occasionally referred to as “stakeholders,” but never in relation to the Fund itself (IMF August 2000:52, 56; IMF/IEO July 6, 2004). There was NGO input on a Fund review of the PRSP process (IMF 2002:47). But there is not much evidence that Fund engages in global policy debates with NGOs beyond the CSDs or the PRSP framework.

4.2.6.1.2. I6a2) Survey

The NGOs were fairly unified in the opinion that policy consultations with the Fund were not very meaningful. Most acknowledged that such dialogue occurred. All acknowledged the CSDs. But many increasingly found the effort fruitless - which reason W9, W12, and W15 gave for not completing the Fund survey. ‘Consultation fatigue’ was not raised so much as ‘frustration.’ A few suggested the NGOs simply walk away from policy dialogue with the Fund altogether (I11, I32).

As at the Bank, a perception of the flippancy in the dialogues was common. I23 said the Fund “pays us attention only if we can get media, academics, and others to mirror our critiques. I5 said, “We are talking past each other; we don’t know how to talk to one another.” I2, I26 and I32 all spoke of breaking the IMF “monopoly” on advice and institutionalizing policy dialogue.

4.2.6.1.3. I6a3) Interviews

Several interviewees (F7, F9) noted that the IMF's participation in the CSDs was now expected. Policy debate seemed to be expected, if not welcomed. There was a fairly solid consensus that the policy dialogue with NGOs was meaningful. F5 noted that "NGOs have an agenda-setting role at the Fund." And F10 stated, "Today we are appropriately open to ideas outside mainstream economics."

The EXR interviewees tagged the CSDs as worthy exchanges. EXR respondents generally thought NGOs were pushing the institution to reflect. One (citation repressed) said the NGOs had brought "more than just dialogue, but navel-gazing and deep institutional thinking." Others (citations repressed) noted that serious dialogue occurred only with a few of the largest, most professionalized and least "ideological" NGOs, but that it was becoming "more substantive, more focused, and more serious" lately. (My experiences at the CSDs bore this out.)

Non-EXR interviewees noticeably did not see this. Only one mentioned the CSDs by name, and none identified other serious venues of policy discussion. One (citation repressed) suggested that "there was no systemic policy dialogue." Another (citation repressed) suggested there was "no serious policy dialogue with NGOs at the country level at all." Others (citations repressed) described policy dialogue's occurrence as "seldom" or "not really at all."

As at the Bank, there was also concern for the acrimonious nature of the dialogue. F9 said "If the antiglobalizers invite us, we will go. But there is deep distrust of the Fund by NGOs – they automatically came out against SDRM [the Sovereign Debt Restructuring Mechanism] because it came from the Fund. After the US sank it, they decided it wasn't so bad after all. There is dialogue, but why are the NGOs so harsh on the Fund in public still?" Despite this tension, interviewees generally suggested that "NGO input is treated like any other, like think-tanks or universities on similar issues" (F1, F2, F9). This, however, suggests H3 rather than H4.

4.2.6.2. I6b) Policy Change

A regular and constant call of the NGO community is for the BWI to promote a different ‘economic model’ than the so-called Washington Consensus. Lending should no longer focus on structural adjustment, but on direct poverty alleviation (Word Vision/Whaites 2003).

4.2.6.2.1. I6b1) Documents

There is some, mixed evidence of recent policy change at the IMF in NGO directions, but not nearly in the scope sought, nor is it at all clear these shifts are due to NGOs. Flemming Larsen (2000:281), Director of the Office in Europe of the IMF, wrote “our dialogue with NGOs...is clearly having an impact on policy formulation and presentation.”

At the most general level, the Fund has recently taken to speaking of “making globalization work for the benefit of all.”¹²⁰ This “reflects a concern that the benefits the world economy is deriving from freer trade and more integrated and deeper international capital markets are not reaching everyone, especially in the developing world” (IMF 2000:35). Although unelaborated and unattributed, it is not too great a stretch to read this as a response to the growing chorus of NGO criticism of globalization through the 1990s. Dawson and Bhatt state broadly that “CSOs have exerted some influence on the IMF in [some] policy areas” (IMF/Dawson and Bhatt 2001:12, similar 24), but conclude in the end (22), “many reformist CSOs, in both the North and South, have been unhappy with what they see as a general reluctance in the IMF to consider seriously fundamental challenges to prevailing policy frameworks.”

The most important marker is the Fund shift in early 1990s toward development, specifically poverty reduction. Dawson and Bhatt attribute this directly to NGO pressure (IMF/Dawson and Bhatt 2001:14). The IMF’s self-presentation (IMF August 2001:6) speaks of a “new emphasis [on] the goals of enhancing economic growth and reducing

¹²⁰ Former MD Koehler pushed this notion particularly hard; cf. <http://www.imf.org/external/np/speeches/2002/012802.htm> and IMF (2002:vii). It is also quoted in IMF/van Houten (2002:36, also 52), and since 2000 the Fund’s annual reports have come with the expression “making the global economy work for all” emblazoned on the cover.

poverty in the world's poorest countries." This commitment is repeated several times (4, 25, 52).

A Fund pamphlet on its internal governance notes as well the general turning toward development and poverty issues in the second half of the 1990s (IMF/van Houten 2002). Van Houten attributes some of that turn, specifically debt relief, to NGOs (57, 70). In the late 1980s, the Fund's approach to the developing world's debt and poverty issues was more institutional and monetarist in character. Its first concessional lending window was entitled the Enhanced Structural Adjustment Facility (ESAF). In 1999, it was retitled and expanded as the Poverty Reduction and Growth Facility (PRGF) in the context of the HIPC initiative. The new name signaled a new sense - which van Houten strongly attributes to NGOs - of the Fund's policy interest in poverty reduction beyond simply stabilization (IMF/Treasurer's Department 2001:118).

The Fund's annual reports also mirror the growth of poverty as an institutional concern. The first mention of "poverty issues" occurs in 1989 (37). The number of pages it occupies has slowly expanded, as has the inclusion of NGOs in the analysis. In 1991, the Fund openly spoke of "protecting the poor during reform" (53ff), which seems to qualify stabilization, and made a passing reference to environmental protection. These topics return throughout the annual reports of the 1990s. There is a noticeable, growing interest in the "social dimensions of adjustment" and eventual willingness to protect social safety nets in its arrangements with borrowers (which routinely stress a reduction in state expenses). By 1998 the Fund is willing to speak of a "broadening of the IMF's policy advice to include concern for the social impact of its policy advice" (IMF 1998a:152). "Social nets should continue to be integrated in ESAF-supported program to protect vulnerable groups that might be adversely affected by reforms," and the "IMF was already making important efforts to advise countries to protect low-income groups from the impact of adjustment measures and to safeguard social expenditures during fiscal consolidation" (IMF 1998a:70, 72; also IMF 2000:61).

Since 1999, the Fund's material has deployed noticeably more direct references to poverty reduction and debt relief, and the connection of NGOs to these goals (2004:72). In 2002 (iii, 46-47, 54), the Fund spoke dramatically of "assisting in the global war on

poverty” and strongly endorsed the Millennium Development Goals (MDGs, also 2003:vii, 39).¹²¹ The Executive “Directors also reiterated their commitment to policies aimed at raising the living standards of the least well off,” and “the IMF and World Bank are cooperating closely...on a new approach that strengthens the links among poverty reduction, economic growth and debt relief” (IMF 2000:22, 49, similar 52). While it retains the focus on macroeconomic rectitude, it directly ties it to poverty reduction. The Fund is also playing up the role of NGOs in creating the medium-term strategies for poverty-reduction (PRSPs) (IMF 2000:22; 2002:ch. 5). Finally it increasingly defends poverty-reducing potential of globalization, presumably against NGO and similar critics, to reduce it (IMF 2000:35ff and ch. V; IMF April 2000).

Such language seems timid by comparison with the Bank (much less the UN system), but represents real policy movement in a conservative institution like the Fund. It is difficult to imagine the Fund speaking of environmental protection without the prodding of NGOs, however diffuse. Or defending globalization or lauding the importance of participation in PRSPs. Indeed an independent panel on the expansion of Fund surveillance to include social and environmental policies directly attributes these policy expansions to NGOs (IMF April 14, 1999:21, 62).

The Fund’s attitude toward the environment, another major NGO policy push, demonstrates again the very limited NGO policy impact. The environment’s integration into the Fund’s work is awkward at best. It shows up occasionally in the annual reports in the 1990s, but never as a focus and usually as a passing reference or boxed discussion. In 1998 (97), e.g., the Fund’s Annual Report described the responsibilities of its Fiscal Affairs Department as “research and policy studies on fiscal issues, income distribution and poverty, social safety nets, public expenditure policy issues, and the environment.” That is the only mention of the environment in the 230-page document; it is awkwardly tacked onto a traditional description of the core functions of the Fund.

Consider by way of contrast, this description (IMF 2000:86-87) of the Fund’s “core substantive areas of competence:

- macroeconomic policy formulation and management;
- monetary policy; central banking; the financial system; and foreign exchange markets and policy;

¹²¹ <http://www.un.org/millenniumgoals/>.

- fiscal policy, public finances, and fiscal management;
- external debt monitoring; and
- macroeconomic, external, fiscal and financial statistics.”

This postdates the earlier language on the environment.

An important caveat however, is the continuing highly technical and monetaristic understanding of poverty and other NGO-driven social issues. Unlike the Bank’s branching into human development, flirtation with rights-based lending and human rights, sustained environmental research, and general turn from infrastructure to social lending, the Fund continues to map such concerns into its basic stabilization policy mission as defined in the *Articles of Agreement*. Since the beginning of its engagement with poverty as a distinct section of its work, the Fund has generally argued that stabilization and structural adjustment are, in essence, poverty reducing, hence requiring no serious alteration of the Fund’s policy commitments: “Sound economic policies are necessary to control inflation and achieve sustainable growth, and growth is necessary for the lasting alleviation of poverty... Among those policies likely to benefit some of the poor are policies aimed at stabilization and external adjustment” (IMF 1990: 42; similarly 2000:49, 59; for a recent reconfirmation of the same principles, IMF/Treasurer’s Department 2001:ch.IV). At the paradigm level – of the Washington Consensus or neoliberalism – there is no indication of movement.

4.2.6.2.2. *I6b2) Survey*

The NGO data on the Fund’s policy change is very pessimistic. At the 2004 Annual Meetings, an NGO representative engaged in an discussion with Fund representatives on the issue of Fund policy change. In reference to the former Managing Director Michel Camdessus’ pledge to turn the Fund’s ear toward “the cries of the poor,¹²²” this NGO staffer provided what may be the common thread throughout all NGO criticism of the BWI: “the IMF is not moving fast enough on becoming pro-poor... you need to move more quickly... [It has been] five years since Camdessus’ speech to the Working Group on Low Income Countries, and that is not good enough.” This contrasts

¹²² <http://www.imf.org/external/np/speeches/2000/020300.htm>.

sharply with the rather common BWI retort that the institutions are large and slow moving, that ‘changes takes time.’

There was a general recognition that the Fund had moved toward poverty reduction, but there was great skepticism that the Fund had really been convinced of it. In the words of I23, the “Fund’s job is to balance the books, not to reduce poverty.” I7, I16, I23, I29 and I32 among others gave credit to the Fund for the recent policy shift toward poverty. But each noted that it was not enough. Borrowing the language of EHIPC, I29 wanted debt relief to be even “broader, deeper and faster.” At the CSD on HIPC of the 2004 Annual Meeting, NGO representatives (including several survey respondents) insisted on referring to HIPC as a “failure,” until several BWI staff snapped back. The Fund has also not even begun to consider, as the Bank has, the NGO favorite of “rights-based lending.” A few pointed that out (I26, I27). At the paradigm level, all respondents were unified in noting that the Fund had not budged from neoliberalism or the Washington Consensus.

The greatest NGO ire was saved for the paradigm question, perhaps because the NGOs were quite aware of the Fund’s reach and signaling power (I14). “The Fund controls the paradigm, so the Bank’s room to maneuver is limited,” said I23. I27 put the Fund above the Bank as the target to undue “the structures and processes that perpetuate an unjust system.” All found the Fund stolid and conservative on policy change. Quite common were responses in the following vein: “[our greatest disappointment has been our] inability to impact on the macroeconomic model” (I20, I21, I25, I30). I8 found the basic policy core of the institution intact; I7 found the Fund still rooted in the Washington Consensus. I22 found that NGOs had failed to “stop adjustment or privatization.” I32 concluded, “we have changed the ‘window dressing’ but not the core of the institution.”

4.2.6.2.3. I6b3) Interview Data

The issue of NGO-driven policy change inside the Fund is primarily understood as goal expansion: now the Fund is to worry about social safety nets, development, debt relief, and poverty too. Many interviews (F3, F4, F8) suggested this and were keen to note “we are not eroding social spending.” F7 said, “Members’ fiscal space has expanded

because of NGOs,” and F10 noted that on debt relief “the IMF relented and moved on it faster than it would have.” There was, however, a broad worry that this sends the Fund down the road toward goal congestion like the Bank.

Opinion was mixed on this expansion. As F9 put it, “The Fund does not understand poverty. We do not have poverty specialists like the Bank.” At the Annual Meetings of 2004, Peter Heller of the Fiscal Affairs Department stated at a CSD, “we are committed to poverty.” Yet in a public meeting with NGOs one day earlier, EXR Director Thomas Dawson stated the “IMF is not a development institution” and that “we have a limited role” (September 29, 2004). This indecision was common.

Seven of my ten interviewees expressly rejected former MD Camdessus’ suggestion that the Fund might be “a development institution.” F7 explained the Fund will “not provide financing for non-state entities, nor long-term development financing, nor will it become an MDB.” In a similar explanation that demonstrated the torn nature of the Fund on this question, F5 argued:

The Fund is not a development institution, but is an institution that deals with development issues. The Fund assists with macro-economic stabilization, but does not invest in a country to build capital - physical, human. Fund does not exist to plug investment and credit gaps. But the NGOs are pushing us in that direction.

Other interviewees mirrored this hesitation. They noted the Fund’s move into poverty-reduction, in part at the behest of NGOs. But most, following the line of the annual reports, integrated poverty reduction into the extant Fund mission. F1 (similar F6, F7): “Our anti-poverty focus and development are a part of macro-economic stabilization.”

F3 and F8 provided broader explanations that suggested the limits to integrating poverty reduction into stabilization. F3:

Within reason, we have endorsed poverty reduction. The PRSP represents a fundamental change in the relations of the Fund with the member states. There is a recognition of a general failure in development and the need for a broad-based domestic buy-in. This is not so much policy change as policy expansion, a large expansion of Fund’s areas from just macro-economic stabilization to poverty reduction after ESAF.

F8 suggested “10-20% of change on policy recently is due to NGOs. Formally not, but now the IMF is a de facto development institution. There is a broader focus than twenty years ago. In the 1980s there was structural adjustment. In the 1990s, there was poverty reduction.”

On the paradigm question of a post-Washington Consensus there was greater agreement on the lack of movement. F10 said in our interview that the Fund is “not a development or sustainable development institution” and flatly asserted that the NGOs had not changed Fund policy. Other (F2, F5, F6, F7) interviewees broadly concurred that NGO-driven changes occurred “in some specific issue areas,” such as the environment or good governance, “but not on macro-policy. Board and staff are still basically committed to macro-economic stabilization.” The PRSP, F4 contended, “does not usually widen policy spaces,” and F7 was very leery about the content of “sustainable development.” S/he queried several times what it was to mean.

Most found the term ‘post-Washington Consensus’ empty. “We will never become a Marxist or socialist institution the way some NGOs want” said F7; “if the Fund provides the same answers often, it’s because the problems are the same.” F3 said, “The Fund would like to move a bit toward sustainable development and development ‘with a human face’, but the NGOs can never articulate their alternatives to neoliberalism and the Washington Consensus. We do sustainable macro-economic development through stabilization.” F9 said, “It is very difficult to ascertain what the NGO model would be.”

4.2.7. Empirical Conclusion: H2

Table 6 presents Chapter 4.2’s integrated aggregate quantitative data from the surveys and interviews indexed against the casual hypotheses of chapter 5.

Indicators (Hypotheses)	I1 (H2)	I2 (H2)	I3 (H3)	I4 (H4)	I5 (H5)	I6 (H6)	
<i>NGOs (survey)</i>	2.13	1.58	1.52	1.89	2.00	2.13	Mean
	2	1	1	1.5	2	2	Median
<i>IMF Staff (interviews)</i>	3.8	3.2	2.2	1.5	1.7	2.1	Mean
	4	3	2	1.5	2	2	Median

Table 6: Summary of Indicators Indexed to Hypotheses (International Monetary Fund)

The empirical work of Chapter 4.2 suggests suggest H2 for the International Monetary Fund. The quantitative scores and qualitative data on the Fund indicators suggest the most noteworthy movement on I1-2. The NGO data strongly agrees with this as well. There is also a lukewarm interest in I3, one of H3's indicators, from the Fund, although the NGOs do not agree.

There is a stronger agreement among the Fund indicator data than the Bank indicator data on the correct hypothesis – H2. Both NGOs, and Fund staff and materials are agreement that H4 (I5 and 6) is incorrect. The Fund appears split between the indicators of H2 (I1-2) and H3 (I3-4), leaning toward the former. The NGOs seem fairly confident in H2 indicators.

CHAPTER 5

HYPOTHESES OF CHANGE

5.1. World Bank

The division between the NGO and Bank sides' perceptions on the indicators makes prediction from that data difficult. This was expected. Therefore, to buttress the indicators' causal inference, I also asked informants directly which causal hypothesis was most correct. That data, on a 1 to 5 Lickert scale, is in Table 7.

Hypotheses	H1	H2	H3	H4	
<i>NGOs (survey)</i>	2.5	3.45	3.37	2.84	Mean
	2.5	4	3	3	Median
<i>WB Staff (interviews)</i>	2.10	3.10	3.62	2.48	Mean
	2	3	4	2	Median

Table 7: Summary of Hypotheses (World Bank)

This quantitative data on the hypotheses is expanded below in the qualitative data collected on them as well. There is general agreement on the rejection of H1 (the null) and the endorsement of H3, with some drift toward H4. This fits the indicator data of Chapter 4.1. I conclude that H3 is most accurate.

The Bank provides its own reasons for engaging NGOs. On the Civil Society Team web page is the following paragraph:

The World Bank has identified several important reasons for why it is important to both engage civil society directly and also facilitate greater synergy between member governments and civil society at the various levels from the global to the local. This rationale is based in part on the experience the institution has had collaborating with civil society over the past two decades. This experience demonstrates the benefits civil society can bring to the development efforts, including:

- **Give voice to stakeholders** – particularly poor and marginalized populations – and help ensure that their views are factored into policy and program decisions.
- Promote **public sector transparency and accountability** as well as contributing to the **enabling environment** for good governance.
- Promote **public consensus** and **local ownership for reforms, national poverty reduction, and development strategies** by building common ground for understanding and encouraging public-private cooperation.
- Bring **innovative ideas and solutions**, as well as **participatory approaches** to solve local problems.
- **Strengthen and leverage development programs** by providing local knowledge, targeting assistance, and generating social capital at the community level.
- **Provide professional expertise and increasing capacity** for effective service delivery, especially in environments with weak public sector capacity or in post-conflict contexts.¹²³

My discussion below reduces these to more abstract categories, but it is immediately noticeable that the first bullet-pointed reason accords with H4 – legitimacy. The remaining five align with H3 – efficiency. Bullet-points two and three appear at first to embrace NGOs as legitimate representatives, but on closer reading actually reduce NGOs to vehicles for improving desired performance for the listed concerns.

There is a paradox, running throughout the Bank’s engagement with NGOs. To the extent PAPs see NGOs as legitimate, NGOs further Bank goals, regardless of whether the Bank itself views NGOs as legitimate. It is in this spirit that bullet-points two and three are written, not for the sake of legitimacy alone. Legitimacy serves to improve project efficiency, but is not an end in itself. So, for example, if NGO engagement did not (as bullet-point two suggests) improve ownership, it hardly seems likely NGOs would be utilized to promote it.

Finally, it is also noteworthy, if predictable, that there is no mention of the trouble NGOs have raised for the Bank in its work, no hint that engaging NGOs is also a way to

123

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20093200~menuPK:220424~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

defuse the institutional danger posed by the antiglobalization movement (H2). Nor is there even a passing reference to the state membership's opinion on NGOs

I introduce these points here, because that posted language broadly mirrors what I have uncovered elsewhere and document below. First, the Bank's engagement is primarily driven by utility (H3). Second, H1 and H2 do not apply to the Bank, at least not today, although there is some evidence for H2 in the 1990s. Third, and perhaps most controversially, the Bank itself does not see NGOs as legitimate representatives of PAPs. But where PAPs see the NGOs as legitimate, and that local perception of NGO legitimacy makes the NGOs efficacious, then the Bank is not hesitant to exploit that perception and use NGOs to further project goals. Put another way, the question of NGO legitimacy in the Bank is unresolved, but in some cases, PAPs see NGOs as legitimate, more so perhaps than Bank and/or local government officials. Hence the NGOs may be more locally efficacious actors than the Bank or government. It therefore serves the utility of the Bank to exploit NGO 'legitimacy' even though the Bank itself does not accept that legitimacy. H4 is roped into the service of H3.

5.1.1. H1) Response to Member States (Null Hypothesis)

NGO survey: mean: 2.5; median: 2.5

Interviews: mean: 2.1; median: 2

Many previous authors on the Bank have noted its wide operational autonomy from states, particularly concerning NGOs (Nelson 1995:10, 30-31, 125; O'Brien et al. 2000:53, 117; Gilbert and Vines 2000; Miller-Adams 1999:18, 19, 138; Kapur Lewis and Webb 1997; Fox and Brown 1998a:13): "In general, the fate of ... participation ... at the Bank has little to do with the preferences or power of external actors.... Instead the Bank's organizational culture has acted as a filter, enabling some concerns to be addressed more thoroughly than others and shaping how new issues are defined." The case study literature on the Bank (Nelson 1995; Gilbert and Vines 2000; Kapur, Lewis and Webb 1997) contravenes the IR/realist assumption that the Bank will be at the whim of the great powers and to suggest that it has a fair amount of "autonomy in its operations

and goal-setting” (Miller-Adams 1999:9). That perspective is adopted here; there is no clear transmission belt of preferences from the G-7 to the Board.

Several reasons for this autonomy are common to the literature and were brought up by NGO and Bank informants alike. This list is similar at the Fund.

First, the World Bank is a UN specialized agency with formal autonomy (Metzger 2002b:681-82). It is formally insulated from pressures from its member states to arbitrarily follow their preferences. While it is accurate that the United States wields a veto within the Board, that is only a negative tool. The United States does not have the strength to force through proactive policies alone. Indeed, its percentage of the Board vote has been declining for two decades.¹²⁴ Furthermore, for any one state (read: the US) to lean on it excessively would corrupt the independence it needs to act with integrity. This insures that only concerted pressure from a common front of most of the G-7 states can directly feed through into the organizations. This G-7 consensus is not impossible – lending to Russia, e.g., was strongly pushed on the IMF by the G-7 (McQuillan and Montgomery 1999), but a requirement of great power consensus does raise the bar significantly for the realist hypothesis to function. Were direct control to be sought by a hegemonic state, the other participants would exit. Ngaire Woods (2000:135) terms this the “requirement of multilateralism”:

To be effective, the Bank relies on the participation of most states in the world. Such participation, in turn, requires continued belief in the Bank’s ‘legitimacy’: the perception by its members that the agency not only has technical expertise but also that it has certain degree of independence, a genuinely international character and that it acts in a rule-based way rather than according to US discretionary judgments.

In the language of game theory, one might think of the Bank as a prisoner’s dilemma cooperation game. While the US might achieve particular goals in the short-term (D,C) at the cost of the institution’s credibility, this does not serve the US long-term goal of keeping most of the world’s states within the basic liberal international financial architecture of which the Bank is a central part (Kenen 1994, Armijo 2001). In practice, this insures that the autonomy of the ‘specialized agency’ is somewhat shielded and that the US does not dominate the institution.

¹²⁴ An 85% majority is required within the Board, should a vote be taken. The United States wields approximately 17% of the vote based on its capital subscriptions.

Second, the Bank can mostly fund itself. This gives it serious operational autonomy (Woods 2000:137ff). In the words of one (B19), the Bank has “immunized itself quite well from member-governments.” The middle-income lending window, the International Bank for Reconstruction and Development (IBRD), has turned a profit almost immediately since it began development lending in the 1950s. A constraint to date has been its extremely concessionary lending window, the International Development Agency (IDA). Because it lends at such low interest rates (.75%) over such long repayment periods (up to 40 years), it has required tri-annual ‘replenishments’ from the donor member states. But even the Bank’s most outstanding IDA loans now are beginning to mature. Repayment has caught up with lending. This should bring a further increase in financial autonomy, as the Bank closes the gap between its longest-term loans and its repayment.¹²⁵

Third, the Bank can often play off its member states against one another for room to maneuver. Concerning NGOs Northern states are more sympathetic than Southern ones. This divide at the Board level creates an open space where the Bank can forge its own in-house responses to them (O’Brien et al. 2000:117); many interviewees below made this point as well.

Low input from the staff to the Board helps keep EDs in the dark (Nelson 1995:123; 140; many interviewees). One NGO representative relayed the following story from anonymous European ED: “They (Bank management) treat us like mushrooms – they keep us in the dark and feed us shit.” The point is that Bank management only brings in the Board when in-house difficulties cannot be contained or the public spotlight reveals internal issues. Where possible, the Board is provided with minimal information so as to maximize Bank autonomy (Kapur, Lewis and Webb 1997).

Fourth, member-states’ interests at the BWI are often unclear or conflicted. For example, as ideologically committed to free-trade liberalism, yet sensitive to the domestic employment restructuring this entails, the G-7 states have often waffled in support of the neo-liberal creed advocated by the Bank. This conflict of principle and interest gives the Bank room to act. It has, e.g., criticized Northern agricultural protectionism. This

¹²⁵ In FY 2003, the Bank enjoyed \$3 billion more in repayments than lending (Bank Information Center workshop at World Social Forum IV, January 18, 2003).

waffling is even more apparent on the issue of NGOs. Often it is simply unclear what the G-7 states' interests are in the NGO-Bank debate. The member states do not act as unitary actors. Different portions of national governments align with NGOs or the Bank. The result is that G-7 states have occasionally played both roles, but often simply sit out the dispute. The most famous example of this is IDA-10. NGOs lobbying the Bank exploited the political opportunity structure of the Bank's funding through national 'replenishments.' They approached the US Congress to withhold IDA-10 funds until the Bank reformed. Conversely the Bank had allies inside the US Treasury. The net position of the US government in the flap was unclear at best.¹²⁶ This process has repeated itself elsewhere as the NGOs have hunted for national allies in the G-7 parliaments and development ministries, and the Bank has retained its own friends in finance and foreign affairs ministries. As the NGOs and Bank fragment the unity of particular member states towards the Bank, they increase the Bank's operational autonomy.

The general consensus among interviewees, both among NGOs and Bank staff, is that the "Board is either split over NGOs, or ignorant of the Bank's treatment of us," in the words of one NGO staffer at a strategy session I attended. Another (B19) said "there is a clear split between Part I and Part II states at the Board over NGOs." There is a stalemate at the Board level between Part I states who are comfortable with NGOs and intermittently support them (particularly the more social democratic leaning states of Europe and Canada), and Part II states (led by China) that are increasingly uncomfortable with the deep penetration of the Bank by NGOs. There can be no formal proof of this as the Board's minutes are not publicly available, but this conjecture was widely supported by interviewees from both sides when I raised it.¹²⁷ One interviewee (B4) even said that the resentment of Part II EDs is even more threatening to NGOs in the long run than the growing staff backlash to them.

¹²⁶ IDA-10 was replenished for two not three years, and some promises of reform were made (Udall 1998:401-404). That IDA loan repayment has now finally caught up to IDA lending should reduce the need for the Bank to appeal for the replenishments. This should reduce the Bank's vulnerability to NGOs exploitation of national political opportunity structures.

¹²⁷ An OED note makes a passing remark that fits here: "the biggest constraint on participation was [borrower, i.e., Part II] skepticism about participatory approaches" (WB/OED August 28, 2002:5). An unpublished OED report ([October 27, 2000]:vii) similarly notes "inconsistent management support for participation." Both hint at what many interviewees and NGOs suspect – a divide at the highest levels of the Bank over NGOs' roles.

The effect of this is to send mixed signals or none at all from the Board to management on NGOs. This has created a great deal of internal discretion – for presidential entrepreneurship, management autonomy and staff discretion. As such, the imminent change in Bank leadership this year may lead to a constriction of NGO access. (Certainly, many of the staff I interviewed are hoping for that.) There is a live debate now within the institution as to just how much of President Wolfensohn’s NGO agenda will stick.¹²⁸

Fifth, the G-7 states are democratic. While Saudi Arabia does sit on the Board of Governors with its own seat, the rest of the major states behind the Bank are established democracies. This would create normative-procedural discontinuities should the G-7 try too hard to enforce its will on the Bank. Particularly on the issue of NGO penetration, it would be astonishing if governments that permitted interest-group pluralism at home, sought to restrict it abroad. The Bank (and Fund) are located in Washington, the capital of the world’s most important liberal democratic state. The irony would be too great for NGOs, commentators, and the general public of the West to ignore if the G-7 tried to force the Bank to entirely ignore outside pressure. And indeed, that has broadly not happened. The democratic, pluralist norms of the institutions owners, staff, and operating environment have overturned the realist prediction that these IGOs will only respond to powerful states in the system. In the tropes of the IFIs, most interviewees recognized that the BWI are “publicly-financed institutions” which must be accountable in some way. Certain (read: liberal and democratic) domestic constraints overwhelm that conjecture.

The “club model” of IGOs helps to explain the day-to-day autonomy of institutions like the Bank and Fund. Keohane and Nye (2000:28) write:

International organizations tend to be dominated by small networks of professionals who can modify their informal rules and practices and sometimes develop a body of case law. The club model helps to overcome the deadlock that accompanies the diffusion of power.

Formal deadlock among member-states in IGOs is fairly frequent given the expansion of membership in the multilaterals to near universality. This creates room not only for

¹²⁸ The obvious counterpoint is the consultation with religious groups former Fund MD Michel Camdessus pursued. Once Camdessus left in early 2000, such consultations faded out. Given Wolfensohn’s longer tenure and greater presence (Mallaby 2004b), the anticipation is that more of his NGO reforms will hold over.

internal organizational entrepreneurs, as Keohane and Nye note, but also then for NGOs. The logic of IGO autonomy through gridlock or paralysis also opens the door to the non-null hypotheses in which NGO pressure can generate autonomous internal change. Wade (1997:731) writes: “The fact that the other multilateral development banks made virtually no moves to integrate environmental considerations until well into the 1990s (with the example of the World Bank to prod them into action) does support the argument that the NGO campaign was crucial.”

5.1.1.1. HI) Documents

There is of course a strong formal commitment by the Bank to the member-states. Only they are referred to as “shareholders,” while other interested actors are generally “stakeholders” or “partners.” And the annual reports frequently contain statements such as this: the executive “directors represent the changing perspectives of their shareholder governments regarding the Bank’s role” (1996: 25). The last clause is particularly relevant here as the NGOs are essentially challenging the states claim to sole command over the Bank’s role. Unsurprisingly there is little in the Bank’s formal work to suggest it is breaking away from the states.

5.1.1.2. HI) Survey

Several NGOs (W1, W9, W15, W24) perceived the Bank to be heavily dominated and controlled by the US Treasury. There was certainly a strong perception of the relevance of the member state governments. As one respondent (W9) put it, “If the US really wants something out of the Bank, it usually gets it.” But no respondent directly suggested that the Bank’s response was dictated by the most powerful states on the Board. Instead several made reference to an emerging trend in the data – that a stalemate at the Board level opens room for NGOs (B6, B8, B26).

The interests of the various member states are misaligned over NGOs, and this dissonance is creating room for the Bank to set its own course. Most NGO informants thought the Bank had considerable operational autonomy. There seemed to be some

consensus, especially among the NGOs interviewed and at the CSDs I observed, that the Board is rather badly split over how to approach NGOs. The split appears to be between Northern and Southern states (or Part I and Part II IDA states). While Northern states tend to be comfortable with the role of NGOs, Southern ones tend to be more hostile. The United States does not yet have a coherent position on NGOs in the Bank.

5.1.1.3. H1) Interviews

No interviews suggested that Bank's response to NGOs was consistently driven by the member states. Few had even seemed to consider the possibility much. In the words of one (B11), "the US doesn't hold all the keys in the development business." Most used some variant of autonomy or independence to describe the Bank (not only regarding NGOs, but more generally). B14 explained, "The Bank is autonomous. There is a deadlock between Part I and II states at Board over NGOs, so there is lots of discretion for management. The best example of this is Wolfensohn himself. He has gone his own way and pulled the Board with him." B16 too noted Wolfensohn's ability to "pull the Board with him."

Many others noted the stalemate between Part I and II states over NGOs (B9, B17, B19, B20, B23, B25, B28). B5: "The stalemate at the Board level, between Part I and II states, that gives the Bank room to maneuver. If we move early on an issue, we can craft a policy as we wish." B6: "The Board does not take up the NGO issue much because it is so contentious; this too gives the Bank room." And B16: "Part I countries are receptive or actively encourage the Bank to engage NGOs, especially the US and UK. But Part II countries find NGO engagement highly threatening." B3 suggested, "unfortunately member states do not encourage NGO engagement; to do so would be to recognize the democratic input from NGOs." If anything, there was some evidence that the Bank prods the states on NGOs. B7 (similar B3) said "it is the reverse actually: we are leaning on and encouraging the members."

Others (B23) noted a poor amount of Board oversight in general. B17 mentioned "a lot of latitude within Bank rules. There is lots of experimentation and a whole level of consultation and engagement that goes on below the Board level. That leaves a lot of

room for staff discretion and autonomy.” B19 put a technocratic spin on the low oversight: “the Board is quite irrelevant; the level of bureaucratic and technical autonomy is high. The Bank immunizes itself quite well from member governments.”

5.1.2. H2) Organizational Defense

NGO survey: mean 3.45; median: 4

Interviews: mean: 3.10; median: 3

O’Brien et al. (2000:216-17) place the cause of Bank change under the rubric of organizational defense: “Vulnerability to pressure helps to explain much of the motivation behind MEI (multilateral economic institution) transformation... In general the goal of MEI interaction with GSMs (global social movements) is to neutralize their opposition so that the policy process can function smoothly.” They continue that the Bank acknowledges the threat NGOs pose and tries to coopt rather than cooperate with them (O’Brien et al. 121). NGOs are a threat to the organization and its prestige (O’Brien et al. 130, 155, 158) Hence they describe the Bank’s response to NGO pressure as a “damage limitation measure” (46).

In Bank-speak, NGOs were viewed, for much of the 1990s, through the lens of O’Brien et al.’s “question of institutional risk” or “risk management” (B3). But defusing this was a signature achievement of Wolfensohn’s first term. Many interviewees noted that Wolfensohn addressed head-on the NGO challenge in the mid-90s. In their qualitative responses, many interviewees said that H2 was correct earlier, but no longer applied. The Bank had “moved on to more productive relationships” (B8, B4).

5.1.2.1. H2) Documents

Not surprisingly, there are no serious references to the Bank being pushed by NGOs into anything. The Bank’s language on NGOs is consistently dry, suggesting minimal impact. In 1994, at the height of the “50 Years is Enough” campaign, it wrote (41):

In addition to formal consultations, an increasing number of meetings between senior Bank officials and NGO representatives around the world have been held. A series of meetings took place with NGOs during the past year on issues such as the disclosure of information, creation of an inspection panel and the follow-up to the report of the Bank's Task Force on Portfolio Management. Another series of meetings focused on environmental sustainability, resettlement issues, specific project concerns and the environmental effects of macroeconomic policies.

The nasty IDA-10 struggle, as well as the fights over the IDP, the IP, and the Wapenhans Report – all NGO-driven controversies at that time - are elided. Contrast this with Wade (1997:727), from a less partial stance: “the Bank had a simple choice: either it adopted an acceptable information policy and independent appeals panel, or it got no U.S. money for IDA 10.”

In GP 14.70.2b, there is a reference to NGO engagement as “fostering better public understanding of the Bank’s activities.” GP 14.70 was revised from OD 14.70 in the late 1990s, so this language may hint at the strong antiglobalization and NGO criticism of the years after the fiftieth anniversary. In 1991 (98), the Bank, after noting the increasing pressure of NGOs on the institution, provided a rare (almost) causal statement: “The Bank may need to modify its operational policies to encourage popular participation more widely.” There are passing references to NGO pressure, either from the street or through member state legislatures (1986:65; 1991:98; WB/CST 2003:15). These stray remarks defensively admitting to more PR and outreach with NGO bolster the contention here that such initial and reluctant consultation sought to defuse criticism and reduce reputational damage.

At one point the Bank’s own material seems to betray the severity of the critique and the desire to subvert it. In 1988 (75-76) it wrote, “Often critical of the Bank’s work in the area of environment, environmental NGOs from around the world gathered during the Bank’s 1987 annual meetings to voice some concern... Nongovernmental organizations were enthusiastic about the Bank’s increasing efforts to include them in operational work and were encouraged by the interest expressed by the Bank’s senior management in working more closely.” It takes little analytical deciphering to see that NGOs probably were not “enthusiastic” as they were there to protest, and that including them further and granting them access to management (two behaviors tagged as I2 and I1 respectively) suggest organizational defense (H2).

Ten years later, in similarly muted language, the Bank wrote, “the Bank’s increasing willingness to provide information and generally to be more open has helped significantly not only to reduce the contentiousness of its dialogue with NGOs, but also to improve the overall climate of public opinion around the Bank’s work” (WB/NGO Unit August 11, 1998:9). Such language suggests what many interviewees noted as well – that the Bank’s earlier engagement did in fact respond to NGOs as a threat to the Bank’s reputation.

But such language is fading. The most recent I could find was the suggestion in the Bank’s impending “Issues and Options” paper (WB forthcoming [2005]), that NGOs engagement is considered a form of “political risk management” (iv, 1). There was slight support for this among Bank interviewees.

5.1.2.2. H2) Survey

Of the four hypotheses, the level of support among the NGOs was greatest for H2, organizational defense. This is surprising. I had anticipated a lower score given the extent to which the Bank says it has moved on from defensive engagement. The measure of the Bank data suggests H3. It is a measure of the cleft between NGOs and the Bank that their causal assertions differ.

Among the qualitative feedback, the Bank’s desire to defend itself against “negative publicity,” for “PR” purposes, or “risk/reputational management” was a very common response to explain engagement with NGOs (W9, W29, W23, W17, W10, W12, W 14, W2, W31, W33, W37). In the words of one (W31), “refusal (to engage NGOs) is not a politically viable option.”

Hypothesis 2 suggests I1 and I2. There should be a defensive institution bureaucracy. The frequent use of the term “public relations” in the NGO feedback supports the high score given these questions. One NGO informant (W9) responded at length. Concerning I1, s/he said:

The NGO units [over time at the Bank] are spinners and apologists, not advocates. We never asked for a liaison; the Bank wanted one so that we wouldn’t call all over the institution. They are gatekeepers... The NGO unit is a defensive measure to control and channel input... There is a fine line between being a liaison and a pitch person for the Bank.”

Concerning I2, s/he said: “Participation is a media stunt. Consultation ‘washes’ loan money through some NGO outreach. NGOs are bought off with small projects and much-desired pet projects.” This trenchant critical tone was common as well in the NGO meetings I observed (also W18).

5.1.2.3. H2) Interviews

The primary threat from NGOs mentioned was a rise in costs. One staffer (B20) said, “The NGOs are a threat to the institution insofar as they are increasing the decline of the Bank’s market share of cross-border flows; borrowers can just go to other, cheaper lenders.” Another (B10) said, “The Bank could become obsolete as it loses market share to bilaterals and export credit banks.” Still others used the language of the “Issues and Options” paper that NGOs are a part of risk management; they are a political risk to be analyzed like any other – financial or technical (B8, B29). Others bluntly called EXT’s NGO staff “PR” (B7), and engagement “pure opportunism” (B6).

Organizational defense may be most prominent at IFC. One interviewee (citation repressed) said a project officer requested that s/he “save my boys from the NGOs.” Another (citation repressed) said, “They make us substantially less efficient.” And another (citation repressed): “There is no question they are not cost-efficient. They are useful at best at the margins, as service contractors.”

But the consensus across the Bank Group seemed best expressed by B19, who said, today, the NGOs possess “a minimal potential to threaten the Bank; if the NGOs walk away from the PRSP, no one will care.” B8 suggested that “NGOs are not as much as a threat as they think, but we don’t like negative publicity.” B14 (similar B27) concurred, “They are not so much a threat as a nuisance.”

Many interviewees noted that the Bank “had moved beyond dealing with NGOs as a question of institutional risk” (B3, similar B7). Often interviewees (B8, B9, B16) suggested that if I had asked this question ten years earlier the organizational defense strategy would have ranked much higher. B16 summed up the conventional wisdom that the NGO threat had passed: “Wolfensohn was really surprised at the ferocity of the protests. Most staff (90+%), according to OED staff assessments, are proud to work at the

Bank. Although there was a panic response in the 1990s to reputational risk, the harshest NGO criticism has been weathered.”

There does remain some defensive positioning in the tussle over the term ‘civil society,’ which is now the Bank and Fund preference to NGO. Some (B4, B7, B20, B24, B22, B29) admit that the Bank’s use of the term ‘civil society’ places NGOs in a wider universe of non-profit actors. This was often couched in a manner to be more inclusive of others in the nonprofit sector. B21 (similar B22): “NGOs need to be aware that they are one constituency among others. This is a multistakeholder debate instead of just consultation with NGOs.”

But clearly multiple stakeholders crowd out more critical voices by reducing NGOs, specifically Northern NGOs, to one voice among many. More voices means less agreement. NGOs frequently asserted to me that the Bank wants this so that it can then argue that civil society does not speak with one voice and cannot, therefore, draw any clear input from the sector. The expansion to ‘civil society’ from ‘NGO’ is a rhetorical strategy to drown criticism, and then ignore civil society input as cacophonous.

There is a clear conflict of meaning. NGOs see civil society as means of overcoming a perceived democratic deficit and legitimacy problems. By contrast, the Banks cast civil society as a space in which many actors cannot agree, rendering their input more disputed and so less necessary to follow (WB forthcoming [2005]; B23).

5.1.3. H3) Efficiency

Nelson notes the tension in the Bank as to whether NGOs are simply service-providers, or representatives of political values and constituencies. He sees the Bank primarily engaging the NGOs as mission-improvers: “This selective and non-political appreciation and use of NGOs ... is a characteristic of World Bank-NGO interaction” (1995:42). The Bank subordinates NGOs’ political role to service delivery (130), despite the deep belief NGOs have that they are representative. O’Brien et al. also perceive utilitarian purposes behind engagement. “In developing countries, the IMF and World Bank were forced to seek strategic social partners that might help them implement their economic packages” (2000:8).

There are two kinds of utility common to the BWI's language on NGOs. First, "there is an increasing recognition of the 'comparative advantage' exercised by NGOs over state bureaucracies in delivering development resources to the poor" (O'Brien et al. 2000:28). NGOs are vendors like others.

Second, the Bank (and Fund) have increasingly exploited NGO legitimacy among borrowers and PAPs for their own mission accomplishment purposes. Critically however, NGO legitimacy to borrowers does not mean legitimacy to the BWI.¹²⁹ NGO participation increases the local sense of ownership of reform programs (structural adjustment typically) and reduces the perception of the Bank as a neo-colonialist imposing its will on weak Southern states. But this does not legitimize NGOs to the Bank itself. They serve the utility of the Bank. "By partnering with the NGOs, the Bank itself becomes legitimate" said one staffer in the US government familiar with the tension between the Bank and NGOs.

This is important, because many Bank interviews suggested NGOs are legitimate when they provide good ideas. But legitimacy in this dissertation is not used economically, but politically. Most, as noted above, wavered over this question, and none suggested that the Bank cooperate with NGOs unless it was cost-effective.

Nonetheless the step from legitimate in the South to legitimate in the Bank is smaller than the step from vendor to representative. Clearly, if NGOs are enjoy better 'on the ground' legitimacy than the Bank itself, it raises questions of whether the NGOs do in fact, as they claim, represent Southern popular views (I5 and H4). In 1999 (40), the Bank wrote: "The Bank has found that engaging civil society groups in projects and policy dialogue improves design, implementation and sustainability, because when communities and their representatives have direct involvement in development activities, they feel greater ownership for the results." Such language hints at internal legitimacy for NGOs, thus at least opening the door for consideration of H4.

¹²⁹ This dichotomy was raised at the end of chapter 1.7.3.

5.1.3.1. H3) Documents

The Bank broadly identifies three functions for its engagement of NGOs – to facilitate (dialogue with borrower governments), consult, and partner (WB/SDV 1988-2001 [2000/2001:1]). This point to the utilitarian understanding of NGOs that suffuses Bank material. The following citations and quotations are drawn from a wide array of Bank materials across the NGO spectrum of civil publications.

As early as the first serious report from the Bank on NGOs (WB 1990), the theme of utility or usefulness was central to explaining NGO collaboration. In language that has little changed since, NGOs are described primarily as “critical link(s) between the official planners of a project and its beneficiaries” (11). Most later work reinforces this.

WB/Operational Policy Department (1995) describes the NGOs primarily in categories of utility to the Bank. NGOs act as intermediaries and beneficiaries of project work (15). Chapter 2 of this handbook is entitled “Why the World Bank Works with NGOs.” The answer is that “NGOs can contribute to quality, sustainability and effectiveness of the Bank-financed projects” (19). Many examples of projects improved by NGO cooperation dot the text.

A similar report in 1996 refers to the “comparative advantage, expertise and local knowledge” NGOs may have. Participation is extolled because it improves “quality and sustainability” (and conspicuously not because it is democratic or proper) (WB/Participation and NGO Group 1996:6, 17).

In a collection of papers on participation and civil society, multiple Bank staff argued for the utility of NGO/civil society involvement, with only a passing and disputed reference to the possibility that NGOs might actually represent local peoples (WB/Latin America and the Caribbean Region 1999). Like previous work, the papers speak of NGOs’ comparative advantage in some areas, their utility in mobilization of human resources, local knowledge and project sustainability and other economic virtues (1, 9, 32). One essay is straightforwardly entitled “The Benefits of Civil Society Partnerships” (12-14). Perhaps almost as indicative of the Bank’s utilitarian attitude is the conclusion of the compilation. It displays the technocratic manner in which NGOs are discussed throughout: mobilization, institutionalization, comparative advantage, political risk

analysis, and other economic jargon dominate. (Cf. also on this WB/NGO and Civil Society Unit August 2001; WB/OED 1999; WB forthcoming [2005]). Ibrahim (WB/Ibrahim 1998:17) noted a similar pathology when he observed in his survey that NGOs must be measurable to Bank staff to be acceptable (“measurability being an almost divinely inspired commandment at the World Bank”).

The Bank’s guidelines for consultation (2000b:4-5) note that the “primary objective of consultations is to improve the quality of decisions and development effectiveness.” And its general brochure introducing its relations with civil society speaks similarly (WB/CST 2003:1, and 24): “The World Bank has learned through two decades of interaction that civil society can help build local ownership of the development process and improve project design, implementation and sustainability.”

The Bank’s sole deep evaluation of NGOs also begins from the premise of utility: “OED set out to determine if NGO involvement increased the effectiveness of Bank-supported projects” (WB/OED 1999:5). The management response follows a similar vein (53): “The fundamental purpose of the Bank’s work with NGOs is to help our borrower countries to reduce poverty and achieve sustainable development.” It found (8) that staff approached NGOs for instrumental purposes. 72% thought NGOs increased “beneficiary participation,” and 64% sought to “capture (NGO) expertise.”¹³⁰ An unpublished OED report on participation – which often means participation of NGOs and other civil society actors – similarly argues for participation on the basis of utility – improved project outcomes and sustainability, as well as burnishing the Bank’s own reputation (unpublished [October 27, 2000]: v, vii, 1, 14, 18).

In 1998 and then again in 2004, the Bank issued an overarching summary statement entitled firstly “Issues and Directions” and then “Issues and Options” (WB/NGO Unit August 11, 1998; WB forthcoming [2005]). Of the five selection criteria for effective NGO partnerships – credibility, competence, local knowledge, representativeness, and institutional capacity - four reflect utilitarian concerns. (The

¹³⁰ There is a great irony to the OED report as well. While it and much other Bank documentation confirm that the primary reason the Bank reaches out to NGOs is to improve project performance, OED’s research finds that it does not actually do so (WB/OED 1999: xiii): “At the aggregate level, OED was unable to link provision for NGO/CBO involvement to overall outcomes... NOG/CBO involvement appears to have no significant effect on meeting development objectives or making implementation progress.”

representativeness criterion is discussed under H4 below.) “Issues and Options” is replete with references to the “business case” for NGOs’ development effectiveness (vii, 5).

The Wapenhans Report of the mid 1990s laid the way for the Bank’s turn toward participation. It emerged from the “Task Force on Portfolio Management” and found that “beneficiary participation in the design and implementation of projects greatly enhanced projects’ chances of success” (WB 1995:16). Participation has often required NGOs to organize locals to interact with the Bank or government. NGOs, particularly local and operational ones, become useful for improving project utility.

There is strong evidence as well from the Bank’s annual reports supporting this hypothesis. As early as 1979 (106), the Bank references the utility of “NGO field experience.” The 1984 Annual Report (62) speaks of NGOs’ “valuable experiences to share.” In 1988 (75), the Bank noted that NGOs are “cost effective.” Similar expressions of NGOs’ utility can be found at (1989:95; 1990:95; 1991:96; 1992:100; 1994:40; 1995:60; 2001:105; 2003a:18).

GP 14.70 is the most definitive statement on the purposes of Bank engagement with NGOs. It too stresses the usefulness of NGOs. Many of its subsections stress “enhancing the effectiveness of the operations [NGO engagement] supports” in “areas in which NGOs have clear strengths” (14.70.2, .4, .5, .6b/c/h, .15b/c/g, .24, .26, .27). It codifies the commonplace division within the Bank between operational and advocacy NGOs (14.70.5), and expends noticeably more language on operational collaboration. At several points (14.70.6a/e, .15a, .20), the language comes quite close to the paradox of using NGO grassroots legitimacy for the sake of project utility rather than representation. NGO “credibility (or) acceptability to local stakeholders and government” is a selection criterion for their employment.

The printed material also notes the utilitarian exploitation of NGO local legitimacy. As early as 1986 (65), the Bank recognized the utility of NGO legitimacy to local peoples: “NGO members and their friends can be most helpful – in fact necessary – in mobilizing the proposed beneficiary population of projects in both the planning and execution phases of projects.” NGOs are necessary because they can mobilize PAPs.

NGO legitimacy here has been roped to the Bank's utility. Similar expressions of utility through legitimacy can be found elsewhere (1988:75), (1989:95).

In 1999 (139), the Bank justified participation - not because locals to be 'developed' should participate in their own future (i.e., because they have a legitimate say in what occurs in their communities) – but

because participation improves the quality, effectiveness and sustainability of development activities. NGOs...play an increasingly critical role in ensuring that Bank-supported projects are participatory in nature, through both their own involvement and their ability to reach out to other stakeholders – especially poor and excluded communities. ...The Bank has found that engaging civil society groups in projects and policy dialogue improves design, implementation and sustainability, because when communities and their representatives have direct involvement in development activities, they feel greater ownership for the results.

NGOs are legitimate to local communities – they can 'reach out' to the 'poor and excluded' – but ultimately that participation is not in order obtain approval, just cooperation. This attitude – legitimacy and representation for development effectiveness rather than for its own sake – is still the dominant mindset toward the representation and accountability claims NGOs make against the Bank (WB forthcoming [2005]).

5.1.3.2. H3) Survey

Of the four hypotheses, the second highest level of support among the NGOs was for H3, efficiency. As discussed above, this does not wholly fit the data presented by the Bank, which places greater weight on the usefulness of NGOs' engagement.

A common theme among survey respondents was the "local knowledge" NGOs can bring to Bank projects (W2, W36, W11, W30, W37, W27, W25). (The Bank speaks the same way.) As one respondent (W36) put it, "The Bank engages NGOs because they have knowledge of local situations and contexts to improve the effectiveness of Bank projects." Another (W30) wrote, "NGOs are credible resources that are closer to the people and can therefore understand the needs of the people."

The survey showed surprisingly little notice of a theme identified in the dissertation - the Bank uses NGOs legitimacy to bolster its own utilitarian goals. Several NGOs have spoken to me of the concern about cooptation, but only two openly noted that "NGOs give Bank actions more legitimacy" (W3). W18: "The Bank wants buy-in from

the general population for its policies, programs, projects and general approach; it uses NGOs for this purpose.”

5.1.3.1. H3) Interviews

The clear preference among Bank interviewees was to explain NGO engagement as mission-improving. Almost every interviewee attributed some positive mission performance enhancement to engagement. Many (B11, B20, B17, B25, B26) used the term “value-added.” Broad statements like the following were common. B25: “We go to the NGOs because they can be helpful. There is a value-added and utility.” B29: “There is an increasing realization that CBOs do improve projects.”

Many suggested that the Bank can learn from NGOs. NGOs were said to possess skills, expertise or local knowledge the Bank does not possess. B9: “The Bank has a lot to learn from the NGOs.” B1: “They have useful knowledge and information.” B13: “We view them as having some knowledge we can use; we want to engage them and tap into their knowledge.” Others tagged NGO utility as an informal feedback mechanism. B24: “A diversification of input improves performance. NGOs bring a comparative advantage. We don’t know everything.” B7 said, “NGOs bring ‘valued-added.’ Consultation improves the quality of our business, and the Bank forfeits this at its peril.”

But there was hesitation and some resistance. Interviewees were quick to note that if NGOs can not contribute usefully they are not included. And many were concerned to note that this inclusion was not an entitlement (H4), but earned by utility (H3). B26 summarized this line of thinking: “Participatory processes improve the Bank’s work. It is valued as a means to an end. But this is pragmatic engagement, bringing evidence-based policy change. Some of that evidence may come from NGOs, but there is no change because they are entitled to it.”

Hence when the Bank speaks of participation, it is in the language of cost-efficiency. At the IFC safeguards meeting of October 2004, one IFC representative said, “The reason to talk to people is because it is risky not to. It makes for better projects.” B3: “The best way to include NGOs is by claiming them as useful rather than to say it is proper.” This language is important because it suggests the reason to speak with NGOs –

whether local or international – is not because it is appropriate or because they have a right to participate. Rather, their participation has utility.

A sub-question on the questionnaire asked if the Bank would engage NGOs even if it were not cost-effective. None of my interviewees answered yes. Even if NGOs' local legitimacy improved country-ownership and the prospect of project success, that did not legitimize NGOs to the Bank. In other words, NGO's local legitimacy served a utilitarian purpose to the Bank; it did not actually entrain legitimacy at the Bank itself. A cost-benefit analysis, not perceptions of legitimacy, determined whether NGOs received a hearing. B17's answer was typical: "We don't engage some NGOs that don't add value; some are just cut out and ignored." B23 trenchantly put it: "A knowledge benchmark precedes a representation benchmark for choosing NGOs to work with." B19, who had discerned the connections between I3 and 4, and H3, flatly stated, "The Bank structures its NGO discussion around utility." B3: "NGOs have impact when they make good proposals." Another (B16) frequently referred to NGOs as "vendors like any other" who performed services for the Bank (consultants, service providers, etc) for which they are paid.

Interviewees found mission utility in NGO legitimacy to local peoples, or suggested that the NGOs local expertise could accord the Bank local legitimacy as well. But both approaches treat NGO legitimacy as a means to an end, not an end in itself. B19 noted that even where mission effectiveness was damaged by not recognizing NGO legitimacy, the Bank still insisted on a utilitarian appraisal of NGOs. The Bank, he noted, purposefully sought to integrate NGO engagement into consensual internal language, rather than admit to NGO legitimacy or an H4 understanding of NGOs: "The Bank structures the NGO discussion around utility, even as the Bank's technocratic understanding of development hinders its ability to succeed."

5.1.4. H4) Institutional Redefinition

At the heart of the NGO effort to remake the Bank as an open, publicly accountable global governance agency, instead of merely an IGO or interstate coordinating body, is the following claim from an NGO interviewee: "The Bank is a

development institution, not a Barclays or a Citicorp. They have a responsibility for good development” (from an NGO strategy session, October 3, 2004). This notion of expanded accountability, and the larger sense of institutional identity it implies, is the heart of the H4 NGO challenge to the Bank.

Formally, the Bank’s language on accountability to NGOs is very non-committal. GP.14.70.15d makes a short reference to representation as a criteria for engagement, and there are passing references in Bank annual reports and the *Guide* (WB 2003d) to NGOs as bringing ‘voice’ or accountability to the IFIs. But these are unelaborated. In their totality, these suggest more that the Bank is flirting with democratization as a principle in its lending, and, concerning NGOs particularly, is quite unsure how to respond to their representative claims. The collective fence-sitting on this question reminds one of Keohane and Nye’s similar response when pressed on the role of NGO in IOs (2000:32).

The Bank’s 2003 Annual Report (18) lists three reasons for engaging NGOs: “The World Bank recognizes that civil society plays an increasingly critical role in ensuring that the voices of the poorest people are heard, holding governments and policymakers accountable, and improving development effectiveness and sustainability.” The last of those three reasons suggests the utilitarian rationale of H3 and was discussed above. But it is noticeable that before the traditional and more defensible position of engaging NGOs for effectiveness, the Bank now lists two other reasons that hint at wider accountability in the notion of a GG agency. NGOs are imparted ‘voice’ and are agents of accountability. While not an explicit embrace of NGO as legitimate, this is the furthest reaching language on NGOs’ role to date.

5.1.4.1. H4) Documents

As noted in the discussion of I5 and 6, the Bank has been coy about directly attributing any representative legitimacy or policy changes to NGOs. Certainly the Bank’s printed material continues to elevate the country owners above all others. The regular preface to the annual report from the Board of Directors refers to its official oversight role and the fiduciary responsibility of the Bank to the member states. While NGOs and civil society groups are now regularly termed ‘stakeholders’ or ‘partners,’ the

term ‘shareholders’ is ultimately withheld for the state membership. No where in the Bank’s official language is any mention made of the Bank’s possible growth toward a GG agency or something similar with a wider net of constituents and lines of accountability.

There are suggestions – such as the criteria of representativeness expected of NGO partners (WB/NGO Unit August 11, 1998; WB forthcoming [2005]) – but the lines of accountability suggested there run not from the Bank to NGOs, but from the NGOs to the communities they purport to represent. GP 14.70 has been similarly coy about formal expansion of the Bank accountability to include NGOs. The forthcoming “Civil Society Progress Report” (2002-2004) also toys with the notion of “social accountability.” But this foresees NGOs and CSOs extracting accountability from their own local institutions, not the Bank itself. Earlier, others noted this active reticence to speak to any political dimension of NGOs (Nelson 1995; Malena 2000:28). It still appears to be the case.

A 1998 survey of Bank staff attitudes (WB/Ibrahim) found continuing reticence to endorse NGO engagement, because they are “politicized” (10, 21). This reflects Nelson’s complaint that the Bank’s model of development is technocratic, not partisan. Ibrahim found most staff reluctant to engage NGO as “normative” or “advocacy” actors (15); and only one-third willing to rank NGOs as equal partners to the state or Bank (18). It is striking to note his conclusion that “the more loaded the meaning of civil society, the less likely that it will be considered a safe partner by the Bank’s more conservative staff.” Similarly, the Bank lists “politicization” as one of the NGO sector’s “weaknesses” (WB/OED 1999:1).

But perhaps the most indicative marker in the I5/6 discussion of the Bank’s refusal to re-imagine itself as NGOs desire, was the failed rationalization of the Bank’s NGO affairs for which Ibrahim calls. He notes, accurately, that the Bank lacks a clear policy stance on NGOs and the disorganization of the Bank’s lending activities regarding NGOs (35). He then calls for a reorganization including opening the *Articles of Agreement* to formally incorporate NGOs. The failure of anything remotely like this since his report is itself strong evidence of the failure of NGOs to redefine the organization to include themselves as entitled participants. The Bank’s lawyers, he notes, were the

professional category of Bank staff “least likely to see the relevance of civil society to the Bank’s work” (20). Ibrahim is surprised by this; he should not be. Bank counsel, as the caretakers of the Bank’s formal status, are the most likely to realize that NGOs challenge the notion of the Bank as an IGO. As Ibrahim says, Bank lawyers find NGOs “fuzzy...or too political” (20). Precisely. Their rejection is a clear signal that, formally, NGOs are still at the margin of Bank culture. WB (forthcoming [2005]) makes a similar broad critique of NGO affairs at the Bank: they are disjointed, badly tracked and under-resourced (7, 28ff).

A similar parallel is found in the call for a clearer lending framework for NGOs. Ibrahim (35), OED (WB/OED 1999:xix), and CST (WB forthcoming [2005]:31) have all called for it. There is no integrated NGO lending window, creating much confusion on the part of NGOs and observers on available and committed resources. Yet to rationalize resources channeled to NGOs, indeed to even speak of ‘NGO lending,’ would indicate institutional redefinition by placing NGOs as lenders next to states. By keeping NGO funding unrationalized, the Bank can continue it without facing the awkward logic of assigning NGOs some formal position.

Even where the Bank speaks of participation increasing local ‘ownership’ or ‘transparency, or reducing corruption, it is not framed in a manner of democracy, representation, or legitimacy (WB/OED unpublished [October 27, 2000]:v, 13-15). These characteristics do not include NGOs (and other civil society actors) for their own good, but for their utility toward the real Bank goals – project sustainability and cost effectiveness. Ownership is desirous. not for empowering populations or democratizing global governance, but because it serves ulterior Bank goals. The OED report notes that “a full 87% of task managers agreed that participation should be incorporated into Bank operations to improve project and policy outcomes, but only 45% believed that the Bank should incorporate participation for its intrinsic value alone.”

When pushed, the Bank often finishes the discussion of NGOs by placing their role below the state (WB/OED unpublished [October 27, 2000]:f24): “Involving civil society should complement, not substitute for, representative government;” or (WB/NGO Unit August 11, 1998:13): “In supporting such programs, the Bank should not carry out

activities with NGOs without the government's knowledge and consent." Such statements demonstrate well the hedge discussed: NGOs are reduced below the state, but if they seem representative, there is some space. Such language leaves the door somewhat ajar and continues the Bank's studied ambiguity.

The Bank's imminent statement on NGOs (WB forthcoming [2005]) pushes the language on NGOs the furthest, but ultimately retains the hedging position. It speaks of a "new phase" of relations in which the Bank and NGOs are negotiating over increasingly "political concerns" (2). It notes that CSOs are increasingly raising central questions of sovereignty and political power (vi, 2) that challenge formal state-centric models of international politics. For example, the statement speaks of increasing the voice of the poor and excluded (usually through CSOs of some kind) (vii, 5). It also suggests that NGOs may in fact "represent constituencies" to which the Bank should be attentive, if not be formally accountable (vi).

Perhaps most promising for the NGOs is the emerging language of "social accountability" from the Bank. It is "an approach toward building accountability which relies on civic engagement, i.e., in which it is ordinary citizens and/or CSOs who participate directly or indirectly in exactly accountability from public institutions" or "holders of power" (1, 8). While it is striking that the language is not applied to the Bank itself, but only the state which is borrowing, it raises the logic that NGOs can be legitimate vehicles of representation. If national and subnational NGOs can hold national organs accountable, then perhaps INGOs can hold IGOs accountable. The logic is similar, only scaled up. It is remarkable that within the same report is the line: "Many CSO see their activities as not simply humanitarian, but also to promote social change and to provide a check and balance on the activities of government and of publicly funded institutions like the Bank" (26).

The dissonance of this language – that social accountability only applies to states - has the feel of a Trojan horse. It will be interesting to see if it survives Board scrutiny. To boost the role of NGOs in this way – today toward the state, but with clear implications toward the Bank in the future – suggests the institutional redefinition of Scholte's "global governance agencies." While the document privileges, inevitably, the

state and the Bank over NGOs in its treatment (vii, 4-5), it is a noteworthy step in the NGOs' direction that such issues are mentioned at all. While the state and Bank have "leadership roles" (vii), NGOs are now unavoidable "partners" and "stakeholders."

5.1.4.2. H4) Survey Data

Of the three non-null hypotheses, the support for H4 was the lowest. There was little data among NGO respondents to suggest the larger effort to reorient the Bank had been successful. Few even provided any positive qualitative feedback on this issue, although most supported the effort (W12). One (W9) spoke of the NGO effort as

transforming the concept of an international organization to be accountable to citizens as well as governments. As government power creeps upward, democracy has not followed up; the Bank works for me, not just governments. International organizations are being asked to reorient themselves toward the public, away from just governments. But we have not been very successful.

Another (W6) spoke of "democratizing the institutional power of the IFIs...and counterbalancing [them] by local voice." Admitting the failure of this effort, a third (W30) wrote, "The Bank only gives resources to the national governments." W1, W5, W9, W14, W15, W18, W24 all agreed that "the Bank is not a development institution." Generally the tenor was of poor Bank accountability (W2, W4, W35).

5.1.4.3. H4) Interviews

Many staffers were quite aware of the NGO effort to reimagine the Bank into something beyond an IGO (if not quite the 'global governance agency' I have posited). In a vein common at the Bank (but not at all at the Fund), B24 (similar B3, B8, B18, B20, B26) said, "We live in an emerging structure of debate, intercourse, and governance. There are more than just states now. There is an intellectual shift occurring toward engagement of others with input and voice." B15 spoke of "a cloud of stakeholders which makes it less clear that the Bank is a cooperative of 180 governments."

There is mixed evidence of redefinition. There is wariness to accord NGOs too much legitimacy, as the I5 score showed. And the mixed response on I6 shows the uneven NGO-driven policy impact. But there has been some movement. As the Bank's

own printed material make clear, the Bank's policies have changed in ways the NGOs have sought. Many interviewees noted how much the Bank has bent, if not violated, its technocratic protocols by embracing governance and other social goals on the NGO agenda. "We are working at the border of what the institution can digest. We are smuggling politics in here through social accountability, governance and participation" said one Bank staffer (B19). Another (B3) said "we are using NGOs as an informal way to democratize developing countries." A third (B 15) said, "the Bank's job is not to alter the fundamental governance of these institutions but this is what the NGOs are pushing on us." In a word, the Bank has become more "politicized," more like a GG agency than simply an intergovernmental coordinating body.

The Bank sends mixed signals about the legitimacy of NGOs. At the Annual Meetings of 2004, a senior Bank official in EXT said "there is a new multilateral order since Monterrey which includes civil society as major players. This new order is not yet reflected in the IFIs, but there is a limit on how far we can push our masters and owners." Other staffers have suggested that the Bank is a "public institution" (B3, B8, B20) and hence accountable. One suggested that NGOs "might" be the vehicle of this (B7). Language like this creates the impression that Bank staff have embraced NGOs, but that it is the Board which is restraining it.

Open politicization, Nelson's "partisan development," was still resisted, and many staffers were wary of full NGO acceptance, because of the mission expansion/dissolution this might entail. B12 (similar B17) said, "The national legislature is the proper political arena for NGOs. The World Bank is a pseudo-political arena." B23 said, "NGOs waste a lot of time targeting the Bank, when they should be criticizing the national legislatures. Left-leaning NGOs will more easily get a hearing from us than from the national governments, so they protest us." Perhaps the best summary attitude was from B3: "NGOs are just not at the heart of the business of the Bank."

No interviewees were comfortable with the notion of NGOs 'democratizing' the Bank. B17 said bluntly, "'Civil society' does not mean democracy." There was opposition to the term 'constituent' and a formally entitled role. But several found the suggestion that NGOs 'pluralize' the Bank more palatable (B2, B9, B17, B28). Most

were willing to say something similar to “there is more than just governments out there” (B9, B16) or “there is a fuzzy, vague sense of legitimacy, a general sense. NGOs do not trump governments, but are important to have at the table” (B28). B13 said, “It is appropriate to reach out beyond a cost-benefit analysis.” The question of whom they represent (I5), seemed more troublesome than according them a formal policy voice (I6). B20 noted that “NGOs want us to acknowledge that they are our watchdogs or monitors.” “But monitoring by NGOs is suspect within the Bank; it is seen as very critical and illegitimate” (B8). B17, perceiving the direction of my questions, said,

There is no NGO veto of any kind anywhere, and should not be either. We are owned by governments; NGOs don’t seem to understand this. This is a great source of conflict with the NGOs. There is clarity at the Bank that it decides, not the NGOs; but less clarity on who to talk to, how much, and how much legitimacy is necessary.

NGOs have noticed that the Bank seems to “speak with many mouths” on this issue (W1, W13). But, eventually, when pushed in the interviews, almost all staff repeated some variant of the following lines: “The Bank Group is ultimately accountable to its shareholders and the taxpayers owning and supporting its operations” (an IFC speaker, October 2004), or “ultimate authority lies with the governments, not with NGOs” (B14).

5.1.5. Hypothetical Conclusion: H3

The data collected on both the indicators of Chapter 4.1 and the hypotheses of Chapter 5.1 suggest H3 as the primary reason for the Bank’s engagement with NGOs. The null (H1) is almost certainly incorrect. But very noticeable across both the quantitative (survey and interview) and qualitative (informant discussion, documentary analysis) data is the divide between NGOs and the Bank. If the Bank perceives that it has moved beyond H2 and is even flirting with H4, the NGOs see the institution only slowly graduating from H2 to H3.

This makes judgment difficult. H3 conveniently falls between these poles, but that is hardly a convincing answer. The title of the dissertation – ‘a lot more than the NGOs seem to think’ – encapsulates this tension. I frequently heard a variant of that line from Bank interviewees. It displays the disagreement well – the Bank thinks it has moved

greatly; the NGOs think it is just defensive. Even the literature review reflected this split. Authors close to the Bank (Wade and Miller-Adams) saw “a sea-change;” authors close to the NGOs (Nelson, Fox and Brown) saw hesitancy and reluctance. But the balance of the data leans toward the former. Wade’s expression “learning through angst” sums up well the Bank’s drift. H3, High Adaptation, is the hypothesis most supported by my data for the Bank.

5.2. International Monetary Fund

The division between the IMF and NGO perceptions of the data in chapter 4.2 makes prediction difficult. This was expected. Therefore, to buttress the indicators’ causal inference, I also asked informants directly which causal hypothesis was most correct. That quantitative data, on a 1 to 5 Lickert scale, is in Table 8.

Hypotheses	H1	H2	H3	H4	
<i>NGOs (survey)</i>	2.38	3.4	2.22	2.25	Mean
	2	4	2	2	Median
<i>IMF Staff (interviews)</i>	1.8	2.7	3.4	2	Mean
	1	2.5	4	2	Median

Table 8: Summary of Hypotheses (International Monetary Fund)

This quantitative data on the hypotheses is expanded below in the qualitative data collected on them as well. There is general agreement on the rejection of H1 (the null) and a clear split between the NGOs and Fund over H2 and H3. Buttressed by the indicator data of Chapter 4.2, I conclude that H2 is most accurate.

5.2.1. H1) Response to Member States (Null Hypothesis)

NGO survey: mean: 2.38; median: 2

Interviews: mean: 1.8; median: 1

The literature on the Fund generally professes to its operational quasi-independence from the states (McQuillan and Montgomery 1999; Riesenhuber 2001). The Fund is mildly autonomous vis-à-vis the G-7, and quite powerful vis-à-vis weak states in the South (O'Brien et al. 2000:164). The IMF enjoys less autonomy than the Bank. But it does retain much discretion in its day-to-day affairs and in its treatment of NGOs, primarily because of a Board level split on NGOs similar to that of the Bank. The following discussion parallels that presented on H1 for the Bank. Critically however, the Fund does not (although it can) raise revenue independently. Its interaction with G-7 finance ministries is more regular.

First, the IMF, like the Bank, is a UN specialized agency with formal autonomy (Metzger 2002a:303). It is juridically protected from arbitrary intervention by its member states. The “requirements of multilateralism” that prevent G-7 or ‘G-1’ (the United States) hegemony at the Bank also exist at the Fund.

Second, because of the necessity of consensus for great power manipulation, the Fund can often play off its member states against one another for room to maneuver. Where the G-7 states disagree among themselves, that can paralyze the Board’s influence over the institution. For example, over SDRM, much of the Board liked it, the United States did not. Signals from the Board were mixed and unclear. This created room for NGOs to enter that discussion.

Third, member-states’ interests at the Fund are often unclear or conflicted, further inhibiting consensus. Great power paralysis or indifference leaves operational autonomy in the hands of the organization itself. Although the Fund is more monolithic and less prone to leaks than the Bank, it appears that the Fund’s Board is just as divided as the Bank’s about NGOs.

Fourth, the G-7 states are democratic. As at the Bank, this creates high reputational and ideological barriers to locking out NGOs.

The breakdown of the unitary state assumption helps overturn state-centric theories, particularly for democratic states, where internal opposition to national government policies towards an IGO can muddy state policy clarity and provide room for NGOs to exploit. H1 is not so much disproved as side-stepped. Powerful states can get what they want from IGOs when there is united will and focused action, but this is often not the case. States are unsure of their preferences, overwhelmed by conflicting information, and divided internally by competing constituencies. From this paralysis comes room for NGOs. O'Brien et al. (2000:205) note that what little movement on NGOs and their issues there has been at the Fund would almost certainly not have happened without their pressure.

5.2.1.1. H1) Documents

The Fund's own materials do suggest a limited autonomy from excessive pressure from the G-7 concerning NGOs. Manuel Guitian (IMF/Guitian 1992:27) notes that the Fund has generally resisted excessive pressure from even the strongest states over its affairs. Like the Bank, it would fail to function without the universality it fiercely defends. Van Houten (IMF/van Houten 2002:ch. III, 27) too notes the high prestige of the managing director and the respected technical competence of staff. As at the Bank, there appears to be adequate autonomy for 'presidential (i.e., MD) initiative' - although clearly Camdessus and Koehler were not as excited by civil society as Wolfensohn - and staff discretion. The *Articles of Agreement* (XII.4.c) also formally insulate the staff from external political control, as does the Fund's formal status as a UN specialized agency.

The Fund is careful to formally note that its employees are "international civil servants...with values of integrity, impartiality, and discretion,...whose sole responsibility is to the IMF" (IMF 1998a: 97, 100; 2000:92, 95; 2002:78, 84; 2003:81,87; 2004:88). The Fund even describes the Board as an interactive environment governed by consensus so as to protect smaller shareholders: "In this environment, the influence of individual directors on IMF policies and decisions can - and frequently does - reach well beyond their voting power" (2004:63). All these constraints prevent straightforward, econometrically-based great power rule of the Board and institution, as H1 and realism

would predict. Rather, they are a range of buffers to excessive external – i.e., great power - control.

It is of course true that the Board and the International Monetary and Financial Committee wield ultimate authority. And certainly the G-7, and the United States particularly, have deep sway over the institution (IMF/van Houten 2002: 12, 30, 34). Nevertheless there is a deep split at the Board level in the Fund between developed and developing countries. While the industrialized states generally get their way, blocks of developing countries can foil initiatives of the wealthy states, as they did with a release of SDRs to postcommunist states in 1994. This is not paralysis; the Board works fairly well and creates consensus through time tested practice (IMF/van Houten 2002: ch. IV). Nonetheless where there is Board division, as there is over the role of NGOs (IMF/van Houten 2002:31), the split creates room for institutional autonomy. Specifically at the Fund, this opens a role for the leadership from the MD or initiative by staff. Van Houten (43) concludes, “The limited occurrence of political decisions in the IMF has been remarkable.”

This is all the more remarkable given that the IMF does not raise resources on private capital markets like the Bank. (It can, but it never has.) The Bank sells bonds to private purchasers; the Fund does not. Although all IMF lending does come with interest charges, this does not generate profit in the way the Bank does. Interest paid to the IMF goes into the currency reserve pool to retain the Fund’s liquidity ratio – which must stay quite high - and into the grants or highly concessionary loans of the PRGF window (IMF/Treasurer’s Department 2001). Hence the Fund’s net income is rather small: only around \$220 million in 1998 (IMF 1998a: 90). It does not have the financial institutional independence of the Bank.

5.2.1.2. HI) Survey

Several NGOs (I2, I9, I12, I14, I29) perceived the Fund to be heavily dominated or controlled by the G-7 states, particularly the United States. There was a strong perception in the response of the relevance of member states, and especially the financial

sector. Several interviewees (I12, I14, I29) were particularly concerned that “Wall Street” manipulated the Fund through the United States government.

But no respondent directly suggested that the Fund’s responses to NGOs were dictated by the most powerful states on the Board. A few (I7, I20, I23) suggested, as at the Bank, that there is Board-level dissonance over the role of NGOs, and that this creates room for staff discretion. But most simply had no opinion on the issue of the Fund’s autonomy to respond to NGOs.

5.2.1.3. H1) Interviews

Opinion was mixed on whether the Fund could respond autonomously to NGOs. Most interviewees noted the heavier role the Board plays in the Fund than in the Bank. The general perception was that the Fund is more the creature of the member states than the Bank. F3 gave the most vigorous defense of this position:

If you want to impact this institution, you have to go to the member-states. There must be pressure from the national capitals, if the Fund is going to change. There is pressure from the Board concerning NGOs occasionally from Britain and the Nordics. This is necessary to overcome bureaucratic inertia. But there is low staff autonomy. Where Board is split, management has some room for movement, but this will draw Board attention. Managers are generally not going to take an individual line against the Board, although Koehler did over trade and agriculture, where he criticized the North.

S/he concluded by noting a boomerang effect, whereby NGO ideas were bounced up to the Board by sympathetic staff, and then, if agreed upon, came back down the staff line. F1 and F5 provided similar although less robust positions. As F10 put it, “the Board rules the Fund much more than the Bank.”

The rest seemed comfortable that the Fund did retain “autonomy of response” toward NGOs (F2, F4, F6, F7, F8, F9). F7 spoke of a “management prerogative undirected by the Board,” and F8 said the Fund’s NGO actions are “an autonomous, in-house response.” F1 noted that this can in fact violate state preferences: “many Part II states are uncomfortable that we engage the NGOs so much.”

A few (F3, F4, F7) noted a stalemate between borrowers and creditors over NGOs. They concurred that this did “give the IMF room to move.” They noted that staff discretion, particularly the possibility of MD entrepreneurialism, increased. But none of

the interviewees suggested there was as deep a rift in the IMF Board as at the Bank over NGOs.

5.2.2. H2) Organizational Defense

NGO survey: mean: 3.34; median: 4

Interviews: mean: 2.7; median: 2.5

O'Brien et al. (2000: 203) find that the IMF deals primarily with NGOs for the sake of organizational defense, because they threaten its funding. They note (224) that the IFIs increasingly are deciding of their own accord which NGOs to work with and which not. At the Bank, this process has gone furthest. The Bank has set up select committees of NGOs it will engage regularly. But interviewees at the Fund indicated that increasingly the Fund does this as well. Some NGOs are preferred to others, for expertise, moderation of demands, or professionalism. This acts, as O'Brien et al. note, to create 'in' and 'out' groups among NGOs. Clearly it serves the defensive positionalist interest of the Fund to engage some in order to ward off others.

5.2.2.1. H2) Documents

The Fund's response to NGO criticism is noticeably defensive. The 2003 NGO staff guidelines find NGOs "an escapable fact of life in 21st century politics," with the obvious implication that the Fund would otherwise prefer to 'escape' them (sec. III.1). In the otherwise dry, anodyne writing of the Fund's annual reports, it speaks three years consecutively of "correcting the negative perceptions of the Fund held in some member countries" (IMF 1988:85; with similar language at 1989:80 and 1990:90). In 1989 (80), the IMF goes so far as to speak of "ameliorating the impact of anti-Fund propaganda;" the Annual Meeting of 1998 in Berlin was the scene of the first major anti-BWI NGO protests. In 1995, in one of the very rare instances when the IMF calls an NGO by name, its Annual Report recognized "the campaign against the Fund and World Bank spearheaded by the "Fifty Years is Enough" coalition of international nongovernmental

organizations” (IMF 1995a:196). In 1996 (193), it noted the “ongoing debate about the Fund’s role in the globalization of capital markets.” In 1997 (188), the Fund hopefully reckoned, “resident representatives are improving the understanding of the Fund among the media, nongovernmental organizations and other representatives of civil society.” Such forcedly neutral comments, given the tough criticism from NGOs in the latter 90s, suggest a defensive posture.

In general the Fund’s posture has been to ignore or downplay the extent of NGO unhappiness – strong evidence that it perceives the NGO primarily as an organizational challenge to be negotiated. There are rather few comments, like those quoted above, that even raise NGO criticisms in the annual reports. A certain willful naïveté characterizes the Fund’s treatment of NGOs. Even in 2000, during the post-Seattle, but pre-9/11 height of the antiglobalization movement, that year’s Annual Report (154) provides only a brief recognition of the extent of NGO mobilization. In its typically dry, bureaucratic manner, the Fund notes that “the IMF faced continued criticism by...NGOs...which was most visibly expressed by public demonstrations.” But even as the depth of NGO criticism broke through into the Annual Report, it was primarily understood as a public relations problem: “The IMF suffers external communications problems and is viewed less favorably by the public than are comparable international organizations... These forces can undermine the effectiveness of its operational work.” The answer proposed (155) is a staff expansion of EXR. Then, in the wake of 9/11 the Fund was quick to downgrade the importance of NGOs, noting that the attacks had “dramatically changed the parameters of the debate on globalization and the role of the IMF” (2002:133). This may be so, but it is also clearly a dismissal that fits well with the defensive posture documented here.

The Fund has also openly admitted its prestige-consciousness, another sign of defensive posturing. It has only lately admitted that “many CSOs have considerable public respect” (IMF/EXR 2003:94). In 2000 (154), it evinced concern that “the IMF’s credibility has apparently eroded.” In 2003 (57, 58), it openly sought to “improve...respect for its competence” and worried about “the IMF’s public image.” In its 1998 (71, 72-73) Annual Report, it admits it must “find ways to improve the IMF’s image” and “improve the public understanding of the IMF in countries receiving ESAF

support... [by] enhancing collaboration with national authorities and civil society.” The language lies in the chapter on ESAF and is the only mention of NGOs on that topic, despite the strong NGO pressure for ESAF-style concessional lending. It later speaks (103) of the need for “intensified efforts in external relations and communication to the general public of the IMF’s role and work.” In fact the need to explain the IMF to others, particularly NGOs – “to...correct serious misconceptions” (155) – is a running trope in the Fund’s annual reports (1988:85; 1989:80, 1990:90, 1991:105; 1992:116; 1993:137; 1994:186; 1995a:39, 196; 1996:193; 1997:198; 2000:154). EXR’s job is lately defined as “promoting public understanding and support for the IMF and its policies,” and “informing and persuading interlocutors on Fund-related matters” (IMF 2002:81; 2003:iv, 58). All this suggests the Fund understands external criticism as a communication rather than substantial problem. If only the Fund could “explain its work better,” then critics would “support” it.¹³¹ Even the 2003 staff guidelines on NGOs note the utility of NGO engagement to reduce “misconceptions” about the Fund (sec. III.2). The presupposition to persuade, rather than listen to, critics is good evidence of the defensive positionalism if H2; it is the language of defense, not engagement.

The Fund hints at the attribution of these “serious misconceptions” to NGOs, but never, unsurprisingly, very openly. I suspect willful denial when the Fund anonymously refers to “public pressure,” “public demonstrations,” or other unattributed “calls” for change or “outside...criticism” (IMF August 2000:49, 1, 52; 2003:57), instead of the most likely source, NGOs. There were the rare mentions of *Fifty Years is Enough* or “anti-Fund propaganda,” but more generally Fund prose feints at NGO criticism in noncommittal, wordy locutions: “As civil society has come to acquire more influence..., the need has grown to ensure that these groups have access to reliable information and that there are adequate opportunities for interaction with them” (IMF 1998a:154; 2000:38 is similar). The word “need” suggests a posture fitting H2, rather than H3 or 4. Dawson and Bhatt speak similarly of “CSOs’ need [for] more of the discipline of objective analysis and a greater understanding of economic realities and the nature of the IMF’s

¹³¹ The Fund even recognizes that NGOs see its external relations work as suasion rather than dialogue. “CSOs...have often felt that IMF staff use the occasions (meetings) to ‘correct’ and ‘educate’ CSOs, rather than listen and learn from their alternate perspectives on IMF programs. These CSOs also suspect that such conversations have little impact on the Fund’s policy recommendation” (IMF/Dawson and Bhatt 2001:22).

mandate and role” (IMF/Dawson and Bhatt 2001:26). Broadly, the Fund has promised “prompt, vigorous responses to biased or inaccurate media reports regarding the IMF” (2003:58-59). Interviewees frequently suggested that NGOs were the source of press misinformation about the Fund. (Bank interviewees said the same.)

So acute did the NGO pressure become on the Fund’s reputation that in 1999 it contracted external consultants to study its image and perception. It found an erosion of Fund credibility, to which the Fund responded, in an implacable vein that suggests H2, that “the IMF’s mandate inevitably constrains its popularity” (IMF 2000:154). This rejectionist, H2 stance toward external critiques continued in 2003 (57):

Although the IMF’s work...is vital to economic welfare and rising living standards worldwide, much of its work tends to attract controversy...because...the IMF’s job is to advise countries on how to best face economic reality in difficult circumstances. ...Improving understanding of the IMF’s work and respect for its competence, and enhancing the credibility of its policies, are key objectives of its communications – and more so than increasing its popularity.

One manner of reducing external criticism is the deployment of the term ‘civil society’ instead of ‘NGO.’ As with the Bank, it usefully crowds out the more acrimonious NGO voices in a broader pool of non-profit groups (IMF 2002:133). The 1997 (189) Annual Report is the first to mention civil society. Dawson and Bhatt locate NGOs as “a small, but powerful subset of civil society.” But civil society also includes academics, the media, and political conservatives. The left-ish critique of advocacy NGOs is now but one of many voices (IMF/Dawson and Bhatt 2001:3).

5.2.2.2. H2) Survey

Of the four hypotheses, the level of support among the NGOs was greatest for H2, organizational defense. And among the qualitative feedback, support for H2 for the IMF was the most robust finding in the data collection. Twenty-one of thirty-two respondents provided some explanation, much of it lengthy, that the Fund engaged NGOs primarily to protect itself or its reputation. Many spoke of “negative publicity,” “media relations,” “public relations,” or “window dressing.” This trenchant critical tone was common in the NGO sessions I observed as well. Ironically, this fits well with the print data above from the Fund itself. Its defensive and limited treatments too suggest H2 and positionalist

engagement. One respondent (17) went so far to say, “The Fund takes a clearer line [than the Bank]. I at least have respect for their straightforward, spin-less answers.”

Hypothesis 2 suggests I1 and I2. There should be a defensive institutional bureaucracy. The frequent use of the term “public relations” in the NGO feedback supports the high score given this question. Much of the qualitative feedback spoke of an antagonistic or hostile relationship with the Fund. Two-thirds of my respondents and NGO interviews provided complaints, anecdotes, or accusations that suggest a defensive relationship. The following are just a few of the many comments I received to capture the general thrust of NGO opinion. I32 (*sic*):

It feels like they continue with business as usual despite external pressure. The Fund engages with NGOs with the purpose of changing public opinion and maintaining public relations – not really to seek our thoughts or contributions. There is still a lot economic arrogance and academic/intelligence arrogance – making the leaderships of these institutions into the know-it-all that can ‘manage’ or ‘advise’ countries on macroeconomic policies when the reality is that the institution (Fund) is just as lost as everyone else as to what to do in macroeconomic crisis situations.

I15: “Our most successful achievements here have been to watch them go on the defensive, squirm, and start talking about how they have hearts, etc. The Fund is never able to counter our substantive points with evidence and proof, so they resort to personal attacks, which is telling about their incompetence.” I8:

In my experience, staff tends to be defensive of their work and not willing to engage in content discussions, except just to make minor concessions that can divert opposition, move the discussion to the margins, while keeping the core of its conclusions and assumptions untouched. The Fund also engages NGOs in order to learn and study future lines of resistance to its initiatives. Dialogue with NGOs can alert the Fund to possible objections to be raised, NGO initiatives in preparation, likely alliances to be formed (not only among NGOs but also NGOs with particular governments, the private sector, or other institutions) and then calibrate an appropriate response in terms of policy change (sometimes to the point of coming up with initiatives that can divert energy from a particular NGO proposal).

Others (I7, I23, I5) tagged a fear or discomfort that NGOs inspire in the Fund. I7 spoke of the “IMF riots” in the 1990s and “the routine misrepresentation of NGO input.” I21 wrote, that “the Fund would like to build legitimacy in the world at large – through good press and PR – so engagement with NGOs is a step in response to negative PR that they get when there are protests.” I28 wrote that “the answers provided are only meaningful if the questions are read as ‘the IMF has initiated PR efforts towards NGOs because...’”

Many mentioned that a lack of Fund interest in regular people, much less NGOs. I4 wrote (*sic*): The “IMF Executive Director (Board member) who represents the group of countries including [name repressed] during the meeting with economists in [name repressed] state university on my question ‘why IMF doesn’t work with NGOs’ answer that ‘IMF prefer to work with professionals.’” I12 (similar I22, I29) wrote, “the Fund serves important financial interests. At least the Bank has some mitigating mandates, but the Fund does not. Real people do not exist to the Fund. The Fund is not a development institution.” In a similar vein, I5, I16 and I23 all suggested the Fund served policies before people: “No, the only purpose of IMF is to implement everywhere in the world: privatisation, liberalisation, and inflation 0.”

Most common was a sense that the Fund responds to NGOs only because it can no longer ignore them, although that would be its preference. Many thought consultation was simply about persuasion. I27 (similar I28) found “refusal [to engage] is no longer a politically viable option.” I8 wrote, “The Fund engages NGOs sometimes as a way to neutralize likely opposition coming from them.” I24: “They engage NGOs because they want to build an image of the IMF as an organization which listen to its critics and in that way silence the critics. Attack is the best defense. This is an active strategy to silence critics.” I15 wrote, “The Fund has interacted with some NGOs, but under very controlled conditions, e.g., the odd conference or consultation they organize with specific time limits. The Fund staff have been in some public debates with civil society representatives, but these have been quite antagonistic in nature. By and large, the Fund is better known for its NON-engagement with NGOs.” But in this engagement, many were cynical that EXR staff were “manipulative” and “overly defensive” (I1, I12, I14, I15, I21, I27). I11 wrote, “They are trying to sell their perspective/policy. The Fund wants 'consensus' in a country around the 'right policy'. They want to educate people in their perspective.”

5.2.2.3. H2) Interviews

Only one interviewee openly asserted that the Fund engaged NGOs solely for defense. F7 spoke of “the high PR value to engagement. NGOs are clever at portraying the Fund as an evil institution and exposing it to public scrutiny. And Fund effectiveness

requires prestige and credibility. We get blamed for a lot of things we have nothing to do with. The Fund is a bearer of bad news.” S/he noted that the best way for NGOs to impact the Fund is through “a process of attrition: repeated pushing insures that NGOs’ views are registered, especially with the resreps.”

Although no others were so forthright, many comments did suggest the guarded, defensive response so characteristic of the annual reports. F10 said, “The Fund is a very conservative organization. Outside actors are jealous of the Fund. It is isolated from most outside pressures and very efficacious.” F6 said, “We could probably ignore them if we wanted to.” F1 noted that staff “don’t really” include NGOs voluntarily in their work. “They are encouraged to, and increasingly expected to, but it is mostly ‘PR.’”

5.2.3. H3) Efficiency

NGO Survey: mean: 2.22; median: 2

Interviews: mean: 3.4; median: 4

O’Brien et al. (2000:203) find no serious evidence that the Fund is engaging NGOs for the purpose of improving project efficiency. And it was frequently argued to me in interviews that there was no serious way to integrate NGOs into the Fund’s work, because it is not project programming like the Bank’s. The evidence is very mixed here.

5.2.3.1. H3) Documents

Broadly speaking the Fund is slowly shifting to embrace dialogue for the purposes of performance improvement. The 2003 staff guidelines (V.G.3) suggest this slow movement toward utility. NGOs “can contribute substantively to the effectiveness of core policy, and may, over time, actually save staff time and resources.” Larsen (2000:280) has written explicitly that the inclusion of civil society in programming is to strengthen “country ownership” of reforms (see also IMF August 2001:23). Former MD Koehler has said, “The IMF should be an open institution, learning from experience and dialogue”

(IMF August 2003:7). In 2003 (130), the Annual Report suggested “the Fund continues to engage in self-assessment and reform and seeks to learn from its interlocutors.”

A recent rhetorical cue for utility is explicit references to “the learning culture of the IMF” since the 2002 Annual Report (82). Learning suggests a response to external critiques beyond self-defense. Such language has accelerated recently. In the 2003 Annual Report, similar expressions of a “learning and listening culture” arose several times (vii, 38, 57, 58, 60, 61; also 2004:vii, 94). That Annual Report also included remarks about external criticism in its body chapters for the first time.¹³² It noted “progress in increasing the IMF’s openness and enhancing its responsiveness to outside views, including concerns and criticisms” (57).

Other language suggests a move toward H3. Dawson and Bhatt note that NGO involvements “increase the effectiveness of programs”: “constructive suggestions of CSOs...brought changes designed to ensure Fund-supported programs in low-income countries would contribute more effectively to poverty reduction,” and “the HIPC process has benefited from consultations with CSOs” (IMF/Dawson and Bhatt 2001:14, 15). NGOs can have utility in Fund programming. In language similar to the Bank, they say “CSOs can serve as conduits of local knowledge, which may be valuable to the Fund... CSOs can also be useful intermediaries in explaining the short- and long-term effects of Fund-supported policies.” Yet critically in their language, they identify NGO engagement and country ownership from the utilitarian perspective of mission improvement (H3). Country ownership and NGO participation are not embraced for their appropriateness or democratic potential (H4).

The Fund’s external relations strategy deploys similar language, explaining NGO engagement as a function of utility (IMF/EXR 2003:94). Reasons for engagement include NGOs’ “expertise and experience,” that the “Fund can therefore benefit from listening to and take account of CSO views,” and “consultation can increase national ownership of Fund-supported policies.” The 2003 NGO staff guidelines repeatedly note the use of NGOs to estimate the “political viability” and improve “ownership” of Fund programming (sec. III.3 and 4). NGO are being utilized for their legitimacy to others, not

¹³² To date the Fund’s annual reports had limited discussion of NGOs’ and others’ external critiques to an appendix entitled “External Relations” or “Communications.”

actually being recognized by the Fund as legitimate to it. This distinction is important. It was made in regard to the Bank and returns in my discussion of H4.

5.2.3.2. H3) Survey

NGO support for the efficiency hypothesis was poor. NGOs generally do not perceive the IMF to be engaging them for the purposes of improved mission performance.

A few respondents (I2, I10, I26) noted the local knowledge or other expertise NGOs can bring to Fund programming. I9 noted that NGOs help with PRGF. But generally the perception from the surveys, and certainly from the NGO meetings I attended, was that the Fund has little direct use for the NGOs.

There were however many hints that the Fund uses the legitimacy of NGOs to help legitimize itself and its work in the developing world. Many disliked this manner of ‘utility.’ I8 wrote: “The Fund also engages NGOs in order to legitimize its activities. It can say then that NGOs were consulted in the design of particular policies and initiatives, even if none of their input was included.” I1, I10, I15, I21 and I27 noted that the Fund needs the legitimacy of NGOs in order to work in many places.

5.2.3.3. H3) Interviews

The clear preference among Fund interviewees was to explain NGO engagement as mission-improving. Almost every interviewee attributed some positive mission performance enhancement to engagement. Many used the term “useful.” Broad statements like the following were common. F1: “We benefit from NGOs.” F2: “Participation is recognized today as sensible; there are lots of reasonable people at NGOs with something to contribute.” F4: “The longer I do the job, the more valuable I find NGOs.”

Several tagged NGO utility as an informal feedback mechanism. F3 suggested the Fund “learns by doing; feedback from NGOs is welcome.” F7 was concerned that “the Fund is too dismissive of NGO critiques.” IEO suggested, “NGOs are very informative

and extremely useful. Although it takes time, the NGOs are helpful for our evaluations.” F6 said, in a statement repeated in various manners, that “The IMF learns from its mistakes by engaging NGOs. When the Fund acted in isolation and in secret, it did not work so well. NGOs provided needed alternatives.” Similar sentiments were common in the Fund’s printed material.

Others noted, along lines similar to the Bank, that the NGOs brought skills, expertise, or local knowledge the Fund does not possess. F3 elaborated: “In the 1990s, there was a recognition at the country-level of the expediency to using NGOs and participation to improve country ownership, and to improve program outcomes. NGOs have skills the Fund doesn’t have.” F4 spoke of “a recognition from within that to do a better job requires the NGOs. There is a ‘value-added’ to NGOs. They help us find what flies or not, give us a better sense of the local political economy, and local ownership increases positive outcomes.” F10 noted that “NGOs bring some ‘local knowledge’ which can alter programs.” On the same topic F9 suggested, staff’s voluntary inclusion of NGO is “uneven, but even so it increases the likelihood of ownership and improves Fund knowledge of local politics.”

Most interviewees found mission utility in NGO legitimacy, or suggested that their local expertise could accord the IMF local legitimacy. In discussing I5, F8 suggested that “NGOs can be ‘technically’ legitimate.” F1 (similar F2, F9): “NGOs have legitimacy through knowledge, not representation.” F6 said: “Numbers alone do not make an NGO legitimate. In the Internet age it is too easy to bring many people to a protest or to sign a petition. Now knowledge is more relevant for legitimacy.” It was common to deploy NGO legitimacy as a utilitarian means to pursue Fund goals. F10 found the NGOs “useful intermediaries to explain the Fund and its programming.” F8 and F9 thought “NGOs enhanced the work of the Fund by building ownership.” Although this suggests an implicit legitimacy, it is to local peoples or borrower states, not to the Fund. Hence I have located these comments under H3, not H4. It is not clear that if NGO were not cost-beneficial, their local legitimacy would nonetheless guarantee them a space in the Fund. As at the Bank, this is legitimacy in the service of utility, not legitimacy per se.

There were challengers to this general picture. F5 noted the frustration of the Fund in finding useful NGOs: “There are NGOs with expertise and others with the same mantra every time.” F3 said, “NGOs have an important role to play, but some individuals alienate the Fund.” F7 made the case most robustly: “NGOs waste resources because they add more trouble and run-around. The costs NGOs impose on the institution are clear, while the benefits are diffuse and unclear. NGOs are technically incompetent, especially early on. So there is an expensive educative task. We teach NGOs how to talk with the Fund. NGOs don’t have the resources to devote to real critiques.”

5.2.4. H4) Institutional Redefinition

As at the Bank, NGOs have pushed to ‘re-imagine’ the Fund as a global governance agency with lines of accountability extending beyond the member-state ownership. This has broadly been rejected within the Fund. NGOs too recognize that they have failed here. A ranking figure in EXR, at the CSDs of the Annual Meetings 2004, explicitly rejected claims that the Fund is a development institution. This is important because the notion of the Bank as a development institution has been a wedge for the NGOs to stress the need for the Bank’s accountability (to as representatives of PAPs) and openness to non-state input.

EXR’s language was an explicit rejection of that line. That makes it far harder for NGOs to penetrate and challenge the Fund’s self-definition. If the Fund is not a development institution, then NGOs are broadly excluded from much of what the Fund does. This leaves the Fund as the IGO its *Articles of Agreement* describe.

5.2.4.1. H4) Documents

The IMF’s formal work does suggest that the Fund is aware of NGO efforts to reimagine it away from an IGO, with strict lines of accountability only to states, to a broader global governance agency with a wider constituency. Dawson and Bhatt (IMF/Dawson 2001:3, 17) find that

CSOs have increasingly characterized the IMF as an unapproachable, secretive, undemocratic organization. ...CSOs have sought to alter the IMF’s working methods and organization. There

have been calls for greater transparency and accountability of the Fund and its operation, for democratizing the IMF through a reallocation of votes between member countries, and for improving its governance.

Van Houten (IMF/van Houten 2002:2, 57) similarly notes

a broader spectrum of critics... [who argue that] the IMF should be reformed to make it more democratic, more transparent, more accountable, and more participatory... Civil society groups regard IMF accountability to its member governments – and through them, to their legislatures and electorates – as too distant and decry it as ineffective, especially for an institution whose mandate can affect the welfare of millions of people .

He further notes (7) that the Fund has increasingly come to be seen as a de facto development institution by developing countries (McQuillan and Montgomery 1999). The industrialized states no longer borrow from the Fund, so its primary financial commitments are below-market-rate loans to middle-income and poor states. The emergence of clear groups of creditors and lenders has diminished the Fund's identity as a revolving "credit union" from which all states borrow occasionally (IMF 2000:62; IMF/Treasurer's Department 2001:10). NGOs support this evolution, as it creates a clearer image of the Fund as a development agency. The 2003 staff guidelines note that "most CSOs react skeptically to claims from staff that the Fund is an apolitical institution" (sec. V.C.1)

At the 1999 Annual Meetings, MD Michel Camdessus' opening remarks implied that the IMF, after decades of denial, might in fact be a "development institution" and that poverty alleviation should in fact be the focus of the Fund's work. (IMF/Camdessus 1999:5; Camdessus 2001:367; Gilbert and Vines 2000:34, fn.16) Certainly Camdessus' famous remark that the Fund "must hear the cries of the poor" suggests an identity shift. Whether this commitment was serious is unclear. As one NGO observer noted (Martin 2000:3), Camdessus made this commitment in his final year as managing director.

But on the revised version of the IMF website, beginning in April 2004, a stated goal of the organization is to "reduce poverty." In his farewell remarks to the institution in the same month, departing Managing Director Horst Koehler spoke of the "Fund's active role in the global fight against poverty," and its commitment to "poverty alleviation" and the Millennium Development Goals.¹³³ A former German ED suggested

¹³³ These remarks are available at <http://www.imf.org/external/np/speeches/2004/041404.htm>.

that because the Fund has now become an anti-poverty institution, the Bank and Fund should be merged (50 Years is Enough email listserve, June 17, 2004).

The Fund is under great mission creep pressure, from NGOs among others. So severe is mission expansion at the Fund, the 2000 Annual Report (96) actually raised resultant staff stress as a significant institutional problem. In 2002, an IEO report found that prolonged use of Fund resources by LDCs was turning the Fund into a de facto development institution (IMF/IEO September 25, 2002). Lines between semi-permanent borrowers and creditors were hardening; this threatened “a possible blurring between of the IMF’s role and mandate, especially in relation to the work of the World Bank and other development institutions” (IMF 2003:37).

Yet the IMF’s formal work gives no sense that the NGO effort to reimagine the Fund as a global governance agency has succeeded. Open politicization is strongly resisted (IMF 2003:22; 2004:67). The *Articles of Agreement*, like those of the Bank, are strictly intergovernmental and technical/economic in tone.¹³⁴ They contain no reference to NGOs or civil society. As explicitly detailed in Article 1, the Fund’s goals include: “the expansion and balanced growth of international trade in a setting of stable and orderly exchange arrangements within a multilateral system of payments free of exchange restrictions” (IMF/Guitian 1992: 3). None of the *Article*’s amendments since the founding make any provision for civil society groupings or suggest in anyway that the Fund is accountable to any others than the membership.

The Fund openly rejects the moniker of aid agency, development bank or development institution (IMF August 2001: 26, 46). It is a “monetary institution” (46). In a 1992 pamphlet, reprinted in November 2001, the IMF describes itself as “primarily a surveillance institution” to “safeguard an international code of conduct” (IMF/Guitian 1992: 9, 20, 40). This requires oversight of national fiscal and monetary policy to insure a credible balance of payments system and more generally an open trading order. The pamphlet also reiterates the central apolitical stance of the Fund. “Uniformity of treatment” and “neutrality” (15, 28) among the membership are fiercely defended, noticeably more than in the Bank’s printed work. And unlike the Bank, the Fund does not

¹³⁴ <http://www.imf.org/external/pubs/ft/aa/index.htm>.

refer to its expanding intellectual and training work as anything similar to the “Knowledge Bank” (IMF 2002:77, 81; 2003:50-53, 83-84). Technical assistance and coursework is strictly intergovernmental, rather than a public goods provision. In this context, the NGO ‘voice and vote’ agenda – to expand Southern and NGO voices inside the Fund – has failed to date (IMF/Dawson and Bhatt 2001:20; IMF 2004:64-65).

In an extensive treatment of the Fund’s financial operations, its character as a “cooperative international monetary organization” is stressed throughout, with only a passing reference to “development” and as hardly distinct from the stabilization mission (IMF/Treasurer’s Department 2001:1ff, 42):

The Extended Fund Facility is designed for economies suffering serious payments imbalances relating to structural maladjustment in production and trade, and where price and cost distortions have been widespread, or characterized by slow growth and an inherently weak balance of payments position, which prevent pursuit of an active development policy.

Such language stresses the Fund’s intergovernmental character. It reduces development as a mission goal to a tangent. It retains the strict monetary and financial focus of the Fund’s mission that characterizes the *Articles of Agreement* (unlike the Bank where there has been noticeable drift). There is little room or scope for NGOs in this self definition.

The Fund is also quick to say that “the Bank rather than the IMF has the expertise to help countries improve their social policies” (IMF August 2001:44), or that the Bank’s purpose is development while its own is stabilization (IMF/Guitian 1992:13, 14). In its discussion of the PRSP, the Fund spoke of a “sharp division of labor between the Bank and the Fund.” It is the Bank’s responsibility to speak with civil society in the PRSP framework (IMF 2000:55, and ch. 5 generally). The Fund is quite cautious to ‘buck’ explicit poverty reduction practices and programming, as well as extensive NGO engagement, to the Bank (2003:39). In its 2000 (78) and 2003 (37) Annual Reports, the Fund did not include itself in a list of development institutions; and the Fund’s annual reports are characterized by a regular concern that the IMF not provide long-term financing and that its resources remain “revolving” (IMF 2000:79; 2003:37).¹³⁵

¹³⁵ In fact, the IMF increasingly provides loans and augmentations to the same countries back-to-back, providing, in effect longer term development aid (IMF 2003:80; 2004:70; IMF/IEO September 25, 2002). The revolving nature of Fund resources as a credit pool from which all may draw is increasingly an

Drawing sharp lines of exclusion clearly breaks the mission creep NGOs seek in order to redefine the IMF's identity. Mission creep, particularly toward soft social or human development lending, is trenchantly rejected; the "core" mandate – especially in contradistinction to the Bank's expanding remit - is frequently reiterated (2004:vii, 45, 46). Even the Fund's commitment to poverty reduction is consistently conceptualized as continuing its current practices of stabilization. The Fund has strongly embraced the language and rhetoric of poverty reduction and the MDGs. But this has not altered Fund policy prescriptions (I6) or entailed internal NGO legitimacy (I5).

Instead poverty reduction has been internalized as what the Fund has done all along (2003:39; 2004:46). Stabilization is poverty reduction. "By pursuing its mandate to promote global monetary cooperation, the balanced growth of international trade, and a stable system of exchange rates, the IMF contributes to long-lasting economic and human development" (2003:44). "The fundamental macroeconomic goals of member countries – growth, price stability, and debt sustainability, ...form the basis of any meaningful poverty reduction" (Heller 2004:29). Even as it agreed to support vigorously the prosecution of the MDGs, the Fund made sure to limit its effort only to the "areas of its expertise" or "core areas of responsibility" (IMF 2002:5; 2003:39). In doing so, it defines for itself its contribution to the MDGs as what it has always done – stabilization. These sharp demarcations and clear, almost insistent, definitions of mission reduce the Fund's nongovernmental exposure, and reinforce its interstate character.

Hence, the IMF has only offered hints about accountability beyond the state system. Van Houten (IMF/van Houten 2002:59) suggests that the transparency pushed on the IMF by NGOs reversed an earlier attitude of hubris: "The IMF [previously] saw itself as a technical institution, accountable to its member governments and with little need to explain itself to the broader public." But "the IMF now, more actively than in the past, seeks to take into account the views of its critics" (IMF 2003:58).

In 2001, the Fund wrote, "the accountability of the IMF to its member governments and to the broader public has been enhanced in recent years through external evaluations by outside experts of its policies and activities" (IMF August

institutional fiction. Increasingly the NGOs sense this slide, however involuntary (World Vision/Alain Whaites 2003).

2001:42). In 2003 (55), the Fund spoke of being “accountable for the advice it has given and lending decisions it has made.” Dawson and Bhatt speak of CSOs as “an essential layer of checks and balances to the international system [that] helps ensure that excluded voices are heard” (IMF/Dawson and Bhatt 2001:24). The external relation strategy mentions “the Fund’s outreach...as a complement to its formal accountability. ...The Fund can supplement its formal processes of accountability through engagement with organizations that reflect the views of a variety of people” (IMF/EXR 2003:94 fn.54). The 2003 staff guidelines on NGOs too argues that NGOs are a “supplement” (sec. V.A.2). Another possible avenue for NGOs is the language of “social accountability.” Like the Bank, the Fund has recently begun deploying it: “changing institutions so that they are accountable to all, including the poor, and building each country’s capacity to respond to the needs of its citizens” (IMF August 2001:48).

These hints persist and appear to be increasing, but they do not equal the sustained hedging characteristic of the Bank. I found little on the practice of it in the Fund’s material. The Fund, for example, only translates material for popular, frequently NGO, consumption after a cost-benefit analysis. There is no commitment to the democratic ‘appropriateness’ of linguistically reaching out to NGOs or others for its own sake (IMF 2003:60). The values of participation and NGO voice in “national participatory processes” are primarily understood as advancing mission performance rather than enhancing accountability or democratizing global governance. As at the Bank, whatever legitimacy NGOs do enjoy is a tool for Fund ends (IMF/EXR 2003:94). The partial legitimacy of NGOs is not viewed by the logic of appropriateness of H4, but rather by the logic of utility (H3). It smoothes the implementation of unpopular Fund-supported policies; it does not create formal space for NGOs within. National ownership, through NGO participation, is not an end in itself, but rather a means to the adoption of Fund-supported policies. Were national ownership not functional to the Fund’s work, it is hard to imagine the Fund’s continued reference to it.

Perhaps most promising, for the NGOs, is the 2003 annual report remark on the Fund’s accountability for its advice and lending. But I found no elaboration of whom the agents of that accountability might be or what corrective measures they might exige. The

Fund does not mention civil society or NGOs as agents of accountability. Further, like the Bank, social accountability applies only to borrower states and their publics, not the Fund itself (IMF 2003:24). It is something that NGOs exact from the local governments – hence the Fund’s preference for NGOs in the PRSP context, not that INGOs exact from the Fund. Hence “nongovernmental organizations have often carved out roles for themselves as suppliers of information and watchdogs,” but only “in monitoring government effects” (2004:47). As noted in the discussion of I5, the Fund eventually ‘capitulates’ before member country control. The Fund’s 2004 annual report (62) reiterates, “The IMF is accountable to the governments of its member countries” (also IMF/Dawson and Bhatt 2002:4, 22; IMF/EXR 2003:94). In the 2003 NGO staff guidelines, the Fund’s sole accountability to the member governments is raised four times in just fourteen pages (summary, IV.A.2, V.A.1, V.B.1). That has always been so, of course, hence the continuing vacuity of Fund statements about accountability to a broader public.

Finally there has been some shift in the willingness to speak of political manipulation. Where the Bank has been more forthcoming on the intrusion of political interests in its lending decisions, the IMF has been more coy. Although its annual reports provide no admission as startling as the Bank’s (2002:44-45), its in-house historian James Boughton has suggested in the Fund’s quasi-independent journal *Finance and Development* (2004: 11), that after the Cold War’s end, “the nature of the political interests that influence IMF lending decisions shifted from those based on East-West conflicts to those based more on regional and internal security issues or on economic alliances.” Van Houten makes a similar admission [IMF/van Houten 2002:41ff. This is relevant because it suggests a turn in the Fund toward a fairly consistent policy critique from the NGOs: that it serves political rather than economic or developmental interests first.

This is of course fairly obvious. Most interviewees admitted this, as do even the Fund’s defenders (McQuillan and Montgomery 1999). But the claim of nonpolitical intervention is a founding myth of both institutions. Even a cursory reading of their annual reports demonstrates a studied indifference to a borrower’s political problems.

That the Bank, and now even the Fund, may be willing to officially admit political manipulation is important in the NGO effort to redefine away from apolitical limited IGOs.

5.2.4.2. H4) Survey

Like H3, NGO support for H4 was poor (if fractionally better).

Many (I1, I5, I7, I11, I13, I14, I15, I20, I21, I23, I24, I27) acknowledged the scope of their ambition – to rethink the Fund into something less intergovernmental and more widely accountable, a global governance agency. I12 said, “We have to re-paint the picture of these institutions.” I29 openly admitted that “mission creeping at the Fund” is an NGO preference. I20 wanted the Fund to admit that it was a development institution, because of the solid lines between creditors and borrowers, especially PRGF borrowers.

But these pleas were made only as an acknowledgement of their failure. In the words of I32, “I think that we are able to change the window dressing but not the core of the institution. We would need to look at overhauling the entire Bretton Woods Institutions if things are to change. It feels like they continue with business as usual despite external pressure for change.” Generally the tenor of both the survey and direct personal contact with NGOs was that IMF accountability towards publics, NGOs and others besides member governments was almost nonexistent. I1, I3, I5, I8, I12, I14, I15, I21 and I32 all denied that the Fund was a development institution.

A common preference among the NGOs to alter the Fund was to tie it more closely to the UN (I3, I16; also expressed very frequently at Cads). Most noted, however, the failure of this effort. I8 provided a summation common to the others (*sic*):

The most important change is a power-global governance change: Disempowering the Fund relative to its developing country members. This is done through different kinds of decentralization that are sought through different arguments and in different venues: strengthening reporting mechanisms to the UN and UN role in monitoring Fund implementation; placing the function of debt sustainability and debt reduction analysis in the hands of outside independent bodies (Fair and Transparent Debt Arbitration and other proposals), separating the link between Fund approval of country programs and funding by the rest of the international community, etc. Why: content changes in the policy design are needed, and usually is all we can achieve, if anything, but with a long-term view, the only sustainable change will come from more equal power relations between the Fund and the developing country governments that are its ultimate users.

Another common trope to redefine the Fund is the expansion of Southern ‘voice and vote’ within the institution (I3, I5, I11, I28, I29). This is also expressed as democratizing the Board or opening the Fund’s governance. I15 provided the most expansive vision of this desired H4-style change:

We are completely against the ability of the Fund to force borrowing governments to change laws made by democratic bodies such as parliaments and national assemblies. We are also completely against the power of the Fund to impose policies on borrowing governments. The Executive Director of the Fund should be elected by broad Southern participation since it is Southern countries that suffer from IMF policies and programs. We want the Fund to be legally accountable to the populations of the countries in which it operates. We want the legal immunity that the Fund currently enjoys to be removed. We want it to be possible for people affected by Fund programs/policies to be able to sue the Fund for malpractice, material harm, bad lending practices, supporting dictatorships, violation of human rights, etc.

As with the UN link however, most raised ‘voice and vote’ in the context of its failure.

5.2.4.3. H4) Interviews

Many Fund staffers were quite aware of the NGO effort to reimagine the Fund into something beyond an IGO (if not the ‘global governance agency’ I have posited). All noted the uncomfortable position in which NGO advocacy had placed the Fund. All were concerned about the mission creep perceived to be pushed on the Fund by the NGOs. All were aware of the desire of NGOs to ‘re-make’ the Fund as a development institution, and almost all opposed it. Many of the same comments on I5 and 6 returned in the H4 discussion. There was great hesitation about legitimacy (I5) and mission creep/policy change (I6).

There was some evidence that some redefinition had occurred. F3 spoke of “a ‘new wave’ of Fund staff who do want to work with NGOs” F5 said that “A desire to work with NGOs is a personal conviction of most of management and 25% of staff.” Instead of the usual line about only governments being legitimate, F6 introduced a bit of wiggle room; F6: “The IMF is answerable first and foremost to governments.” F8 rejected the expressions ‘global governance agency’ and ‘development institution,’ but concluded, “look, ten years ago, all these scores would have been a one.”

But these comments were mostly hints. Far more marked was a deep wariness of NGO legitimacy and/or mission expansion of the Fund towards their policy preferences. F7 provided the most robust elaboration of the rejection of H4:

NGOs are not deeply rooted in the Fund's sense of institutional identity, and the NGO message is too revolutionary for a bureaucracy. We say we want more dialogue, but most would just like them to go away. Twenty to thirty percent of staff just don't want to talk to NGOs at all. There is no dominant sense from management on handling NGOs. Instead we hear 'just take care of it.'

The Fund does not send quite the mixed signals about the legitimacy and policy influence of NGOs the Bank does. No interviewees were comfortable with the notion of NGOs 'democratizing' the Fund. EXR rejected the equation of civil society with either NGOs or democracy. In the Bank interviews, many staff only came after a lengthy discussion to a reiteration that only states are legitimate or own the institution. In my Fund interviews, such expressions came much earlier. Almost all staff repeated early on some variant of F3's frustrated "the only thing legitimate, by definition, is the government; we are an international institution."

5.2.5. Hypothetical Conclusion: H2

The data collected on both the indicators of Chapter 4.2 and the hypotheses of Chapter 5.2 suggest H2 as the primary reason for the Fund's engagement with NGOs. The null (H1) is almost certainly incorrect. But very noticeable across both the quantitative (survey and interview) and qualitative (informant discussion, documentary analysis) data is the divide between NGOs and the Fund. If the Fund interviewees perceive that the IMG has solidly moved beyond H2 to H3, the NGOs see it mired in H2.

This makes judgment difficult. As at the Bank, the title of the dissertation – 'a lot more than the NGOs seem to think' – is paraphrase of frequent Fund expression in the interviews and the CSDs. It displays the disagreement well – the Fund thinks it has moved; the NGOs think it is just defensive.

The direction of the data is less clear concerning the Fund than the Bank. However, the broad and intense NGO support for H2 (my most robust empirical finding), as well as the astonishing honesty of the Fund's annual reports regarding NGOs as threats to institutional prestige, outbalance the growing interest in utility expressed in the Fund's

printed material and by its interviewees. With less confidence than my conclusion on the Bank, I suggest H2, Low Adaptation, is the most accurate for the IMF.

CHAPTER 6

IMPLICATIONS AND EXTENSIONS

The preceding chapters presented the material of the data collection with little analysis. That straight reporting was intended to give expression to the many voices in this polarized debate. In this chapter I provide aggregation and analysis of Chapters 4 and 5, as well as future extrapolations of the NGO-BWI contention. I begin with the comparison of the two cases. Both institutions were measured with the same benchmarks; it is useful to note the differences. I then briefly suggest causes of those differences. I posit several intervening variables that may explain why the Bank has moved further than the Fund. Briefly, I propose that the more closed political opportunity structure and the greater professional technicality of the Fund reduce NGO penetration.

I then shift to the future of NGO advocacy at these institutions. I argue for a series of constraints that are reducing NGO purchase at the BWI. The most important, corroborated in the extra qualitative findings presented below, is the emergence of a staff pushback to perceived NGO ‘overreach.’ I conclude with several remarks for future research, including the issues of intervening variables and constraints on NGO advocacy.

6.1. Differences Between the Bank and Fund Responses

One interviewee (B14) had worked both for the Bank and Fund and provided this summary assessment:

The Bank and Fund are very different toward NGOs. The Fund is very centralized. IMF staff is generally discouraged from doing anything beyond their jobs. Staff have very little contact with NGOs; to them, NGOs are just people on the street shouting slogans. But the Bank is very informal. There is lots of NGO penetration at many levels, lots of links and informal contacts. NGO influence is all pervasive.

This reflects fairly well my exposure. B23 noted that Bank staff have a “broad permission” to engage NGOs, while I10 noted that everything that goes out under the IMF label must pass through EXR first.

Broadly speaking, the footprint of NGOs (and other GCS actors) has been deeper on the Bank than the Fund. The Bank has provided greater recognition of NGOs and their roles. It has spoken of NGO/civil society as driving a new, triadic paradigm (state, civil society, Bank) of development (WB/Ibrahim 1998). For the first time in 2003 (WB 2003:18), it termed the collective world of NGOs and other third-sector actors “global civil society.” It has spoken openly of the expanding role of NGOs in its field: “the emergence and growth of civil society during the past two decades have been two of the most significant trends in international development.”

By contrast the Fund is very wary. Its language on NGOs is limited; it strives ceaselessly to contain its mandate in order to limit its exposure. After discussing NGOs for over 90 minutes, F10 insisted on concluding by stating, “We are still an intergovernmental organization.” The Fund is very cautious about embracing NGO legitimacy: “The IMF is responsible to governments, which are, in most cases, accountable to their populations through reasonably well-defined democratic processes. In contrast, the constituencies and representatives of many CSOs are often unclear” (IMF/Dawson and Bhatt 2001:4). And the NGOs realize how challenging it is to engage the Fund. I11 wrote, “It's taken much longer for CSOs/NGOs to engage with the Fund. The fact is, there aren't projects to engage, which makes the Fund's role more opaque than World Bank's.”

The Fund publishes very little on civil society, the Bank an enormous amount. The Bank even provides an annual ‘round-up’ publication – the annual civil society report (WB/SDV 1988-2001) – which the Fund does not. By the measure of adaptation and learning, the Bank has moved much further than the Fund. The Bank (WB 1996:28) has explicitly endorsed a “learning culture,” which notion the Fund has only warily and recently picked up. Certainly the Bank's evolutionary attitude toward NGOs is reflective of the flexibility the “learning culture” intends.

Further, NGOs have been mainstreamed into the Bank in way they have not at the Fund. Almost all my Bank interviewees made this point. In the words of B25 (similar B17, B28), “We are far better, far more responsive to NGOs than ever in the past, especially under Wolfensohn, and we are a richer organization for it.” Or B11: “NGOs are on the front of the radar screen,” (whereas Fund interviewees spoke of ‘much engagement below the radar.’) Or B29: “There has been a sea-change internally on NGOs.” “NGOs do have a tremendous impact on the Bank” (B22, similar B8, B20, B15, B23). Another said “we have undergone a radical transformation when it comes to NGOs” (B24, similar B25, B28, B29). A basic content analysis of the Bank’s Annual Reports of 1996 and 2003, found the terms ‘NGO/nongovernmental organization’ or ‘civil society’ used 58 times in 1996, and 56 times in 2003 (excluding indices and acronym lists). By comparison, the Fund’s 1996 Annual contained 5 references, and its 2003 Annual 35 references. As late as its 2004 Annual Report, the Fund’s list of abbreviations still has no reference to NGOs or CSOs. The Bank Annual Report has had the notation since 2000.¹³⁶

The Bank has developed a fairly robust structure to support and fund NGO engagement. It may not be coherently rationalized, but it is fairly elaborate, well-staffed, and reasonably well-resourced. The Fund’s approach by contrast is still ad hoc. Van Houten, as well as several interviewees, have argued that it is overdue for the Fund Board to establish a framework for the further development of NGO engagement (IMF/van Houten 2002:58, 70). Given the entirely voluntary character of the staff guidelines, van Houten’s suggestion has hardly been met. As Dawson and Bhatt put it in 2001, “The IMF has had, for the most part, an uneasy relationship with civil society” (IMF/Dawson and Bhatt 2001:3). The balance of evidence in favor of H2 at the Fund suggests that it is still correct.

The Bank broadly endorses H3, but with one lingering reservation. It is still waiting definitive empirical proof of the value of NGO collaboration (Miller-Adams 1999:97), and the results are mixed. *Assessing Aid*, a 1998 World Bank study, asserts that consultation dramatically improves projects, but the two OED studies (World Bank/OED

¹³⁶ The Bank has also had an index entry for NGOs since the 1995 Annual Report. But the Fund’s annual reports do not include an index, so no comparison is possible.

1999; unpublished [October 27, 2000]) to date on this have found NGO engagement a wash. Several Bank staffers (B15, B16, B27) said to me, “The link between NGOs and development is still remote.”

The IMF by contrast had little on H3. Utility is usually defined as exploiting local NGO legitimacy to generate ownership. But NGOs were not actually providing a product or service. No one at the Fund referred to NGOs as “vendors,” as they frequently did at the Bank. Most interviewees were at a loss to identify specific programmatic utilities derived from NGOs, whereas many Bank projects and programs are easily uncovered with NGO engagement. In fact the distinction between the Fund’s work – loan programs that involve transfers of monies and financial surveillance – and the Bank’s project portfolio may be the break point for H3. It is simply unclear what product NGOs could provide to the Fund.

Concerning H4, the quantitative scores for I5 and 6, and H4, show low support in the Bank, and lower at the Fund, as does the literature of the institutions. NGO legitimacy is weak internally, and NGO-driven policy change hard to identify. Not one Bank or Fund annual report attributed any major policy shift, much less a paradigmatic drift away from the Washington Consensus, to the NGOs. Even the attribution of debt relief (PRGF/PRSP/HIPC), the most commonly mentioned NGO policy success, was ‘spread around’ by interviewees to include European EDs.

But clearly the Bank goes further down the road of legitimacy than the Fund, especially in the interviewee and documentary data. Several Bank documents (GP 14.70.15d; WB/NGO Unit August 11, 1998; WB forthcoming [2005]) do elucidate NGO representativeness as a criterion for engagement. B7 suggested, which broadly fits my data, that “Critics of NGOs’ presence in the Bank are a minority now.” Rhetorically at least, the Bank is repackaging itself more like a GG agency. Since the 1998 World Development Report, it has begun calling itself the “Knowledge Bank” (or what one Bank interviewee called the “university of the World Bank”), which provides “global public goods” of knowledge for development (WB 2003:25). It explicitly refers to itself as “an agent of change [modernization?] through analysis and advice,” beyond simply lending (2002:50). Its annual reports since the so-called ‘Monterey consensus’ (March

2002) have so strongly embraced the Millennium Development Goals (MDGs), one might suppose the Bank, not the UN, had piloted the notion. And the Bank speaks constantly of North-South ‘partnerships.’ The Bank now appears to have - or more precisely, acts as if it has - multiple constituencies beyond what H1-3 would predict. It openly speaks of the poor, women, and vulnerable groups as “constituencies” (2002:2, 70).

Wade (1997:657) described the Bank as “arrogant and dismissive” toward NGOs ten years ago. I heard no such language today. By contrast, the Bank is in the forefront among IGOs, particularly among the IFIs, in responding to NGOs (B20, B24, B25). B24 said, “NGO engagement here far exceeds that of any other IFI. It is decidedly broader, more sustained, and at a higher level.” Another said, “IFC (and the Bank) have led the charge among the IFIs in making the business case for social and environmental responsibility” (citation repressed). The Bank is aware of its change, and the NGOs have generally recognized this. The tenor of their remarks on the Bank was more generous than the Fund. The lower survey response rate for NGOs concerning the Fund, as well as the far thinner qualitative feedback, are data points in this regard. NGOs are simply more comfortable engaging the Bank.

If the Bank is mission-creeping in ways sought by NGOs, the Fund holds a much tighter line on H4. The distinction between March and Olson’s logics of utility and appropriateness are most evident at the Fund. NGOs are engaged because of necessity (H2) or usefulness (H3), but hardly because of their legitimacy as representatives of PAPs, the poor, the voiceless in authoritarian states and stratified social systems, or the environment (H4). While most interviewees seemed anxious to find means to represent these concerns within the institutions, there was noticeable hesitation to provide any formal legitimacy to NGOs at the Fund. Unlike my Bank informants, no Fund interviewees found NGOs legitimate spokesmen for vulnerable groups, and all provided similar responses about NGOs as “self-appointed” with dubious roots in the communities they claim to speak for.

But for all the differences, the BWI share concerns preventing a full actualization of H4. First, both institutions do see the NGO effort to redefine their self-understanding.

The Bank and Fund both identify themselves de jure as apolitical agencies. The Bank has, for most of its history, understood itself as a bank (Kapur, Lewis and Webb 1997). The IMF has been even more secretive. This stance precluded engagement of outsiders. To embrace a constructivist rebuilding of the institutions' self-definition would require enormous change. Such change could clearly slip out of control. Should the Bank and Fund cease to self-understand as highly technical, narrow, expertise-driven IGOs, and rethink themselves as Scholte's "global governance agencies," then the room for mission expansion, and consequent failure, becomes dramatic (B16). It is already a sharp critique of both institutions (Kapur, Lewis and Webb 1997 on the Bank; McQuillan and Montgomery 1999 on the Fund) that they do far too much.

Organizational theorist Nicolas Henry (2002:8) speaks of "the heavy hand of constituents":

Public managers are faced with 'accomplishing' enormously complex but ill-defined objectives. Goals are vague, and public organizations are appropriately sprawling as structures meant to achieve the vagaries of large organizational missions. These unique problems of management in public organizations are attributable to forces in the highly politicized task environments, such as legislatures and pressure groups... As a result, caution prevails, and innovation is less likely.

As they stand today, the Bank and Fund are able to deflect some of this 'heavy handed' constituent intervention by restricting their role as apolitical and rejecting the inclusion of NGOs as legitimate. As Henry notes, innovation (Haas and Haas' 'learning') is rare because of the enormous uncertainty of institutional redefinition. There was a general recognition among my interviewees (and certainly reflected in the very tentative language of the Bank's annual reports), that extending serious legitimacy to NGOs does overturn the Bank self-understanding as, firstly, an IGO. B4: "Participation has been accepted but clients come first. NGOs will never be as important to the Bank as client states." Similarly B25: "The state is ultimately our client; we must visit the finance ministers. That is a must, and that is right."

Second, both institutions, although the IMF especially, are extremely wary of NGO claims to represent any one but themselves. My interviewees spent much of our interview time worrying over this question. B24 said, "There is a lot of confusion on this. There is no question that NGOs provide a variety of groups a means to express themselves. But when they claim equal voice with democratic governments, this is very

contested.” Others noted the shaky democratic credentials of NGOs themselves. B9 suggested that “NGOs are run like a politburo: a self-perpetuating oligarchy, often of the group’s founding members.” In this way, these IGOs often perceive NGOs, not as the NGOs self-conceptualize – as democratic representatives of ‘civil society’ – but rather as the IR NGO literature of the 1970s (Presthus 1974, Willetts 1982) first envisioned them: as international pressure groups, lobbies who had simply scaled up their organization and targets. When offered the choice, all interviewees preferred to suggest that NGOs ‘pluralized,’ rather than ‘democratized’ global governance.¹³⁷

Three, to openly endorse NGO participation as an end in itself – for democratic, representative, or even pluralist, purposes - would violate the BWI’s *Articles of Agreement* and the general principle of apolitical intervention that guide both institutions (Miller-Adams 1999:71). Fund representatives at the CSDs I attended repeated this constantly. The conservative nature of the *Articles of Agreement* was frequently cited. The *Articles* require the Fund to talk only to the executive branch, and its representatives have strongly stood by this in their engagements with NGOs. While this feeling was less stark at the Bank, many interviewees evinced a general concern that a “cloud of stakeholders makes it less clear that the Bank is a cooperative of 180 governments” (B15). This is of course the long-term goal of the NGO community – to reimagine the BWI away from IGOs and into GG agencies. Many interviewees were conscious of this (although not in such formalized language).

¹³⁷ Bhagwati (2004) makes this point in chiding Northern NGOs who claim to speak on behalf of Southern ones. The NGO community often claims that its engagement “democratizes” global governance or the world economy (Danaher 2001, Clark 1990). But no NGOs, with the exception of trade unions, if they are to be considered NGOs, seriously practice internal democratic elections. Indeed the pattern is usually the opposite – fairly opaque and hierarchical decision-making structures – for which even NGO-sympathetic scholars have criticized them (Scholte 2002). Better might be to describe NGOs as “pluralizing” global governance, by which they add divergent and alternate viewpoints, but are not necessarily representative of anyone but their membership (Gordenker and Weiss 1996a). At the Annual Meetings of 2004, a Fund speaker noted “the tension between participation with many social groups and the legitimacy that parliaments carry (also WB forthcoming [2005]:v).

6.2. Explaining the Difference in Bank and Fund Response to NGO Pressure

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 has broadly embraced my third hypothesis of efficiency, with some movement toward the fourth, institutional rethinking. By contrast, the Fund still entertains the NGOs primarily as a public relations exercise (H2), with hints of utility (H3). Hypothesis 2 – organizational defense – best reflects the Fund’s behavior.

This raises the interesting comparative question why the Fund has moved less than the Bank toward the NGO position. Unlike much of the NGO literature, I do not decry this lesser movement as improper (O’Brien et al. 2002:ch. 5 or Scholte 2001). But it is a noticeable organizational difference. My primary explanation, grounded in the data collection, hews close to my scale of hypotheses: while the Bank perceives NGOs as improving its mission performance (H3), the Fund does not. This is then reinforced by the conservatism of the Fund, particularly its closed political opportunity structure.

It is extremely unclear what role the NGOs should play in the IMF (O’Brien 2000:213ff). Where the Bank’s competence in development and modernization is somewhat accessible to NGO generalists, the Fund’s work is highly technical. My interview data with IMF officials suggested skepticism as to whether the NGOs could even participate in what it does, whether H3 was even possible. Even the NGOs themselves are unsure what role they are to play within the IMF.¹³⁸ 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; the NGOs have even admitted this (I11, I23).

By the standard of H4, the NGOs are even less compelling to Fund officials. Because the Fund works primarily with governments on short-term financing, it is unclear what PAPs the NGOs would ‘represent.’ At the Bank, the problem is made

¹³⁸ I attended an NGO strategy meeting on the IMF in March 2003. There was great dissent among the more than two dozen representatives there as to how to actually work with the IMF, beyond protesting the basic framework of structural adjustment and neoliberalism.

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 PAPs' preferences, the Bank is under pressure to accord them recognition as legitimate representatives (I5).

But the Fund does not work in this way. It provides general services for the borrowing state as a whole. It is hardly clear who else is to represent that whole community than the states' leaders themselves. NGOs maintain that where the borrower is undemocratic, that does not hold. The IMF's response has been tepid; if a state is not democratic, then it is highly unlikely NGOs from it will be petitioning the Fund. That leaves foreign, often Northern, NGOs to play an awkward, usually self-appointed role of ersatz representative. A common theme throughout my interviews at the Fund was the question, who had appointed these NGOs to be 'democratic' representatives to whom we must be accountable.

It appears that the increasing technicality and specialization of an IGO's work blocks NGO penetration. H2 public relations is relatively costless for an IGO; a few new staffers and some documentation are not terribly expensive. But the move from H2 to H3 is of much greater magnitude. And the jump from H3 to H4 is even more substantial.

More sustained, serious, and educated NGO pressure is needed for success at the Fund. There is too much hope that NGO pressure on the Bank would wash over to the Fund, as they are sister institutions. This has not happened, and NGOs are still reticent to create real campaigns targeting the Fund (I23). At WSF IV, with an estimated 75,000 registered participants and over one thousand seminars,¹³⁹ there was not one seminar solely devoted to the Fund, and only one that addressed the BWI together. I believe this reticence comes from a lack of identifiable targets. The Bank and other MDBs engage in tangible, 'on the ground' programming. They build things like dams and power grids that can be observed, by NGOs and PAPs alike. This gives a solid, 'real' feel to advocacy. The Fund's work is much more opaque and oblique. Currency stability and other financial assistance have impacts in 'immaterial' spaces like markets or cyberspace. NGOs are poorly equipped for, and uninterested by, this manner of advocacy.

¹³⁹ The first figure is from <http://www.wsfindia.org/whoweare.php>; the second is from <http://www.opendemocracy.net/debates/article-6-91-1670.jsp>.

A second local blockage buttresses the technical barriers to penetration. The Fund is noticeably more conservative and status-quo-biased, and this is reflected in a more closed political opportunity structure. NGO impact on the Bank is less relevant than at the Fund; the Fund is the more important institution. One Bank staffer (B25, similar B11) 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 (I23).

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 the NGOs many points of access. The Fund, by contrast, is smaller and more ‘on-message’ than the Bank.

At the Civil Society Dialogues I attended, the Fund representatives were far 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, particularly EXT, ESSD, and the presidency, are far more forthcoming in toying with NGO legitimacy and inclusion. The Bank counsel however recently reiterated the apoliticality of the Bank,¹⁴⁰ as did most of my interviewees after much discussion. Hence the Bank’s position remains fuzzy. But the Bank appears comfortable with this hedging, studiously ambiguous answer; it indefinitely puts off the awkward choices NGOs represent. OED and management both seem comfortable that the “Bank’s guidelines on involving nongovernmental organizations in Bank-supported activities...are sound” (WB/OED 1999:55). By contrast, the Fund prefers the clarity of a limited NGO role.

¹⁴⁰ “Prohibition of Political Activities in the Bank’s Work,” legal opinion to the Bank’s Board of Executive Directors, July 12, 1995.

6.3. Prospects of Future NGO Impact on the Bretton Woods Institutions

The mixed scores of NGOs on I5 and 6, and H4 should hardly be read as NGO ‘failure.’ Most Bank interviewees thought NGOs had been deeply influential – hence, my title paraphrase - even if many of them resented that influence. In the words of one (B19), NGO pressure had brought the Bank to “the border of what the institution can digest... we are smuggling politics in here through social accountability, governance and participation.” All these are agendas strongly pushed by the NGOs. This is worth reiterating because of the academic literature’s penchant for portraying NGOs as generally excluded. The Bank understands itself as “a global development institution” (WB 2004:23) already, so the readiness of the institution to accept NGOs as partners and eventually legitimate coparticipants is greater. Clearly they are not seen as equal to the states, but they enjoy greater legitimacy than at the Fund, because as a development institution, the Bank is already closer to a GG agency than the Fund.

6.3.1. Constraints on NGO Impact

6.3.1.1. Measurement Issues

6.3.1.1.1. Data Gaps

Neither BWI collects very definite data on NGOs. Few interviewees had a sense of hard figures. Access to time sheet tracking of staff hours is denied to outsider, and staff years devoted to NGO-related activities are not separately measured. Nor do the evaluative elements Bank Group – IP, CA/O, QAG, OED - solid data on NGOs or are much concerned to collect it. At the IMF, the paucity of information is even more acute. OEI has nothing significant on NGO engagement, and EXR has produced no overview of the Fund’s relations with NGOs.

The ‘mainstreaming’ of NGOs and civil society in general at the Bank (especially) and Fund makes separate tracking of outlays for NGO activities increasingly difficult.¹⁴¹ As expectations for consultation, e.g., have become routine, there is less specific financial recording. This standardization makes official figures hard to obtain.

¹⁴¹ This was heralded as early as 1996 (WB/Participation and NGO Group 1996:1).

There is no ‘NGO expenses’ section in the annual reports of either institution. There is a biannual Bank progress report on NGOs/civil society which included some figures and breakdown. But increasingly this is not seen to represent the breadth of NGO-related or inspired activities around the institution (B3, B4, B8). Appendix F is a one-time statement provided after much personal prodding, and the Fund provided nothing similar. Bank management’s response to an OED report on NGOs suggests this problem will continue: “It would be burdensome to require borrowers to disaggregate these flows to single out NGOs for special monitoring or reporting” (WB/OED 1999:57). The Fund has no plans to track NGO expenses separately.

6.3.1.1.2. Terminological Confusion

There is a continuing terminological muddle around the language of ‘NGO’ and ‘civil society.’ Beginning with its Annual Report of 2000, the Bank began speaking of partnerships with civil society, not NGOs, and in its 2001 annual report, it began referring to CSOs, instead of NGOs. NGOs became just one segment of actors in GCS, which the Bank defined in 2003 (18) as “community-based organizations, indigenous peoples’ organizations, labor unions, faith-based groups, and foundations.” Conspicuous is the lack of NGOs; indeed the term ‘NGO’ does not even show up anymore in Bank annual reports.

This is illustrative of the continuing lexical conflict between the Bank/Fund and the NGOs. Both prefer the term civil society, yet in different ways. To the BWI, ‘civil society’ means they must no longer speak only to NGOs in order to reach out. Now labor, peasant organizations, religious groups, academics, and others are also partners. NGOs lose their status as high-profile external challengers (Kapur 2002) as they are relocated into the more crowded universe of GCS.

The NGO response has been to democratize the term ‘civil society.’ Washington-based NGO interviewees were keenly aware of the expansion of terrain that the expression ‘civil society’ provides. Its Tocquevillean democratic ring presents an opportunity of re-self-imaging. As noted earlier, under the rubric of ‘civil society,’ NGOs have pushed the BWI harder to be recognized as legitimate. The behavioral outcome of

this is awkward; there are splits within civil society as Washington-based NGOs have struggled to retain their relevance. Many BWI interviewees commented on uncomfortable moments where Northern NGOs have given talking points or briefing memos to Southern colleagues only to produce divisive reactions. To their credit, Brown and Fox saw this potential problem years ago (1998), but it will only worsen as the BWI downgrade their interaction with Northern NGOs.

6.3.1.2. Costs of NGO Involvement at the Bretton Woods Institutions

It is frequently argued in the IR literature on NGOs that they serve an important normative role. As discussed in Chapter 2, they are often touted as democratizers, pluralizers, or bearers of the global common good. In the case of the BWI, they are frequently portrayed as insuring accountability, transparency, local input, or development alternatives. It is important to note as well the possible costs NGOs generate for the institutions. These costs, seldom mentioned in the academic literature, were frequently mentioned in my interviews. They place constraints on NGOs' future prospects; most interviewees thought a continuing rise in NGO-related costs will retard further impact. They are noticeably skewed toward the Bank, as the recipient of deeper NGO penetration.

6.3.1.2.1. Greater Transaction Costs

The Bank in general is concerned about the rising cost of business that NGOs impose. The Bank's increasing roster of social, environmental, participatory, and other project criteria, often driven by NGO pressure, reduces its attractiveness as a lender (WB December 26, 2000). The Bank is already heavily out-spent by competing sources of development finance. By its own estimates, FDI alone in 2003 was seven times greater than the Bank's volume, and private capital market flows twice as large (WB 2004:74). Although the Bank itself may change as NGOs want, if borrowers seek other sources (such as less restrictive regional MDBs or private lenders), then NGOs efforts are ultimately self-defeating.

In the words of one Bank staffer, “process is essential for engaging NGOs.” My own observation experiences with NGOs suggest this is accurate. Both in Mumbai and Washington I sat in on long (over 4 hours in some cases) meetings of NGOs as they hammered out common positions. Negotiations were difficult, because no meeting attendees were prevented from speaking and no time limits were placed on input. Southern participants were encouraged, but frequently provided lengthy, less focused commentary than Northern NGO activists. Yet this decentralized, participatory and deliberative bargaining is central to the ethos of NGOs (I23). It dramatically separates them from the economic culture of the Bank and Fund. At one CSD of the 2004 Annual Meetings, a Fund staffer said in clear exasperation to a group of NGOs, “we spend so much time on process.” A Bank interviewee (B3) spoke of “the rising costs of doing business. Participation is costly and not often seen as necessary.”

Certainly both the Bank and Fund’s consultation add expense to operations. The cost of the current consultation on IFC safeguards is \$4.5 million, the highest in IFC history.¹⁴² Bank-wide, Sebastian Mallaby reckons the cost of consultation to be \$200-300 million a year.¹⁴³ An unpublished OED report found that participation adds 10-15% in costs, and 7-10% more time to project completion (WB/OED unpublished [October 27, 2000]:17). It concludes that “the total costs for participation to all stakeholders are significant” (vii). B8 concurred that “Mainstreaming NGO participation has been costly. Projects are now more expensive.” The forthcoming overview on Bank-NGO affairs (WB forthcoming [2005]) also finds that NGOs increase the cost of business (8).

An OED interviewee (citation repressed) explained: “OED knows that NGO engagement is generally a wash. There are no definitive costs or benefits. NGOs do stuff we can’t do as well – bring local context and knowledge. But there are lots of transactions costs – time, meetings, travel, conferences, dialogues. Many Southern NGOs especially, are very poor, so we have to pay for everything.”

Generally, it has long been noted that Bank engagement with NGOs increases the length of the project cycle, requires extra staff time upfront, can damage relations with

¹⁴² This figure comes from an IFC official (citation repressed) in the process.

¹⁴³ Mallaby is a great enemy for the NGO community for book his 2004(a) book and article (b:56) which argue that NGOs are overwhelming the Bank. The article from which this figure comes is the subject of an NGO retort at <http://www.bicusa.org/bicusa/issues/participation/1631.php>.

borrowers who feel they are competing with NGOs, and presents financial and managerial problems as NGOs do not function as commercial entities (WB/Operations Policy Department 1995:43; WB/OED 1999, B16). Process has become a significant transaction cost impinging Bank attractiveness to new borrowers.

No similar assessment was forthcoming from the IMF. NGO expenses and transactions were negligible, but there was concern among EXR interviewees to contain them. Several openly noted the Bank's 'NGO mess' as an example to avoid.

6.3.1.2.2. Greater Institutional Costs

Gilbert and Vines identified this problem broadly with the expression "goal congestion," and Southern borrowers have complained for years that NGOs wield too much influence in the Bank (WB December 26, 2000; uncoded staffer, September 2, 2004). Consider the breadth of the following statement from the Bank's 1996 Annual Report (6): "The World Bank has one central purpose: to promote economic and social progress in developing nations by helping raise productivity so that their people may live a better and fuller life." Not only is this broad enough to encompass most any NGO (or anyone else) making a claim to human improvement, it also reads quite differently from the NGO-influenced descriptions of the Bank's goals presented in Chapter 4 (WB 2003d:11). The Annual Report's description implies infrastructure development in a way the 2003d presentation does not.¹⁴⁴

¹⁴⁴ There is some kremlinology in this as well. A widely regarded effect of so much external interest in the Bank (from NGOs and others) is the growing blandness of the Bank's operational language. The annual reports are filled with noticeably noncommittal and uninformative phraseology, especially in the statements of the Bank's goals. Consider these two further descriptions from the same 1996 Annual Report: "Increasing development effectiveness is the absolute priority of today's World Bank. For only by increasing the effectiveness of what the Bank does can its goals – reducing poverty and fostering sustainable development – be met" (28). "There is no more direct road to improving living standards in developing countries than investing in the well being of people... Investing in people is at the center of the Bank's work" (47). It is difficult to untangle Bank preferences from such statements. Superlatives like 'central,' 'no more direct,' and 'absolute' overlap, creating mixed impressions. Even more troubling is putting these 1996 statements side-by-side various others presented in Chapter 4.1.6.2.1. Among the enunciated goals are poverty reduction, productivity increases, human capital development, environmental protection, income equity, and staff efficiency. While some of this is the likely boilerplate common to annual reports of large institutions, as well as sheer institutional complexity, such phraseology is also likely responsible for the concern over goal congestion.

Well over half the interviewees from both the Bank and Fund were concerned about the mission creep and added expenses they perceived the NGOs to be pushing. Invoking a notion similar to ‘goal congestion,’ many expressed fear of institutional overload. Several Fund interviewees were concerned the institution might evolve into ECOSOC or the UN – broad but ineffectual. B29 (similar B2) said, “NGOs are clogging the institution.” B14 asked, “These are our policies. This is our job. Why should we be wasting our time with them?” B15: “We should build roads and bridges and make sure these things work; we can’t do many jobs. These concerns should be elsewhere, where there is a stronger comparative advantage. We are becoming something else than we were meant to be.”

Closely coupled to the concern over overload was a worry that NGO pressure dissolved institutional integrity (B10). B12: “Subtle changes in wording can avoid NGO scrutiny. This is leading to the creation of ambiguous language to get them off our back and satisfy their needs, but provides less utility and clarity.” B27 noted how NGO pressure to make everything publicly available had reduced the trenchant analytical quality of some Bank documents. B17 noted similarly, concerning the Inspection Panel,

NGOs use the IP as a weapon to get the Bank to change. NGOs are perverting it by pursuing very formal Operational Policies for lots of legal bases to challenge projects. The Panel is becoming a useless mechanism because of NGO nitpicking. Because of NGO legalism, the Operational Manual is moving away from OPs to Best Practices. This avoids requirement statements, which NGOs interpret as ‘loosening safeguards.’ The IP reduces country ownership by acting as a form of conditionality.

There is also a generalized fear in the institutions of having one’s project or program targeted for an NGO protest. Said one (citation repressed, similar B13, B18), “people at IFC are scared of NGOs as monsters that create trouble.” This fed a broad concern that Bank lending might not take chances or experiment. B14 (similar B23): “There is an increasing risk-aversion on infrastructure projects because of the Inspection Panel. Task managers would rather build a school or something benign.”

6.3.1.2.3. Reduction of Influence

It is one of the great ironies of NGO engagement with the BWI that they are slowly reducing their relevance in world politics. Frequently the NGOs claim the

opposite. Many interviewees said that the NGOs wildly overrate the influence the IFIs have on borrowers; in the CSDs, NGO recommendations for policy changes often meet this response (B17, B18, B22; F7; F10). As one Washington-based NGO representative said to me, “Southern NGOs want to reclaim their governments from the IFIs” (W6). A whiff of conspiracy and paranoia on the IFIs’ global control was common (W1, B8, B10, B17, B23; “Guide for IMF Staff” sec. V.C.1; many WSF seminars).

Yet much of the NGO agenda brought to the BWI – broadly speaking, Nelson’s model of partisan development – requires robust IFIs. As one BWI interviewee (B9, similar B10, F7) put it to me, “The NGOs don’t like conditionality until they agree with the conditions;” B17 suggested the NGOs are increasingly trying to use the IP as a form of conditionality. The resistance of NGOs to rollbacks on poverty, social, and environmental addenda to programming, especially at the Fund and IFC, suggest they do not oppose BWI conditionality after all. Several BWI interviewees (B8, similar B17) said, “The NGOs are seeking to push a model of development onto Southern governments that they cannot achieve at home.” Another (B11) finds the “NGOs are now saying we have ceded too much” back to borrowers in the name of the earlier goal of borrowing country, rather than IFI, control over development. “The NGOs know that the Bank is more accountable than many borrowers,” s/he said. NGO preferences are empowered by strong IFIs.

But long-term result of the NGO agenda and the running pressure on the institutions is to slowly reduce their desirability as sources of assistance to Southern borrowers. One IFC official said to me, “Why would a country borrow from us when they can go to the Chinese Construction Bank and get a loan with no conditionality at all?” (citation repressed, similar B14). The World Bank’s loan portfolio has declined in real terms since the mid-1990s and is well below its record high in 1999.¹⁴⁵ The Fund too has seen slow decline in the volume of its regular lending in proportion to credit available (IMF/Treasurer’s Department 2001:30).¹⁴⁶

¹⁴⁵ Nominally the IDA and IBRD lent \$29 billion in 1998 and \$20.1 billion in 2004. About \$20 billion per annum has been the IBRD/IDA nominal average since the mid-1980s, but given inflation of course, this implies increasingly smaller real volumes.

¹⁴⁶ This does not include, of course, the exceptional lending during the Asian crisis. But the general trend of IMF lending to resources available (as dictated by the size of quotas) is downward.

This long-term decline in volume worried many interviewees, and the Bank has officially admitted that it “would like to reestablish the Bank as the partner of choice for development knowledge and finance for middle income countries” (WB 2004:22). Interviewees were quick to attribute this slippage – the shift from high volume, expensive infrastructure to lower volume, softer human development loans (2000a:9) - to the increasing constraints put on Bank projects by NGO pressure. The discontent of borrowing government EDs with NGO penetration is well-known. B24 said, “We have a lot of feedback from owner governments that NGOs can’t just circumvent the system, because they don’t like what an elected government did.” And there is a growing internal discussion to return to infrastructure lending in “a big way” in order to boost the Bank’s profile (B29); the Bank’s 2004 Annual Report refers to “revitalizing,” and a “new commitment” to, infrastructure lending.¹⁴⁷

A sense of immobilism, caused in part by excessive NGO surveillance, was severe at the Bank, and identified by many interviewees. B10 said, “The Bank is in trouble. It is challenged on the right as unnecessary - markets exist now to do what it was founded for - , and from the left – the NGOs - for failing to provide the public good it promised. That leaves a declining sliver for the Bank to stand on.” On the right, the dislike, if not hostility of Republicans, jeopardizes the BWI. It is an odd twist that conservative American critics would align with leftist NGOs to criticize them.¹⁴⁸ Yet that was the case over ecology and IDA-10 at the Bank, and the SDRM at the IMF (which fell apart in 2001/2002). Indeed several NGOs noted this awkwardness to me, and one NGO forum I attended (October 2004) evinced real concern that the NGOs were actually helping American conservatives who disliked foreign aid.

Conscious of the NGO-induced mission creep at the Bank, the Fund openly worries about its expansion into “noncore” areas where it does not have a “comparative advantage” (IMF 1998a:ch. VI; 2000a:28-30), or that makes it more a more explicitly political institution (IMF 2003:22, 38). The Fund is deeply aware that its expanding engagement in poverty, postconflict assistance (through its Emergency Assistance

¹⁴⁷ Several interviewees spoke of the return to infrastructure as a way to shake off or hit back at NGOs.

¹⁴⁸ Cf. the World Bank’s daily press review of January 14, 2005 and Fifty Years Is Enough’s email listserve of March 7, 2005.

window), and expanded talk of the environment and similar ‘NGO issues’ threaten NGO penetration and overload (F1, F6, F7). As discussed in relation to H4, the Fund worries about how to “balance its commitment to supporting the PRSP process and the achievement of the MDGs with the need to preserve the IMF’s focus and effectiveness” (2003:46). The answer is to consistently and cautiously limit its mandate, to ‘buck’ social policy to the Bank or other IGOs with better ‘comparative advantage,’ and to interpret the NGO-sought mission additions of poverty reduction in the frame of its traditional work (IMF 2000:ch. V).

An independent panel on Fund surveillance activities (IMF April 14, 1999) recommended the Fund retrench to its “core expertise” (exchange rates, capital account issues) and abandon its softer (NGO-sought) social policy moves and excessive consultation with NGOs and other noncore groups on its Article IV missions. Indeed the report explicitly blames NGOs (21) for an unnecessary expansion of IMF surveillance. And it found (41) a strong staff preference “that surveillance, insofar as it was useful, was useful because it was relatively narrow and focused. They felt that it should be kept a ‘limited-purpose vehicle.’” Unsurprisingly it found (42) an NGO preference for expanded socio-environmental surveillance.

One interviewee (F3) put it as follows, “My greatest fear is that the Fund will become like the UN – generalist, too big, and irrelevant.” Yet redefining the BWI away from an IGO and toward a global governance agency is having this effect.¹⁴⁹ Several Bank staff used the UN analogy as well to describe the Bank’s predicament (B10, B15).

6.3.2. Possibilities of Further NGO Impact

The NGOs continue to organize, protest and lobby. There is no sign that the NGO community around the BWI will imminently disappear. As I23 said to me, “The NGOs firmly believe that markets are not enough.” Both the BWI and its member states are constrained by formal ideologies of democracy and liberalism. These commitments prevent them from shutting out the NGOs altogether. This would be too egregious a

¹⁴⁹ The crisis the Bank’s future is particularly acute. Mallaby (2004 a & b) blames NGOs rather sharply. Fidler (2001) mostly blames Wolfensohn’s alleged egomania, but attributes overload to NGOs as well.

violation of the pluralism and openness expected in modern liberal democratic politics, which is the donor environment in which the BWI function. The contention documented here will continue.

Further, the NGOs' strong penetration, sanctioned by Wolfensohn, bodes well for the NGOs' ability to leap-frog to other IGOs.¹⁵⁰ Contemporary IGOs resemble an inter-organizational network (ION - Ruggie 2001; Farazmand 2002d: 106). What is commonly referred to as the 'international financial architecture' (Armijo 2002, Kenen 1994) is a loosely organized network of international agencies and diplomats meeting on a regular basis to discuss and resolve international financial and economic problems. This is vaguely akin to a global public policy process, and there is a fairly consistent calendar of annual events to instantiate the process – the World Economic Forum, the G-7 meeting, the BWI spring and annual meetings, WTO ministerials, and, increasingly, regional trade and development bank meetings (Gordenker and Weiss 1996b, Reinicke 1998). While certainly not as coherent as national policy-making processes, the NGOs nonetheless take it seriously enough to post a calendar of these events to track (www.ifwatchnet.org). Broadly we might refer to this as global governance (Kelly 2003).

The cohesion of global governance as ION bodes well for NGOs. If they can break into one IGO, then the prospects for the spread of their influence to others are enhanced. In the specific cases here presented, NGO penetration of the Bank can have powerful multiplier effects, because the Bank is bound to other IFIs and IGOs in the emerging ION of global governance. As mentioned earlier, the prestige of the Bank insures that if it alters practices and policies, other similar IGOs will reconsider theirs. And the demonstration effect of Bank change will be greater, the more the tightly integrated the Bank is to a global governance ION.

Even minimal penetration (I1 and 2) is promising, as the NGOs have adopted a long-term 'deep politics' frame. Here change is minimal, but by joining the game, hopes of change may be sustained by the constructivist assertion that the very fact of NGO participation in decision-making will alter institutional culture. This is 'impact' at the second or third face of power (Lukes 1974, Hayward 1998) – discursive impact whereby

¹⁵⁰ Although the NGOs have not in fact leap-frogged well from the World Bank to the IMF, their success at the Bank has helped them with the regional MDBs, the WTO, and the UNDP.

NGO participation may not shape actual outcomes, but may at least alter the menu of conceivable options through input. In general I have avoided this in search of more concrete impact indicators, but certainly many NGOs see suasion as their most likely route to impact given their organizational weakness to compete with IGOs. Many NGO interviews spoke of their activism as a long-term effort to reshape GG (I1, W3, W6, W8, I23, I27, I31).

6.3.3. Limits to NGO Impact

The primary limits to NGO impact lie on the NGO side of the equation.

6.3.3.1. Resource Constraints

The NGOs are too resource poor to mount serious campaigns across the whole spectrum of IGOs in the GG ION. This will insure issue-specific campaigning and resultant ad hoc impact. Brown, Khagram, Moore, and Frumkin (2000:288) note that NGOs “are more often effective in blocking decisions than they are in catalyzing large-scale action.” They simply do not have the independent resources necessary, and donor and foundation money often comes with strings. This is reflected in the personalism of NGO campaigns. In observing NGO strategy sessions, it is noticeable that initiatives frequently become tied to particular individuals. (Several NGO interviewees – I7, W6 – have admitted as much to me.) Financial and organizational resources are scarce in the NGO community, so specific individuals frequently become critical assets. This has obvious costs for institutional memory, planning, and sharing.

6.3.3.2. Poor Integration

The NGOs are handicapped by their refusal to build integrated global civil society structures. There is no worldwide NGO structure which coordinates influence attempts against the Bank, Fund, or other IGOs. Efforts such as the Millennium Assembly at the UN, the World Conference of Civil Society Organizations, the World Social Fora,

ECOSOC, and others have never managed to create a sustained, well-integrated NGO leadership body. This badly cripples the NGOs ability to speak with one voice. B20 said, “Developing country NGOs speak differently and have different goals. When Northern and Southern NGOs, randomly chosen, are put together, it becomes obvious that global civil society doesn’t speak with one voice. We just sit back and watch the fireworks.”

For this reason, I have spoken of the BWI NGO community, rather than TAN. A network suggests a level of integration that simply is not there (Nelson 2002:147). The lack of organizational and demand aggregation also allows IGOs to play NGOs off one another, and to create their own ‘friendly’ bands of NGOs, thereby permitting claims of cooperation with NGOs. This has in fact happened within the NGO community around the IMF and Bank.

The NGO effort around the IMF is poorly coordinated. It has no institutional anchor similar to the Bank Information Center for campaigns against the Bank.¹⁵¹ In 2003, I attended an NGO strategy session on the IMF. Some thirty NGOs, including some of the larger global ones, were there. After three hours of occasionally sharp interaction, the most joint activity that could be mustered was a common letter. More formal cooperation was explicitly ruled out. In a particularly compelling remark, a representative of an international trade union group said to me with clear exasperation, “This is the problem with NGOs; they just cannot organize.”¹⁵²

Taking advantage of this, the IMF then considered building its own NGO group, hiring Professor Jan Scholte of Warwick University to forge a working group of NGOs. While NGOs interviewed were broadly supportive of the results of Scholte’s efforts,¹⁵³ there was consistent criticism that the Fund had organized (and paid for) the process without consulting NGOs. IMF interviewees routinely responded that there was no other way, because civil society around the Fund is so fragmented. No one knew which groups to approach. Eventually the effort failed (IMF 2003:59). F10 (similar F9) noted, “NGOs

¹⁵¹ <http://www.bicusa.org>.

¹⁵² It also is widely recognized that NGOs have trouble aligning with trade unions (O’Brien et al. 2000:198; Gallin 2001). One Bank staffer told me that since the September 11, 2001 terrorist bombing in the United States, labor unions have been loathe to line-up with the often radical-sounding NGOs, and that this has significantly depressed the antiglobalization movement’s ability to fill the streets during IFA meetings.

¹⁵³ http://www.nsi-ins.ca/ensi/pdf/int_mon_fund.pdf.

rejected an advisory committee for Fund - an idea in the Scholte process - like the NGOWG or JFC. The big INGOs didn't need it. And the small ones worried about co-optation." Hence Dawson and Bhatt write, "The biggest challenge facing more effective CSO engagement with the IMF is that there is no single coherent CSO position or agenda" (IMF/Dawson and Bhatt 2001:23). This creates room for the IMF to define the terms and organizations of its engagement (IMF/EXR 2003:25; 95); as F10 put it, "We can play favorites among the NGOs."

Similarly, the World Bank has two experiences building its own NGO group. As in the case of the Fund, the NGOs around the Bank are fragmented, although not as severely. The Bank Information Center, now headed by a former Bank staffer, has provided a useful focal point for NGOs. But nonetheless, given low NGO coordination, the Bank has tried, twice, to develop an NGO organization for itself. Neither effort has worked well.

First in 1982, the World Bank created the World Bank-NGO Committee. In 1984, the NGO members of the committee formed the NGO-Working Group (NGOWG). The entire effort was funded by the Bank, which quickly lost interest in expanding the committee's resources or remit as members began to agitate for serious change at the Bank. Within its meetings, the Bank, as the dominant actor, encouraged disunity and diversity among the NGOs, crippling their ability to speak coherently in one voice (Nelson 1995:56-57). As the group declined, it also became increasingly bureaucratized into the Bank itself (Donini 1996, Ottaway 2001). So tame was it, that its position was usurped in the 1990s by the more vigorous, independent protest movements (O'Brien et al. 2000:29). Paul Nelson, a former member of the NGOWG, refers to it as "ineffective" (1996:611). In 2001, it was abolished.

Despite the collapse of the NGOWG, the NGOs around the Bank did not self-organize. At the time of this writing, the Bank is once again trying to build an NGO working committee, under the new title the "Joint Facilitation Committee" (JFC).¹⁵⁴ As with the 'Scholte process' at the Fund, JFC has kicked up a storm of controversy, as some

154

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20136378~menuPK:34457~pagePK:64003015~piPK:64003012~theSitePK:4607,00.html>.

NGOs reject it as an effort to co-opt their critique (Bretton Woods Project 2003:4, W1). The Bank exploits similar NGO divisions when it recruits Southern NGOs to counter-balance Northern NGO critics during IDA replenishment negotiations (Nelson 2002:146ff). As Nelson concludes (1995:135) concerning structural adjustment at the Bank, “NGOs present no recognizable positions on this or almost any other issue.”

The details of these disputes are less relevant than their demonstration of a continued unwillingness of NGOs around the Bank and Fund to aggregate their interests (B23). In doing so, they cede ground over the definition of ‘global civil society’ to IGOs and other more ‘unitary’ actors like states and MNCs (Gaventa 2001). O’Brien et al. (2000:58) note how the Bank can configure GCS to its liking, because of its constitutive influence on NGOs:

Confusing NGOs with ‘civil society’ is very convenient for the Bank; development NGOs are much more appealing interlocutors than trade unions or social movements, which tend to be more overtly political and with whom it is much more difficult to establish common institutional procedures and norms.

NGO disunity, as Nelson noticed in the NGO-Bank Committee meetings and as the IDA-10 dispute displayed, allows IGOs to split the community, play off its parts, and then either consult with ‘friendlies’ or ignore the NGOs altogether as too fractious and divided. As late as the Annual Meetings of 2004, an NGO interviewee admitted as much, saying, “The IFIs play a divide-and-rule game. They talk to the NGOs they find agreeable” (W35). Another (I8) noted the defensive benefits of “divide and rule: NGOs that feel accepted in the ‘inner circle’ have an incentive to not cross certain limits in challenging the Fund so as to remain within it.”

The Fund (2002:5) states this less harshly. “The IMF’s practice is to respond positively, resources permitting, to all requests from NGOs interested in engaging in constructive dialogue but to concentrate upon communications with NGOs having a leadership role.” Dawson and Bhatt (IMF/Dawson and Bhatt 2001:24) write of “the need to discriminate even more carefully in deciding which organizations to engage.” That this threatens cherry-picking preferred NGOs is noted in the 2003 staff guidelines on NGOs (sec. IV.C.2.b).

Donini (2001) notes that NGOs have an ideological distaste for hierarchy. Horizontal, loose structures that do not bind authoritatively are a part of the NGO

message. My interview research at both WSF IV and with NGO representatives at the Civil Society Dialogues bolsters that conclusion. The notion that NGOs should join a global organization with rules, leadership, dues, and the other accoutrements of association are broadly disdained (Nelson 1996:615).¹⁵⁵ “Organization implies the tendency to oligarchy” (Farazmand 2002d:113), and many NGOs seem themselves as Donini’s ‘free spirits’ with a democratic, anti-oligarchic message of empowerment. As such however, they clearly retard their own ability to contest better integrated actors in universally coherent and consistent ways.

6.3.3.3. “*Knowledge Gap*”

There is a serious “knowledge gap” (F10) between the BWI and the NGOs. B8 (similar B13, B14, B24) postulated “a broad technical deficiency among NGOs about the Bank,” and an external review of the IMF’s external relations strategy found “civil society...lacked an understanding of the IMF’s work” (IMF 2000:154). As noted above, a constant theme in the IMF’s discussion of its external relations is a desire to “better explain itself.” Dawson and Bhatt repeat this concern several times (IMF/Dawson and Bhatt 2001:3, 22, 24, 26); in their words, “IMF staff have also been struck by how ill-informed CSO criticisms of the IMF are, even at a basic level.”

My interviews in the BWI revealed the same. A constant criticism was the poor capacity of NGOs to engage (B4, F7, B8). In the words of B15, “We are not going to take up every crazy idea from these marginal think tanks around Washington. We are not necessarily going to change the way they want; we must make a judgment.” B17 said, “NGOs need to provide critiques based on empirical not anecdotal research. Where’s the

¹⁵⁵ So pronounced is the global coordination deficit among NGOs, that, despite my observer status at WSF IV, I asked about this topic at a workshop on “International NGO Federations” with some forty participants from India, Latin America, and Western Europe (cf. photograph 8 in Appendix D). The answers were striking for their cognitive dissonance: while admitting that my point was probably correct, none of the respondees said NGOs should build anything more than the most limited global interconnections. This, albeit anecdotal, story reinforces the contention made earlier that NGOs are rarely as integrated as even a TAN would suggest; ‘NGO community’ seems preferable.

rigor in NGO analysis?¹⁵⁶ F1 noted that NGOs frequently do not understand what the Fund does or what topics it covers.

So dire was this deficit perceived to be that the Bank actually has created programs to generate NGO capacity (through the WBI and DGF), despite the obvious possibility it may be enhancing future critics. At the 2004 Annual Meetings the head of a major INGO network openly said that “civil society has to shape up to engage the Bank.” Another NGO respondent (W13) wrote candidly of “capacity limitations on our part – maybe sometimes we feel that we are more totally right than we are!” An NGO sympathizer (citation repressed) within the Bank said, “This world is not bad because the Bank and Fund exist. NGOs create a straw man of the Bank and Fund to avoid the complexity of the developing world.” A second (B8) asked rhetorically, “do the NGOs know the Bank well enough to have realistic expectations?”

6.3.3.4. Declining Relevance After 9/11

The issue of relevance arose during the interviews. I increasingly began to notice that interviewees mentioned that they spent little time on NGOs. Even the point person of the IMF’s NGO outreach effort said s/he spent only 50% of his/her time on NGO issues. A staunch NGO proponent at the Bank (citation repressed), said similarly, that NGOs “are just not at the heart of the business of the Bank.” Another (B17) remarked, “NGOs are not unquestioned anymore.” In van Houten’s description of the activities of IMF staff, “outreach to civil society” gets a brief clause in an otherwise robust paragraph that essentially leaves little room for NGOs (IMF/van Houten 2002: 18):

The staff’s responsibilities focus on bilateral and multilateral surveillance, conducting periodic Article IV consultations with members, discussions with members on the use of IMF resources, the preparation of IMF policy papers, systemic and operational research, and technical assistance activities. The further broadening of the core tasks of the IMF in the 1990s in areas such as the soundness of financial institutions, standards and codes of good policy practices, structural reform, the integration of poor developing countries in the global economy, the pursuit of transparency, and outreach to civil society groups has required increases in personnel.

¹⁵⁶ This remark mirrors my own experience at the CSDs and WSF IV.

Several interviewees blamed this lower time commitment on 9/11. There was a general perception that 9/11 had changed the IFIs' attitudes toward the NGOs and protestors. Their importance was reduced.

In the 'External Relations' appendix of 2002 Annual Report (133), the Fund notes that 9/11 "dramatically changed the parameters of the debate on globalization and the role of the IMF. Street protests against the IMF and the World Bank were relatively muted." The window of IMF concern for NGOs, it suggests, was closing. That appendix, which is the site of the most sustained discussion of NGOs in the Fund annual reports, and the annual reports in general have given less space to NGOs since then. Gone are statements about "anti-Fund propaganda" or references to "Fifty Years is Enough." Bland references to outreach and the importance of discussion are common.

The NGOs have sensed this. One NGO staffer said to me, "We have lost so much power with the institutions because we make demands, they reject them, and then we come back and play again in two weeks." Similarly, at an NGO strategy session I attended, the participants agreed to reject an IFC consultation in protest, but were worried that this action would simply be ignored. And so it was. There was not mention in the mainstream Northern press in the following days (their primary concern). The IFC staff at the event were unshaken. B19 (similar F6) added, "NGOs have a minimal potential to threaten the Bank. If the NGOs walk away from the PRSP, no one will care."

The question of relevance is particularly acute given the near collapse of the antiglobalization movement in the wake of 9/11. For the first-time since 1988, there were no significant street demonstrations at the 2004 Annual Meetings. Neither labor nor the religious groups that provided the mass of walkers in the protests mobilize now. The hard core of leftist NGO activists simply does not provide the numbers necessary for an effective street presence. The insider-outsider strategy in which the radical antiglobalization movement opens space for the reformist NGOs has all but collapsed. B17 noted that "Most NGOs have not been able to reach the mainstream, and the antiglobalization movement has exploded."

Many of the NGOs I interviewed, especially Northern ones, lamented "consultation fatigue" (W1, W12, W35, I12, I25). Another (W8), from a rather moderate

NGO, said “one or two more of these meetings, and we’ll have to conclude that these institutions are beyond reform.” Yet threats to return to the streets are empty. No one, certainly not in the BWI, and even NGO staff in candid moments with me, saw much hope for a return to the high days of the street protests after Seattle and before 9/11. The BWI can (and do) play tougher as a result. At an NGO conference on the coming new presidency of the Bank, the NGOs seemed to recognize the futility of this. “Instead of banging our heads trying to talk to the Bank and Fund, we need to change public opinion. We need to do public education.”

6.3.3.5. Unending Advocacy

There is a growing sense within the Bank and Fund that NGOs represent a “moving target” (B25). B14 said, “There is a general resentment of NGOs within the institution. They are never really satisfied; they ask for the sky.” B20 said, “We are doing what they asked us to do, and we would like acknowledgement that we respond to their concerns promptly.” In Mallaby’s punchy language (2004b:55), the NGOs “do not have an off switch.” In many meetings, the thrust of the NGO criticism is that a given policy or program is ‘not good enough,’ which opens a path to unlimited advocacy and ever-receding goals.

Many expressed frustration that no matter what the Bank or Fund did, NGOs were unsatisfied. One (B10) spoke at length:

It serves their purpose to state things in the most dramatic way. There is more hyperbole, sloppiness, and lack of rigor than proper information from them, and conspiracy theories, where small events and decisions have conspiracies built around them. There is a visceral distrust of the institution by NGOs. They have a propensity to seize on a passing statement and say ‘gotcha’, and then start a campaign around it. NGOs try to raise so many regular objections to a project, that eventually the Bank may just drop it. There is a conscious NGO strategy to seize on off-hand remarks and use them as leverage, e.g. the EIR. Precious few people in the NGO community can distinguish between Bank research and official statements of policy. So there are some NGOs that we just don’t engage; they do not deal with us in good faith.

A few examples from the interviews elucidate this. NGOs have fought the Chad-Cameroon pipeline for several years, and their most recent line of attack is the generation of dust from the construction. Multiple Bank interviewees decried this to me as simply NGO overkill in an area of staggering poverty. A second ‘horror story’ is the effort by the

Bank to bring Coca-Cola to invest in the Balkans after the civil wars of the 1990s. Widely seen in the Bank as a rare victory for investment in a LICUS (low income country under stress) environment, it was derailed by NGOs criticism that soft drinks would increase obesity among Bosnians. A third includes the joint Bank-NGO Structural Adjustment Policy Review Initiative (SAPRI). Most Bank staff said the NGO side of SAPRI was run by exceedingly ideological Northern NGOs, willing even to expel some Southern NGOs from the network if they bargained with the Bank. B18 (similar B22) said, “The whole thing is way more adversarial than it needs to be, especially in Washington.”

While these stories may be exaggerated or embellished, they do provide an internal counterpoint of NGO overkill to the NGOs’ own litany of “bank-rolled disasters” (Fox and Brown 1998). This notion that NGOs criticize to criticize – “how else can they keep their jobs?” asked one Bank staffer (B15) – lead to suggestions that the institutions retrench from engaging NGOs. The same staffer stated strongly what many, both in the Bank and Fund, hinted at in the interviews, “INGO existence requires criticizing the Bank and IFIs. Bank-bashing is a way to make a living for Northern NGOs,” hence there is no “off-switch. Another (B20, similar B24) spoke of NGOs’ “willful denial. They won’t recognize changes sometimes.” Even the strongest Bank advocates of NGO engagement (citations repressed) noted their “waning influence” because they “need to learn to engage the Bank better.” While the larger, environmentally-focused NGOs were generally excused from this critique, most of the smaller development and human rights ‘bank-watchers’ and think-tanks were criticized for extremist, repetitive, and simplistic analyses.

NGO leaders are trapped in a two-level game between their memberships and traditional audiences, and the staff of the BWI. This bind is gradually reducing their lobbying effectiveness at the BWI and encouraging a staff backlash. F3 noted that NGOs must often posture to their audiences, even as they engage the IMF, and even though earlier criticisms may no longer be true. “Why do they criticize us so frequently, even in joint fora?” (similar B12, B18, B20; IMF/Dawson and Bhatt 2001:22).

One of the unexpected qualitative findings is an incipient staff backlash against such behavior (or a ‘staff pushback’ in BWI-speak). In discussion, frustration over the ‘moving target’ often preceded remarks about retrenchment, particularly after Wolfensohn steps down as Bank president. And this resentment is not only limited to anonymous interviews. At the Spring Meetings of 2003, one BWI staffer said that “NGOs seem to dislike conditionality except when they do like the conditions” (such as social or environmental safeguards). At the Annual Meetings of 2004, another remarked that NGOs dislike processes that are very mechanical – like HIPC targets – but then criticize the BWI for making judgments; he concluded by saying, with noticeable fastidiousness, “the Bank reserves the right to make judgments on lending to certain countries.” Again there is no definitive print data to support this, but the increasing willingness of the Bank and Fund to respond sharply to perceived unfair NGO critiques suggests a hardening of BWI willingness to engage when it seems unable to bring a reduction in the level of external NGO criticism.¹⁵⁷ Many interviewees (B4, B15) suggested the Bank and Fund should make a greater fuss over legitimacy while avoiding firm rules on it. So long as NGO legitimacy benchmarks are vague, the Bank can avoid official recognition, and critical NGOs can be more easily sidelined (WB forthcoming [2005]:19-20).

¹⁵⁷ In 2004 alone, there have been several indicators of low BWI willingness to put up with perceived NGO intransigence. At the Bank, there has been a nasty back-and-forth with NGOs over the EIR, and safeguards policy at the IFC (“Fifty Years is Enough,” email listserve, January 21, 2005). Similarly, the Fund recently wrote a strongly worded rejection of an NGO critique of the Fund on HIV, as well as a sharp critique of the antiglobalization movement. This last was all the more notable because the antiglobalization has all but dried up. The sharp divide over the EIR was discussed with me by both NGO and Bank interviewees with clear frustration and occasional profanity. One Bank staffer said with exasperation at one of the many EIR meetings, “Look, we are open to continuing this three-and-a-half year process, but we have to get this done.” On the split over safeguards, I attended an IFC meeting where an NGO statement rejecting the review was read while IFC representatives looked on stonily. Where the IFC might previously have reached out, relations with Washington-based NGOs are now sour enough, that the IFC provided no discussion. (For the NGO take on the fall-out with the IFC, cf. http://www.bicusa.org/bicusa/issues/international_finance_corporation/1640.php. For the Fund’s response to NGOs over HIV, cf. <http://www.imf.org/external/np/vc/2004/093004.htm>. For the critique of the antiglobalization movement, cf. Krueger [April 15, 2004]. For a recent IMF retort to an NGO criticism, cf. <http://www.imf.org/external/np/vc/2004/121504a.htm>.)

6.3.3.6. *Deep Neoliberal Consensus at BWI*

There is, as is frequently pointed out (O'Brien et al. 2000:ch. 5; Martin 2000; Stiglitz 2002; Miller-Adams 1999), a strong neoliberal consensus not just within the BWI, but including academic economists and political scientists, Western think-tanks and conservative parties, and the for-profit sector broadly speaking. Overbeek (1993) goes so far as to refer to this as the "hegemony of transnational neo-liberalism." This consensus, often referred to as the "Washington Consensus," acts as a significant intellectual roadblock to cooperation with many reformist NGOs, and nearly rules out any engagement with the radicals of the anti-globalization movement. Indeed, it is probably no overstatement that BWI economists find NGOs demanding 1970s-style welfarism or openly socialist economic recommendations rather behind the times. In the words of B13, "There is a clear link from private investment to growth to development to poverty reduction," or the Fund's 2000 (59) Annual Report, "Accelerated growth is necessary to make continuing progress in reducing poverty."

As the Fund is the policy-setting leader of the two (B25, I23), I concentrate on it. The IMF's own retrospective work has continually reinforced its commitment to structural adjustment by finding that economies which take its advice perform better (IMF 1997; 1998a:69-73; 1998b; Ravallion and Chen 2004:19; Kose, Prasad, and Terrones 2004). The Fund's annual reports exude an almost blithe assumption that its policy prescriptions are correct. They refer to the purpose of its external relations department as "promoting understanding of the need for sound macroeconomic policies and best practices" (1999:177; similar 1998:154). Indicative of the deep neoliberal consensus (or arrogance, to the NGOs) is the almost condescending reference to deviations by countries from Fund preferences as "policy slippages" (2000:14; 1998:29, 52, 61, 69; 2002:21; 51, 70; 2003:83).

The NGOs are quite aware of this policy surety at the Fund. I14 (similar I16, I21, I29) listed the NGOs' most important goal as "the elimination of the 'gatekeeper' role – the IMF's unofficial, but very effective power to blackball countries from international credit if determined to be 'off-track.'" As one BWI interviewee (citation repressed) put it, "IMF documents are written for Board, not general consumption. But staff are willing to

speak to NGOs and set them straight.” Similarly, in prose that contains inadvertent, deadpan irony and suggests the arrogance NGOs suspect, the Fund wrote, summing up a conference - to which NGOs were not invited, that “the net balance of benefits and costs is, on the whole, perceived to be on the side of remaining open rather than retreating into autarky” (IMF 2000:43). Clearly no NGO would seriously accept that the Fund actually considered and researched autarky as a realistic policy alternative; as one interviewee (F7) put it, “we will never become a socialist institution.” The Fund’s main policy setting section is the Policy Development and Review Department, or PDR; a running joke, both within the Fund and among the NGOs, is that PDR actually means the ‘Police of Doctrine and Religion.’

The Fund admits to the formalism of member choice – “while recognizing a member’s prerogative to choose its own [exchange rate] regime,” or “PRSPs...should strengthen the authorities’ and public’s sense of ownership of the policies” (2000:31, 56) – but its neoliberal preferences, even against the wishes of its sovereign members, are fairly clear throughout the annual reports and its other material (2000:56; 2002:44). Deviations from prescriptions are “policy slippages.” Technical assistance to the membership is not provided unless the requesting state ascribes and commits beforehand to IMF policy prescriptions, even though “country ownership” of the assistance is explicitly sought (2000:88). There is a “need for linking IMF technical assistance to institutional priorities” and “to better align technical assistance with policy priorities” (2002:71; 2003:47; 2004:55).

Numerous interviewees from both the BWI and NGO communities (especially at the Fund) attributed this strong consensus to a continuing lack of alternatives. Many interviewees said the NGOs presented no real alternative, only anecdotal marginal emendations (B10, F7). The so-called ‘post Washington Consensus’ is derided as the Washington Consensus plus social and environmental concerns. B10 said, “The move to a post-Washington Consensus, focusing on the microeconomic climate for investment, is because so many states have done well by the Washington Consensus.” After four years of World Social Fora, it too has produced no credible alternative.¹⁵⁸ As one IMF

¹⁵⁸ Sympathetic academics are working on this. Cf. Held (2004).

economist put it to me with visible disbelief (citation repressed), “There is just no way we are going to agree to double-digit inflation targets; that’s crazy.” The Fund’s work frequently speaks of an “international consensus” on such basic neoliberal or Washington Consensus topics as inflation, trade, and stabilization (2000:59, 82; 2002:55), debt sustainability (2003:23), or policy conditionality (IMF/Dawson and Bhatt 2001:12, 22).

6.4. Unanticipated Qualitative Findings

In the course of the empirical work, several themes resurfaced in the interviews and participant observation. They do not fit the research design well, but nonetheless deserve mention, because they buttress the conclusions of Chapters 4 and 5.

6.4.1. Unwelcome NGO Unit

About one-third of my Bank interviews tagged CST as internal allies for the NGOs and suggested this was deleterious for the Bank. The CODE response to the OED evaluation of NGOs in Bank projects also found low general staff acceptance of NGO-related staff (WB/OED 1999:59). B15 said, “CST wouldn’t exist if it weren’t for Northern advocacy NGOs. They create work for each other, and their product is measured in the number of meetings they have. They are internal advocates.” B12, lamenting another layer of Bank bureaucracy, said, “If there are 120 civil society people in Bank, it is appalling that it is so high... CST’s inability to distinguish among NGOs is pathetic.” B24 noted that “CST is more external affairs than analytical. They do information-sharing, outreach, coordination, but don’t actually create a product.” Many interviewees noted, with varying levels of enthusiasm, that the NGO staff frequently came from the NGO community. B8 estimated that approximately 100 Bank staff have an NGO background.

NGOs too have perceived that the Bank’s NGO staff is unpopular (W6, W9, W15, W16, W26). In the words of one (W6), the “Bank is still fleshing out what CST is to do.” Another (W15) wrote that, “NGO staff aren’t taken seriously.”

I did not encounter this phenomenon at the Fund.

6.4.2. Staff Backlash

6.4.2.1. Excessive NGO Presence

About half my Bank interviewees thought the NGOs were too present in the institution. In a widely mirrored comment, B20 noted that “NGOs have lots of access to staff, but always want to reach very high; NGOs don’t exploit more middling access. This is leading to a contraction of access.” The most colorful remarks in my interviews occurred on this topic. One staffer (B14) said that “They are so omnipresent in the building that we sometimes mistake them for staff.” B12: “Staff try to steer clear of the advocacy NGOs as troublesome, a horde of overlapping and cross-cutting groups.” Three staffers, in unrelated interviews, referred to the NGO community as a “monster” or “beast”: “We feed the beast by reaching out too much.” “We’ve created the monster, so now we must feed it candy.” “People at IFC are scared of NGOs as monsters that create trouble” (citations repressed).

Many disliked what they perceived to be a conscious NGO strategy to play parts of the Bank off against each other. NGO-friendly offices were frequently identified as the president’s office and parts of EESD and EXT, while NGO-resistant departments were OPCS and the country departments. One interviewee (B15) said “It is unhealthy to have the NGOs inserting themselves into the institution’s governance.” Another (B18) said, “NGOs are trying drive a wedge between Wolfensohn and the management.” B14 spoke of an “NGO cult,” and another (B19) suggested there was a “political correctness” in the institution concerning NGOs: “There are some things you cannot say here anymore. We are not allowed to question the relevance of NGOs because of clear signals from management to staff.”

There is a corresponding perception that NGOs lack professionalism. B18 noted that NGOs take on far too much: “NGOs try to act as police, judge, friend, journalist and independent evaluator at the same time.” Frequently I heard complaints about the quality of their analysis, the demeanor of their staff (“interns in bluejeans”), a willingness to distort or even lie, topped by a strong desire to play to the media to damage the BWI and generate higher profile for themselves. Sloppy, anecdotal research was a common complaint (B17, B25). Many noted that NGOs sent interns or junior staff to meet with

BWI senior staff, and consistently demanded to see only senior managers (B18, B20, B21, B23, B26). Others spoke of the NGOs as participants in the local “theater of Washington politics” (B20, similar B10, B21, B22, F6) who distorted in order to obtain media coverage.

On dialogue, many were frustrated that it is so acrimonious and diffuse (B24, B25). “The dialogue could be less painful,” said B24. B25 (similar B29) found “The quality of inputs tends to be unidimensional. The NGOs focus on one issue to the exclusion of others. We have to balance debt relief, environment, social development, etc. NGOs don’t like to recognize trade-offs.” Another (citation repressed) said dialogue with Northern NGOs “is completely useless, a fucking waste of time.” B17, generally quite sympathetic to NGOs, summarized these issues at length:

NGOs are not unquestioned anymore. They are becoming an impediment to development, because they are so proscriptive. They want very clear, strict rules. When real country ownership occurs, they don’t like it because they lose all influence over us and governments. Conditionality and IFI safeguards give NGOs some control over development. NGOs want more structure and rigidity, not less, and lots of conditionality in preferred areas, like labor, social issues, and the environment, but not on economics and finance. NGOs have more leverage on a project with the Bank involved in it, than just on private sector or governments. NGOs *want* the Bank involved in projects; it insures better safeguards and leverage for them. Bank attention has given the NGOs credibility, more than they deserve.

Others too had begun to notice that NGOs now increasingly want the Bank and Fund involved in programs, because it creates leverage for them (B8, B12, B13).

Questions about just what NGOs represent also continue. B16 noted “the recent backlash against NGOs because of they overreach on claiming representation.” Approximately half of my interviewees wanted the Bank to go around INGOs and Northern NGOs altogether, sensing that local CSOs were more legitimate and less critical (the ‘legitimacy gap’). Very common was something like the following: “We don’t need an intermediary (INGOs), a channel, to local people” (B21) or “INGOs are being cut out of the loop by parsing NGOs between advocacy and operational” (B20).

Pushback at the Fund is more limited; NGO penetration is shallower. The Fund appears more concerned that NGOs do not know what they are saying about the IMF. F4 put it trenchantly: “NGOs can frequently be quite naïve.” Nevertheless, greater concern is rising. There have been suggestions to limit the Article IV surveillance missions only to core financial areas and to ensure “shorter, leaner, more focused visits” (IMF 2000:28-

29). As mentioned, an evaluation (IMF September 14, 1999:41) found strong staff support for that narrowing. Several also noted how the Fund had stealthily advanced an NGO-sympathetic agenda of democratization and good governance under the rubric of technical assistance: “The NGOs should be grateful, but are not” (F1).

The dominant issue however is the two-level game problem of NGOs - that NGOs say one thing to the Fund and something else in the street, to their members, or to the media. Dawson and Bhatt (IMF/Dawson and Bhatt 2001:21, 22) have noted that

Many IMF staff have been frustrated with what they regard as unproductive discussions with some CSOs who simply lobby for a fixed set of outcomes... In other cases, where constructive dialogue appears to take place in private, and campaigners acknowledge that positive shifts are taking place within the IMF, in public the same individuals only criticize the institution.

They conclude (24) with the inadvertently sharp line, “dialogue is good, but informed dialogue is better.” F5 went on at length:

NGOs take tactical positions to embarrass the Fund; they keep making the same critiques of policies even after the Fund has changed the policies. This is necessary for credibility in the NGO community. NGOs get some leverage from their analyses, but much more from the media and being loud. NGOs had a constructive role in framing the Doha trade round as a question of North-South fairness. But they are too committed to seeing trade like this. They overlook the worse South-South protectionism and bad governance, because this threatens the South’s status as a victim. So the NGOs have tried to vigorously to bring down the Doha round.

F3 and F6 provided similar critiques.

One theme shared among both institutions was a growing resentment at the “transparency no matter what” approach of NGOs (B13). Many thought transparency had gone too far. In the words of B27, too many Bank documents now are written for public consumption. It is difficult to have sensitive and trenchant information in public documents. The CAS is now “boilerplate.” B18 sought a rollback on transparency because “NGOs will leak everything, and distortion is frequent. It frightens me how often it seems to occur.” Excessive transparency also constrains projects and policies that may require sensitive negotiation or simply some internal consensus before details are made public (B13).

At the Fund, van Houten (IMF/van Houten 2002:60) concurs that transparency at the Fund may reduce candor, and the Fund’s annual reports (2000:31; 2003:23; 2004:66) increasingly speak of “the potential trade-offs between transparency and candor” (also

IMF/Dawson and Bhatt 2001:19). “Transparency,” according to the Fund (2003:55), is not an end in itself.”

Finally, the BWI-NGO acrimony was obvious in that about 25% of BWI interviewees used profanity to describe NGOs to me in the interviews.¹⁵⁹ None of those who did knew me previously, and the average interview was conducted in a professional setting in less than two hours.

Increasingly the NGO seem to have picked up on this general pushback. Across the three CSDs, I attended, this was a growing issue. An NGO activist said she saw this as well, particularly against Northern NGOs (October 2004). Several NGOs noted a “growing pushback against NGOs and civil society under the rubric of being client driven” (W37, also W1, W6, W24).

6.4.2.2. Retrenchment after Wolfensohn?

About 25% of Bank interviewees are looking forward to a change in presidency on the issue of NGOs. Almost every interviewee mentioned President Wolfensohn’s predilection for NGOs. “We are not allowed to question the relevance of NGOs because of clear signals to the staff. NGO concerns may remain as a functional annex, even if Wolfensohn’s successor is less friendly to NGOs” (B19). “80% of staff think NGOs have too much access to Wolfensohn” (B24). “The simple explanation for this over-attention is Wolfensohn” (B12). “There is too much influence for NGOs which starts at the top with Wolfensohn. He has his NGO buddies that he plays golf with and eats lunch with. He cozies up to them and this creates pressure on staff to follow. There are frequent conflicts between Wolfensohn’s preferences and the policies of the Operational Manual” (citation repressed). Hence, many wondered aloud (hoped?) in the interviews if Wolfensohn’s departure would bring a major rollback (B9, B25). Ironically, both interviewees from the Bank (B14, B18) and the NGO (W6, W9) community found he had a predilection for positive media coverage that NGOs could exploit.¹⁶⁰

¹⁵⁹ To be fair, the percentage was probably even higher among NGO staff, especially in private, unguarded conversation.

¹⁶⁰ Interviewees from both sides purported to Wolfensohn a desire to win a Nobel peace prize and that negative NGO publicity would undermine that effort.

6.4.3. Process

A sharp point of contention between the NGOs and the BWI is the different emphases on process and substance. It reflects the larger divide sketched here between understanding the BWI as simple “intergovernmental coordinating bodies” (Trevor Manuel, September 30, 2004 at Annual Meetings; B15), or as more robust, complex GG agencies.

The NGOs are very process oriented, both among themselves and in their engagement with the BWI. Legitimacy of outcomes from the Bank and Fund is less controversial if there are, e.g., consultative processes or safeguards, to insure rules that can be seen, criticized, enforced. Several BWI staff noted this, and the IMF’s 2003 staff guidelines on NGOs devote several pages to handling the proceduralist predilections of NGOs (Annex). IFC and CST staff particularly stressed an intense proceduralism and legalism characterizing their relations with NGOs. Said one (citation repressed), “NGOs are not satisfied unless they are in the room, holding the pen; they are too process- and not outcome-oriented enough.” Said another (citation repressed), “The Bank is dominated by a US political mentality, and that mentality is to embrace many interests. Hence the NGOs receive a hearing at the Bank.”

This explains the strong NGO push for the Inspection Panel at the Bank and the IEO at the Fund, as well their enormous interest in the exact wording of the Bank’s Operational Manual (Welch and Wood 1998; Clark, Fox and Treakle 2003). The NGOs, coming from a democratic culture of accountability, stress process legitimacy. Contentious outcomes decline where there are rules of action agreed to by all beforehand. The NGO vision of the IFIs as GG agencies with lines of accountability exceeding simply the Board suggests this formalization.

The BWI have become quite aware of this legalistic, process-driven strategy and reject it. In a characteristic response, B20 said “There is no veto power, even for local CSOs. It would complicate things too much. NGO input does not need to be formalized like this.” B15 said, “Impact should only be required where it is useful or makes sense, but it shouldn’t be mandated, or all these Northern fanatics will take us to the IP.” B26

said, “The Bank cannot formally endorse rights-based lending; it could paralyze the institution through litigation.”

Instead, the BWI are increasingly results or substance focused. The Bank speaks of its “results agenda” (WB 2003a:46; B27), as does the Fund (IMF August 2001:48; 2002:47, 49). The results-based approach seems to be a response to the mission-creep growing around the institutions, and NGO legalism. Interviewees from the Bank particularly spoke of a “process fixation” of NGOs (B10, B15, uncoded staffer). In the words of one (B18), “it’s as if the NGOs feel entitled to attend every meeting and see the entire process work itself out.” For many years, the BWI operated in a fairly isolated intergovernmental atmosphere where accountability ran to state governments which took at best uneven and sporadic interest in the specifics of internal behavior. The formalistic, process demands of the NGOs are internally contentious.

6.4.4. Board Level Split

This was covered in the discussions under H1, but the frequency of its discussion in the interviews and participant observation was striking. So many interviewees and survey respondents suggested that the IMF and Bank Boards were split over NGOs that I began to work that notion into my regular questioning in participant observation. There seemed to be wide consensus that a split between Part I and II states over NGOs, particularly in the Bank, created room for institutional autonomy on the NGO question.

6.4.5. Deep BWI-NGO Split

The divide between the BWI and the NGOs is far deeper than the former admit. As I noted above, there was a surprising level of profanity in interviews and conversation from both sides. This stood in stark contrast to the pleasantries at the CSDs. The CSDs are filled with boilerplate like 'this is moving the ball forward,' 'we've made good progress today,' or 'its important to hear all sides.' Yet over time, this felt increasingly faked and forced. So noticeable was the distrust from both sides, that I was repeatedly

asked what interviewees from the “other side” had said. My interest in and alleged neutrality on this topic created distrust.

Interviewees on both sides were suspicious of me. One NGO staffer accused me of “being a tool of the IMF;” another said “we have given you a lot of access, and now we want to know what you are thinking” (citations repressed). On the BWI side, one BWI interviewee (citation repressed) told me after the formal interview that the real answers to my questions were less favorable than what s/he had just told me. Another (citation repressed) noticeably stiffened after I was introduced to her/him as the “NGO guy.” A third asked if I was writing “another anti-IMF screed” (citation repressed).

So fraught was the research environment, that one informant (citation repressed) suggested I might become a “pipeline” through which the NGOs and the BWI might communicate. So frequently did BWI interviewees allege that NGOs distorted the institutions’ work, that I began to ask in subsequent interviews if NGOs purposefully lied. A surprising number (around ten out of thirty-nine) agreed that they can be “downright mischievous” (citation repressed). The gist of the following remark was common (citation repressed):

We are trying to get the NGOs to speak better of us, and they do not. Sometimes they distort and even lie. This is creating a backlash within the Bank, which provides an excuse for those who never wanted to work with the NGOs to begin with. NGOs take up too much staff time. There is a deep distrust of the Bank by NGOs; often the assumption is that we are lying through our teeth from the start.

The general atmosphere of “anger and paranoia” that Miller-Adams noted (1999:150, fn.3; cf. also Pincus and Winters 2002:ix) was apparent.

The Bank particularly has been keen to argue that NGOs are much happier with the institution than my participant observation suggested (1988:76; 1995:45; B4, B8). B26 said, “The NGOs and Bank share a common goal – poverty reduction; they see us as a friend and ally.” But this is forced. The move to consultation with NGOs under Wolfensohn raised expectations, especially at the Bank, but movement has been slow and hesitant. The Bank especially has a tendency to term almost any engagement with NGOs ‘partnership,’ ‘collaboration’ or ‘working together.’ Raised expectations have not been met, and this has bred cynicism (Malena 2000:30; WB/OED 1999; B6, B8, 115).

The Fund ‘spins’ as well, although less anxiously and forcedly. In the 1997 Annual Report (188), the Fund optimistically asserts that understanding of the Fund is increasing among NGOs. Van Houten speaks of a “productive relationship,” and suggests NGOs “increasingly accept the validity of the IMF’s policy approach to fostering sustainable growth and the importance for members, especially the poorest, of price stability and fiscal discipline” (IMF/van Houten 2002:56, 58). Dawson and Bhatt mirror the sentiment that “CSOs accept that economic growth is necessary (though not sufficient) for poverty reduction, that macroeconomic discipline and market-oriented policies help to generate sustained growth, and that financial assistance must be accompanied by policy conditions” (IMF/Dawson and Bhatt:12, also 21). This is similar to the Fund’s contention of an “international consensus” on neoliberalism, in order to postulate that NGOs have no serious policy alternatives (Chapter 6.3.3.6).

While that consensus may in fact exist (Bhagwati 2004; Wolf 2004; Legrain 2004), it certainly does not exist among the NGOs surveyed here. I witnessed nothing to support assertions that NGOs have come around to BWI preferences.¹⁶¹ Rather, the attribution of false consensus to NGOs by the BWI seems an effort to paper over the reality of a deep rift between the two camps. And van Houten, Dawson and Bhatt do tacitly take a step back to note “the regrettable degree of mistrust and lack of understanding of the IMF in many civil society groups” (IMF/van Houten 2002:56, 58; IMF/Dawson and Bhatt 2001:3, 22).

Similarly, the CSDs are becoming repetitive, and most interviewees, on both sides, have spoken to me of ‘consultation fatigue’ (IMF/EXR 2003:96). Many on both sides noted that consultations seriously overraised expectations among NGOs – for policy and project impact, as well as legitimacy within the institution. Hence the fatigue. B19 said, in a commonly heard line, “discourse with NGOs is far ahead of the practice.” Specifically, both the survey respondents and participant observation raised a string of high-profile setbacks – SAPRI, WCD, EIR, and now the safeguards revision process at IFC – which have soured NGOs on continuing consultation. One respondent (W35) wrote:

¹⁶¹ In fact, there is an explicit counter-effort to build alternatives (Held 2004; Sklair 2002).

My greatest disappointment (by now) was the way the Bank and esp. the Executive Directors handled all the input from a long and in-depth consultation process on the new forest policy. They simply pushed aside almost all recommendations. Many EDs (like the German) didn't have the stomach to say NO. Instead they 'achieved' some additional clauses which have no effect on the ground. This can be seen as an example how things work at the Bank. Without a high tolerance for frustration it is almost impossible to be an NGO campaigner and to engage the Bank (or any other institution).

Bouts of severe pessimism among NGO respondents were common. In private conversation, many were despondent on just how much their work had achieved. Many survey respondents (W10, I9, I15) bluntly wrote that NGO pressure has no impact on the Bank or Fund. As I15 put it, "I don't actually know that NGO pressure has impacted the Fund. By and large, the Fund is better known for its NON-engagement with NGOs." Two others (uncoded) refused to even bother with my survey because "They [the BWI] have become perpetrators in certain areas (human rights, social justice, environment, etc.)... We will not wait for a polite invitation to join in a 'dialogue,' we must act on behalf of affected communities immediately." A third, rather well-known NGO critic (W15; similar W5, W14, I1, I12) went so far as to say, "The declared goal [of the BWI] is development, but everyone knows that's not true. It's a farce. In the Cold War, their mission was to help the United States. Now they are collection agencies." The NGOs seem to be deliberating whether to pull out altogether (B2, B9, W8, W14, I12) from consultation. Others spoke of the necessity to limit expectations. I8 wrote: "I usually have kept my expectations very low so I'm not sure I ever got disappointed." I15 said, we have "no disappointments, since we don't expect anything from engagements with them." I14 wrote, "it's hard to be disappointed by something like the Fund."

6.4.6. Misplaced Advocacy

There is a deep BWI perception that NGO protest is misplaced. Approximately two-thirds of my interviewees thought that NGOs improperly targeted the BWI. Many suggested that the real target for NGO advocacy should be the national governments of the Board (also IMF/Dawson and Bhatt 2001:25). B8, in what was frequently echoed (B10, B23), said that "NGOs need to go to their own governments for real long-term change – their expectations are too high for unilateral Bank change. NGOs think that

change at the Bank is just a question of political will; they don't accept that issues are complex, with a lot of government involvement." B17 suggested, "They are trying to force a development model onto the South that they cannot achieve in their own countries. They can't get access to their own governments, so they come to us with the mistaken impression that we can force governments to do things. NGOs really should go to their governments." B23 said similarly, "NGOs waste a lot of time targeting the Bank, when they should be criticizing the national legislatures. Left-leaning NGOs will more easily get a hearing from us than from the national governments, so they protest us." To many, the Bank is what B12 referred to as a "pseudo-political arena" for the NGOs. Meanwhile the Fund has been extremely cautious to avoid being pulled into new areas (like the environment) by NGOs.

This response fits with the technocratic self-understanding of the Bank that Nelson identified. But it also demonstrates the forgiving political opportunity structure of the Bank (and the Fund less so). Even though the BWI more technocratic than political, NGOs nonetheless are pushing to politicize them (the point of H4), because of accessibility. As almost all of my NGO informants admitted that they stand a far better chance with the Bank and Fund than with governments.¹⁶² Indeed, only one NGO representative (W1) across all the meetings, interviews, and surveys, suggested that "The NGOs need to begin protesting at the US Treasury." Most confided that such an effort would be futile.

6.5. Questions for Future Research

Although the research began in the state-centric frame, it quickly became apparent that the BWI make most of their decisions regarding NGOs on their own. That is, they exercise considerable discretion. This prompted the use of a non-IR body of literature – organizational theory. If we accept complex multilateralism or other pluralist paradigms of world politics (O'Brien et al. 2000), it seems our institutionalist work may need a more organizational bent. So long as IGOs are not wholly prey to great power politics, whether

¹⁶² A point not lost on the BWI (IMF/Dawson and Bhatt 2001:25; B10; B12).

by neglect or insouciance, then in-house, as well as environmental, variables will require analysis. The following are further questions in that vein.

6.5.1. Refining the Research Design

How might my indicators and hypotheses be improved for wider case analysis?

Cross-institutional analyses of IGOs' responses to NGOs need cross-institutional indicators. The measurement indicators and causal hypotheses presented here require demonstrated validity and reliability for generic use across of a field of IGOs. Too much of the IGO-NGO literature begins from NGOs, not from their targets, or selects on the dependent variable of NGO success. Scholars of the organizational targets of NGO campaigns – IGOs and MNCs usually - need to enter this debate if the study of NGOs is not to be an introverted sub-literature of IR.

The 'measurement study' or 'plausibility probe' portion of the dissertation was a mixed success. As the Bank likes to say, "NGO impact is difficult to assess" (WB/OED 1999:3). There are several issues that hurt the data collection.

6.5.1.1. Interrelation of H1 and H2

It may not be possible to pull apart H1 from H2. In doing so, I had hoped to suggest that states and NGOs approach the BWI with different goals and strategies. I foresaw that NGOs would pose a different manner of challenge – reputational and intellectual – than states' simpler perception of national interest. But it became increasingly apparent, especially when engaging the NGOs, that they sought to change states' opinions in order to bring pressure on the BWI. The boomerang model of Keck and Sikkink (1998) is an apt description of what many NGO representatives told me. H2 is more correct at both BWI than H1, as the data suggest. However, the NGOs' threat potential (H2) was much greater when they could sway states behind them, or align H1 and H2. I did not fully anticipate this crossover.

6.5.1.2. I3 More Powerful than I6?

The impact of NGOs on specific programs (loans and projects; I3) may be a more significant marker of impact than their impact on policy (I6). At least two NGOs spoke of this explicitly (W9, W32), and many others, both in the BWI and in the NGO community, suggested that. Others (I7, I28) noted a gap between rhetoric or policy and action. The quantitative scores the Fund received, which should show a decline from I3 to I6 (Table 4), reinforce this possibility. I may have put the cart before the horse by suggesting the actions (I3) would shift before the formal policy (I6).

6.5.1.3. Complexity of I6

I6 may be too simplistic. I began from a basic division between practices (I3) and policies (I6). Yet it quickly became apparent that the BWI had both sector policies or strategies (forests, indigenous peoples, debt relief) that were divisible from the larger policy paradigm of the Washington Consensus. NGOs have had mixed success impacting the first, but almost none affecting the latter. One NGO respondent (W26), we have “frayed 5-7% of the neoliberal consensus.” Question 6 should be nuanced to include both sector specific policies and larger paradigms.

6.5.1.4. Improve the Wording of Questions 5 (I5) and 10 (H4)

In the interviews, I often perceived a necessity to explain questions 5 (I5) and 10 (H4). Approximately one in every four interviewees criticized the wording of the question – some of them quite sharply. This suggests two interpretations. First, there is the possibility of a design flaw - that the questions were poorly written. This seems particularly the case for question 5. At the time of the writing, I was unaware of how contested the term ‘legitimacy’ would be within the BWI and the NGO community. Many interviewees suggested that NGOs might be legitimate because of their expertise. As a political scientist, with a fairly narrow sense of legitimacy based in representation and political obligation, I was unprepared for these objections. Of the many re-writes for question 5, B25’s stood out: “Do you consult with NGOs because they are legitimate

representatives, or because they are potentially valuable for development effectiveness?” I have tried to include that more precise language in my own re-write of the questionnaire (Appendix G).

The second alternative explanation is that the contested nature of NGO legitimacy itself raised the problem. This is the more likely answer because both contested questions reliably centered on the same topic – NGO legitimacy. Question 5 correlates to I5 and question 10 to H4; discussion on these issues was always the longest in the interviews. Hence it seems likely that any phrasing of the questions on this controversial topic would have raised hackles. Nevertheless, both questions should be revisited and improved.

6.5.1.5. Increase the Complexity of the Questions

The questions were pre-tested. I emailed them to acquaintances within both the BWI and NGO community, as well as to my academic committee. They were kept short and general in order to improve the response rate. The cost of that reduced length however was some ambiguity and conceptual fuzziness. Further, many informants found the questions too bland, and some thought the questions misunderstood the nature of the institutions or NGOs. One NGO recipient refused to answer the survey because my questions “demonstrated that I did not know what I was talking about.”

Some of this I accept as part of my own learning process about the institutions. But there was also a conscious decision to keep the questions general and short because so many of the survey recipients were non-anglophones. Highly technical jargon in a foreign language would have driven down the Southern response rate to the survey. Insuring Southern participation is valuable both to the NGOs and the BWI in their own practice. Here too it brings balance and value worth the cost of some vagueness. Other recipients wished to parse NGOs in the question into Northern vs. Southern, or operational vs. advocacy. It is unclear if this helpful. Since at least 1998, the Bank has argued that these divisions are artificial (WB/NGO Unit August 11, 1998). Nevertheless I am pleased that 80% of the questions were received with little ado, and that the controversial two (questions 5 and 10) were only disputed by a minority of respondees.

Ideally, the questionnaire/survey instrument needs tighter, focused questions. There should be a -5 to +5 scale. 1-5 was too narrow; many informants wanted to give answers between the values (e.g., 2.5). A distinction among NGOs between Washington-based advocacy NGOs and CSOs may have been useful. A future, longer survey incorporating these concerns might look like appendix G.

6.5.2. *Threat of NGO Co-optation*

Does NGO involvement in IGOs co-opt them or provide them with a concrete opportunity for influence? Stated in its most dramatic form, O'Brien et al. (2000:208) ask: "Is it possible to engage with the MEIs in the hope that they can be reformed or are they so beholden to exploitative global capitalist interests that they must be dismantled?"

It means little to suggest that NGOs have been brought into the BWI if in doing so they adopt the BWI's postures on policy or implementation. Miller-Adams refers to cooptation as a "buffering strategy" for an organization to shield its "core technologies" from hostile external critics (1999:17, 74); she argues that this characterizes the Bank's relationship with NGOs. Many other make similar arguments (Donini 1996; Ottaway 2001; Nelson 1995:46, 49-51; Fox and Brown 1998:491; O'Brien et al. 2000:121).

BWI staff were aware of this dilemma, but few had much sympathy for critics whom they frequently perceive as exaggerated. B5 suggested that "the lesson of the environmental advocacy [of NGOs in the 1980s] is that if we take a proactive stance, then we can shape the agenda. If we wait until it explodes into a larger political scandal, then we are under great pressure." Some cooptation is a part engagement; otherwise the NGOs risk the BWI ire of the two-level game – where they speak in one way at the CSDs and another to their memberships.

Almost all the NGOs interviewed directly expressed fear of this. The NGO strategy sessions I observed were fraught with this debate. Comments like the following (W35 *sic*) were common:

Big players like WWF, IUCN, CI etc. who are more 'conservative,' only confront the Bank if they have no other choice. They sometimes cooperate with the Bank in special projects and are endangered to greenwash the Bank. Smaller NGOs are different in their approach but are also split between "radicals" and "lobbyists", Northerners and Southerners.

“Civil society,” according to W14, “had become overinstitutionalized and overbureaucratized by engagement with the World Bank.” A recurrent interjection in these sorts of meetings, after a lengthy discussion along those lines, was to retain a protest posture as well: “Look at what engagement-oriented NGOs give up if they agree to cooperate with the IMF” (I14).

One respondent (W18) provided the basic dilemma:

By engaging uncritically in Bank-designed and -controlled forums, they have undermined the demands by movements and affected communities for fundamental change in Bank policies and the way the Bank does business. Also, many NGO-led campaigns for reform do not challenge the Bank fundamentally; by focusing all their energies to make this or that policy better, NGOs can lose sight of the larger issue: the Bank will not change its policies and operations to suit the priorities and needs of majority of the people in developing countries, because it is not in its institutional interests.

The insider/outsider strategic dilemma this input demonstrates has not been resolved, although the collapsing rejectionist, antiglobalization movement may force the choice upon the NGOs.

6.5.3. Democratization of Global Governance

Does NGO participation at IGOs ‘democratize’ world politics by including more ‘popular’ voices as the NGOs often assert (Gali 1994; O’Brien, et al. 2000; Ritchie 2000; Ottaway 2001; Scholte 2002)?

NGOs claim legitimacy by appealing to global norms of human rights and democracy. The norm of human rights bolsters their claim to represent people from repressive and poor countries who cannot otherwise represent themselves. And the global norm of democracy (Held 1996; Shapiro and Hacker-Cordon 1999) bolsters their further claim that, as representatives, they should therefore be permitted into the policy-making process generally in GG and specifically within efficacious IGOs like the BWI.

In the dissertation, I was wary of the notion that NGOs democratize world politics. Instead it seems more reasonable to argue for pluralization (Gordenker and Weiss 1996a). NGOs are not elected by a global demos, nor are they democratic in their own political structure. Bhagwati (2004:8) notes that the image of NGOs “reflect[ing] a majoritarian discontent (with globalization)...is not true.” There is no serious global

public opinion evidence that reformist (much less radical) NGOs represent unmobilized world attitudes. These problems make the claim to democracy simply untenable.

NGOs also face a severe ‘representation problem’ in their claim to be democratizing forces. The most powerful, large, well-resourced INGOs are Northern-based. This undercuts the claim to bolster excluded voices. The (self-proclaimed) representatives of those voices seem quite similar to those whom they are criticizing in terms of geographic residence, education, or language (Sikkink and Smith 2002:35ff; Kelly 2003; O’Brien et al. 2000:193-94).¹⁶³ They also suffer from legitimacy problems related to poor transparency of funding and organization, low internal democracy, and low accountability to outsiders where network links to Southern PAPs are weak (O’Brien et al. 2000:208).

The response of the Bank and Fund, as noted above, has been to hedge on according NGOs serious legitimacy inside the institutions. As one interviewee (B11) put it, “there are too many mailbox NGOs: one person and a mailbox address.” In the 1990s, with a strong backdrop of protest, the BWI’s studious ambiguity on NGO legitimacy was a difficult posture. But the collapse of the antiglobalization movement and the rise of Southern parliaments as agents of accountability have created political room for the BWI to reject NGO ‘voice.’ Many interviewees noted that parliaments, especially in India and other democratic borrowers, are unhappy that the World Bank goes to NGOs instead of them. Wade (1997:672) identified this contradiction even earlier. Fund documents (IMF/Dawson and Bhatt 2001:23; “Guide for IMF Staff Relations” sec. IV.A.2; IMF/IEO July 6, 2004) have noted increasing friction from member states concerned “that the Fund is negotiating with CSOs rather than the government.”

Nonetheless, the NGOs are onto something in two claims they do make in this debate. First, they suggest that states’ diplomats and IGO elites are not themselves very representative. This bolsters the oft-repeated justification of NGO input, that states alone do not represent the people’s interests in world politics (O’Brien 2000:3, 206, 210;

¹⁶³ Indeed, for this very reason, I suggested earlier (Kelly 2003) that the ‘development industry’ is like an epistemic community in which NGO representatives play the critics amidst an network of like-minded IFA and state officials. My own observation of the Spring Meetings of 2003 and 2004, and the Annual Meetings of 2004 support this conclusion.

Nelson 1995:64).¹⁶⁴ Chadwick Alger has suggested that foreign policy decision-making is probably the least democratic policy area in democracies. Foreign policy making tends to exclude legislatures, courts, and interest groups. In the United States, it is probably the last vestige of the ‘imperial presidency’ (McCormick 1992:270ff). The individuals appointed to represent states are not usually elected. They are often several bureaucratic layers removed from legislative, much less popular, accountability. Keohane and Nye conclude that the growing pressure for some manner of IGO accountability places unavoidable pressure on IGOs to open the doors of the great power “club model” of GG, despite the questionable democratic credentials of NGOs themselves (2000:32). Similarly, O’Brien et al. (2000:22) provide a “qualified and tentative yes” to the issue of whether NGOs (or GSMs, in their parlance) “democratize global governance.”

Second, the NGOs note frequently that many countries are not democratic, and so in lieu of elections there, NGOs provide some manner of representation of those repressed people (O’Brien et al. 2000:205, 219; many NGO participant observations). They give these oppressed and silenced people ‘voice opportunities.’ This is particularly relevant to my cases because the Bank and Fund work in many authoritarian Southern states, which clearly prevent any popular expressions of discontent.

BWI staff were aware of this problem (B3, B12): “NGOs can function as substitutes for political opposition in authoritarian countries.” B24 added to this, that in failed states, NGOs are often the only functioning entity outsiders can engage. But s/he quickly noted that “The Bank must ultimately stand by sovereign states. There is a slippery slope if we start qualifying which states to engage because of government form.” A Fund interviewee (F1) as well suggested that the new agenda of ‘good governance’ (IMF 2000:56; 2002:54; 2003:24) acts as a subtle democratic lever against authoritarian states and creates some room for NGOs and political opposition. For example, the Fund has called for “fully participatory poverty reduction strategies” and “greater public accountability” in repressive CIS states like Uzbekistan and Tajikistan (IMF 2002:53). Actual implementation of such a call would be social radicalism in Central Asia.

¹⁶⁴ To my great surprise, B8 once made such an argument to me. S/he argued that “there can be different kinds of representation.”

The dilemma is evident in the paucity of cases brought before the Inspection Panel at the Bank; in authoritarian states, disaffected PAPs are intimidated and prevented from appealing for recourse (Miller-Adams 1999:82). Northern NGOs see themselves as the only advocate for such people. One environmental NGO activist said, “If we are not going to represent the Chinese people and ecology affected by the Three Gorges Dam, then who will?” Or as one Bank interviewee (citation repressed) put it, there are no natural constituencies for the environment and human rights to hold elections, so NGOs have stepped into that gap. Even one anti-NGO Bank staffer (citation repressed) admitted in frustration that the Bank can be “caught between talking either to NGOs, or to governments that are illegitimate and parliaments that are a farce.” And the Fund does try in its discussions of PRSPs, to encourage borrowers to engage with civil society (2002:50; 2003:40).

The bind for NGOs is difficult. Through their very success they may be relegating themselves to a secondary role, unwittingly reclassified as interest groups. As democratization continues apace, it becomes increasingly difficult for the Bank (and to a lesser extent, Fund) to insist on NGO participation. Democratic governments find it awkward that the Bank insists on consultation with NGOs despite their electoral mandate. Many interviewees commented on this unanticipated problem (B14, B15), and both the Fund (July 6, 2004:52) and the Bank (2000:26; WB forthcoming [2005]:7) have noted this. There is an awkward level of analysis problem. At the global level, where there is no global public or elections, NGOs seem like the best manner to insure some citizen input into global governance. But at the national level democratization is reducing their already tenuous position as voices of the excluded.

6.5.4. Intervening Variables

What are the causal mechanisms within the Bank and Fund, and IGOs generally, which translate external NGO pressure into change within the institution?

One NGO interviewee referred to this as the “attribution problem”: “How do we attribute NGO-sympathetic change to NGOs?” he asked. In more traditional social science jargon, this is the “principal-agent problem”: NGOs are the principal, but

decisions are implemented by the IGO targets acting as agents. I have assumed a fairly direct causal link between the external pressure and internal change, but those changes must of course be translated internally and will be mediated by extant structures. There will be intervening variables.

Ultimately management must approve changes in practices and policies. How then do NGO pressures alter managements' perceptions of IGO-NGO cooperation? Such work would require analytical tools from psychology, as well as elite theories of organization (Farazmand 2002d). A stress on leadership also seems likely, given the influential role of President Wolfensohn fostering Bank-NGO cooperation, and the conversely cool reception for NGOs from the Fund's current external affairs director, Thomas Dawson. Presidential entrepreneurship was often mentioned in my interviews with Bank officials, especially in contrast to the Fund.

A second possibility is the presence of internal allies for external NGOs. Often NGOs themselves are not strong enough to force change on an IGO (Kim 2001). It has been suggested rather that they tip the balance when institutions are divided within (Fox and Brown 1998:489). Similarly, both Fox and Brown (534), and Miller-Adams (70), note that "insider-outsider coalitions" between NGOs and internal Bank "dissidents" are a prerequisite to serious change within the Bank. (This is similar to the argument of political opportunity structure provided in Chapter 6.2.)

This suggests that the causal mechanism is actually the lack of a mechanism at all; it is organizational paralysis which permits the NGOs to act as 'swing voters' in an internal contest. Interestingly, this parallels the argument made against H1 – that IGOs function with minimal great power oversight where great power interests are unclear or contradictory. Here NGOs take advantage of a larger entity's paralysis to play a bigger role than expected.

6.5.5. Relevance of NGOs

Do the states 'permit' NGO-sympathetic change at IGOs because it represents such a small portion of an IGO's work and portfolio that the simply do not care? Do H2-4 apply simply because the states pay no attention?

This question does not debunk the work presented above, so much as push it into irrelevance. That is, if the states simply leave the “NGO mess” (citation repressed) to the IGOs to deal with because it affects so little, then it is ultimately not terribly important if H2-4 are accurate or not. One of those hypotheses may be accurate, but it simply may not mean that much. H1 is neither demonstrated nor rejected; rather it simply remains untested because the states have walked away from the whole show.

At an NGO strategy session I attended, a walk-out of an event at the Bank was proposed in order “to open political space with Wolfensohn and the Board.” Yet a future research question is whether the Board would even care anymore (B19). F6 said something similar in response to H2, whether NGOs threatened the Fund and its prestige: “The reality is that we could ignore them and carry on.” B15 suggested the same when s/he said, that “Northern governments are unable to deal with NGOs as they should, so they send them to us.”

The radical antiglobalization movement is most likely over in the wake of 9/11. The insider-outsider strategy in which the radical antiglobalization movement opens space for the reformist NGOs has all but collapsed. Neglect of the NGOs may be an option for the BWI for the first time in twenty years.

6.5.6. NGO-Driven Bureaucratization of the BWI

Does NGO inclusion so bureaucratize the processes of the BWI that they inhibit their very operation?

At WSF IV, participants complained that BWI officials were claiming that the NGOs had driven up the ‘cost of doing business’ so much, that they should be excluded. And organizational theorist Charles Wise (2002) has noted that as “pluralization” (multi-party governance) expands, it opens bureaucratic room for interest group politics. By inviting in so many outsiders, organizations’ “structural politics become interest group politics”:

In the politics of structure, as the group system becomes more competitive and political uncertainty and political compromise increase, a proliferation of structural forms ill-suited to effective organization results...Organizational effectiveness is repeatedly sacrificed on the altar of interest protection and representation (139).

In the language of the IFIs, this question is understood as “rising costs of doing business.” This was raised as a constraint on NGO impact in Chapter 6.3.1.2, but deserves further analysis because the downsides of NGO penetration of IGOs and GG are scarcely studied.

This concern was quite common among Bank and Fund interviewees, and has been broached by many outside observers (Einhorn 2002; *Economist* December 12, 1999, September 23, 2000, September 26, 2003; the Brookings Institute review of the Bank [Kapur, Lewis and Webb 1997], the Hoover Institute review of the Fund [McQuillan and Montgomery 1999]). Vines and Gilbert (2000) wryly note that the Bank suffers from “dysfunctional proliferation of objectives” (10), or “goal congestion” (39). Brown, Khagram, Moore and Frumkin (2000:289) note the possibility of NGO activism entraining “special interest gridlock” in global public policy making. Many Bank interviewees expressed concern over “mission creep.” As one (B19) put it, “we are becoming something else than we were meant to be.”

This, of course, is precisely the end of NGO advocacy – a shift to a GG agency. But in poorly institutionalized global politics, the inclusion at the Bank of so many other agendas from global governance is pushing it toward overload and institutional crisis (Fidler 2001). It is a great irony, as mentioned above, that NGO pressure – so successful at the Bank – is paradoxically helping undermine it. Many Fund interviewees expressed concern that the Fund not become like the Bank in this regard, and the behavior of Fund spokesmen at the CSDs constantly reiterates this concern. A variant of the line “we don’t do that” or “that is not our job” was a routine response to NGO questions, whereas the Bank officials were frequently more giving and flexible.

The NGO response to ‘rising cost of business’ argument was quite clear. Unless the Bank and Fund do business right, then they should not do business at all. Such claims were then followed by discussions of some of the Bank’s most notorious ‘mega-projects’ (covered well in Fox and Brown 1998), or the so-called ‘IMF riots’ in Indonesia and elsewhere in response to structural adjustment.¹⁶⁵

¹⁶⁵ O’Brien et al. (2000:173) estimate that there were 146 “adjustment riots” throughout the world in the 1990s. A World Development report (WDM/Mark-Ellis Jones April 2003) found dozens of local “resistance” movements to BWI policies in 25 borrowing states.

This problem travels across the larger, generic issue of NGO involvement with IGOs. GG is evolving toward a complex, poorly bounded multiparty process (Commission on Global Governance 1995; Nye 2002:ch. 2). Yet a basic tenet of game theory is that as the number of participants increases, so do the costs and problems of coordination. That GCS (as well as the global for-profit sector) is highly fragmented with many micro-actors only increases the complexities of the emergent collective action problem of GG.

Wise (2002:143, 144) speaks of “complex intergovernmental patterns...linked together in complicated fashions for public policy success... The tasks of coordinating multiorganizational efforts have become more complex.” The threat of bureaucratic gridlock and immobilism is real and is generating a ‘cut-through-all-the-red-tape’ style backlash (the “results agenda”). NGOs could forestall such a backlash, if they could speak with a more united voice. A global focal point of the ‘voice’ of civil society would reduce the transaction costs of IGO coordination with the third sector. But many NGOs are ideologically opposed to large, hierarchical bureaucratic organization. This quandary will bedevil NGO participation in GG routinely and increase pressure to circumvent it as too costly and time-consuming.

6.5.7. Global Civil Society and Intergovernmental Organizations

Does GCS require IGOs?

One might term this a theory of ‘reverse causation’ of GCS. A collection of NGOs does not equal global civil society. The notion of a globalized or internationalized civil society suggests network density - routine and focused influence attempts, CSOs with regular communication, and other indicators of cohesive and sustained interaction across borders. If we are to speak of GCS as a meaningful sector in world politics, it must be greater than the sum of its NGO parts. This is challenging for resource-strapped, anti-hierarchical non-profits. Indeed, Tarrow (1995) suggests that INGOs only crystallize briefly into GCS around certain issues, campaigns or public institutions. Yet it appears something akin to the Commission on Global Governance and Wapner’s “global civil society” does, in fact, exist, at least around these institutions. In later work Tarrow

(2002:242) terms IGOs “corral reefs in the oceans of global anarchy,” onto which NGOs “accrete;” IGOs are an “inducement to transnational activism.” B17, in a sentiment held by other interviewees, noted that “the Bank confers legitimacy on NGOs by paying attention to them.”

In generating an IGO-relevant NGO community, IGOs themselves function as international arenas constitutive of the NGO community around them. As non-national, world-scope political bodies, they have a particular appeal for NGOs with pretensions to global actor-hood. Anarchic world politics is poorly institutionalized. There is little ‘government’ internationally, and global civil society, while extant, is thin. Hence NGOs seeking to be global actors have few options; the global political opportunity structure is quite limited. IGOs provide a rare global instance of authority as a starting point for their pretension to global action (Risse 2002:264). IGOs are becoming a constitutive ordering force on NGOs.¹⁶⁶ The international NGO community defines itself, in part, in relation and response to IGOs, because global ‘sociality’ is otherwise so thin. This may change as globalization ‘fills out’ or actualizes a global community, but for the moment, IGOs help generate community among NGOs by acting as a lightning rod for them (Fox and Brown 1998; Iriye 2002; Gaventa 2001; Reiman 2002:177).

My casework strongly suggests that efficacious IGOs may be a requirement for a serious GCS advocacy sector to congeal around. The BWI do seem to function as Tarrow’s “corral reefs.” Because my case institutions are efficacious, they attract the attention of otherwise disparate and unorganized civil society groupings. This odd socialization of NGOs by IGOs into GG occurs because NGOs are so badly organized globally. There is no serious global hierarchy of NGOs, and this leaves the emerging global social spaces of globalization open to better integrated actors – states, MNCs and IGOs.¹⁶⁷ This may disadvantage NGOs. In the case of the Bank and Fund, poor global NGO organization has allowed the Bank to create, twice, its own parallel NGO

¹⁶⁶ “The legal framework provided by states and international institutions has, thus, constitutive effects on transnational actors and relations” (Risse 2002:259ff).

¹⁶⁷ This constitutive process reinforces the utility of the behavioral selection of NGOs proposed in chapter 3.5.2. In their very behavior around the BWI, those NGOs are a generating a community.

organization – first the Bank-NGO Committee and now JFC.¹⁶⁸ The recent ‘Scholte process’ of the IMF also gives the IMF room to define the NGO community around it.¹⁶⁹ The IMF and Bank have the possibility to carve out a (congenial) space in GCS for themselves because of the poor coordination and response of the NGO community around them. On the other hand, IGO engagement with NGOs does provide NGOs with some legitimacy as participants in GG, especially against non-democratic states inclined to cut them out (O’Brien et al. 2000:226).

¹⁶⁸

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20133856~pagePK:220503~piPK:220476~theSitePK:228717,00.html>.

¹⁶⁹ <http://www.imf.org/External/NP/EXR/cs/eng/2003/032803.htm>.

CHAPTER 7

CONCLUSION

In this final chapter, I lay out a short review of the dissertation in order to make clearer the interconnection among its many parts. I begin with the formal argument constructed in the research design. The flow of the indicators from the hypotheses, and the reasons for those choices are explained briefly. I then revisit my method, noting my triangulation strategy of using both qualitative and quantitative evidence from both the BWI and NGOs. I then summarize the results in one integrated presentation, including a discussion of the discontinuities in the data. All events are multi-causal, but I sought to raise one hypothesis above the others. There was some discretionary judgment in my decisions, which I try to make clear here. Finally, I revisit the most important of my questions for future research – the improvement of the research design. On the whole, I argue my design worked well. However there is a reliability problem to be noted.

7.1. Formal Argument

Chapter 1 listed two main goals of this research. First, I sought theory improvement of the study of NGOs and IGOs. Second, I sought to improve the benchmarks by which we measure NGO impact on IGOs. The first purpose drove the creation of a research design with empirical indicators of NGO impact tied to causal hypotheses. I measured empirically along those indicators. That data suggested two conclusions. The Bank engages NGO primary because they improve the performance of its operations. The Fund engages NGOs primarily to defend itself against external critics.

Poor theoretical cumulation in the literature on NGOs and IGOs drove my effort to create the indicators and hypotheses. If they perform well here, I recommend them for

future social science use. In the background of my research design is the question of the utility of the indicators themselves – are they good benchmarks of NGO-driven change at an IGO? If the research design itself is faulty, my conclusions are questionable. Hence, the second goal of the dissertation is a ‘measurement study.’ We have to ask how the research design of fourth hypotheses (H1-4) and six indicators (I1-6) did in its ‘test drive’ to learn whether it is worth using again. I look at each in turn in this conclusion.

7.1.1. Null Hypothesis (H1)

The argument of this dissertation begins with the null hypothesis or H1. If the most powerful states’ preferences concerning NGOs and IGOs change, then the IGO will follow those changes. H1 is driven by neorealist theory in IR. It sees IGOs’ behavior following the preferences of the most powerful states in the system. In the case of the BWI, this means the G-7. My work does not refute realism, so much as place a scope condition on it. Realist theory on IGOs suggests a fairly direct transmission belt from national capitals to IGOs. That is not the case here. National preferences, at least with regard to NGOs, are frequently at odds, or are ill-defined at the BWI. And ‘functional multilateralism’ requires some room for expert discretion in the IGO. This does not overturn the great power reasoning of neorealism, but it does suggest that it may not be enough.

Neither the Bank nor the Fund are definitively pushed one way or the other concerning NGOs by the representatives of the states – the EDs. First, while not fully independent of their state creators, the BWI do have noticeable internal autonomy. Many interviewees, from both camps, confirmed this. Further, the “requirements of multilateralism” demand it. If the BWI were universally understood as pawns of the G-7 or the G-1 (the United States), many other members would exit. A certain level of genuine multilateralism – and autonomy for the BWI - is a functional requirement.

Second, there is also a deep split in the Board over NGOs. Lending and borrowing states broadly disagree over the treatment of NGOs. Mixed signals from the Board create room within the institutions to decide the fitting response to NGOs. Third, there appear to be information transmission failures. NGO interviewees frequently decried how NGO-

sympathetic EDs were in the dark on what the BWI do regarding NGOs. H1 is less operative than a strict game theoretic interpretation of interstate politics implies.

7.1.2. Counter-Null Hypotheses (H2-4)

With it established that the Bank and Fund are not definitively pushed by their state owners to engage NGOs one way or the other, the field is open to other solutions. The uselessness (rather than falsification) of H1, suggests the Bank and Fund move on NGOs for internal reasons, which may differ. I have therefore suggested alternate explanations (cf. Diagram 1). H2 suggests IGOs engage NGOs to defend themselves against external critics. H3 posits IGO engagement with NGOs for the purpose of improving operational effectiveness. H4 grounds IGO engagement with NGOs in a ‘logic of appropriateness’: including NGOs is appropriate, even if it is not cost-beneficial.

I have explicitly derived my counter-null hypotheses, H2-4, from the other two major paradigms in IR theory. This is uncommon in the literature on the Bank and Fund. Conservatives tend to view the institutions as the tools of the great powers, and lament when this is not the case. ‘Pro-NGO’ academic liberals tend to assume the Bank and Fund enjoy autonomy and then decry conservative elements and philosophies within. I have tried to hew a closer line to established bodies of theory, in order to tie this organizational study closer to the field.

I have fleshed out liberal and constructivist institutionalism, competing paradigms to realism, with organizational theories to improve their empirical purchase. H2 understands NGO engagement as institutional defense. H3 suggests an IGO includes NGOs in order to exploit their mission usefulness. Both hypotheses respond to the ‘logic of expected consequences’ and derive from rationalist, liberal institutionalism. Engagement yields positive benefits to the BWI in terms, e.g., of public opinion, institutional survival, budgetary expansion, or performance enhancement.

The social constructivism of H4 takes a more expansive sociological track. It suggests an IGO may include NGOs because it is appropriate to do so. IGOs and NGOs are social actors in an intersubjective field where appropriate expectations and behavior are themselves contested and constantly being redefined. NGOs are not only separate

actors trying to push their separate preferences on the BWI. They are also ‘ideational’ or sociological actors pressing ‘deep politics’ at the level of third face of power on the institutions. They seek to reorient or redefine the BWI’s sense of self away from a simple IGO - with accountability strictly to states - into a more complex global governance agency - which perceives a wider remit and range of accountable constituents.

7.1.3. Counter-Null Indicators

The inferential step in the dissertation is from the empirical indicators delineated below, I1-6, to the counter-null hypotheses delineated above, H2-4. If we agree that the null hypothesis is incorrect, we are left with the question of arbitrating between the remaining hypotheses. I therefore asked all my informants both which hypothesis they thought most accurate, and created a range of empirical markers to indicate which of the hypotheses was most accurate. This overlap was explicit. First, it allowed greater data collection. Second, the overt redundancy provided a good reliability test for the measurement study. If the answers to the hypothetical questions do not align with the answers to the indicators which emanate from those hypotheses, then my indicators are possibly misplaced.

The empirical indicators of NGO impact of an IGO are: I1. an internal NGO unit; I2. program consultation by the IGO with NGOs; I3. programmatic change due to NGOs; I4. retrospective evaluation of NGOs and engagement with them; I5. acceptance of NGOs as politically legitimate participants in internal decision-making; I6. policy and/or paradigm change due to NGOs.

The indicators tie directly to the hypotheses. They are to ‘indicate’ which hypothesis is accurate on a sliding scale. I1 and 2 accord with H2; I3 and 4 accord with H3; I5 and 6 accord with H4. By a sliding scale I mean that H3 will show high scores on I1 and 2, as well as 3 and 4. H4 should show high scores on I1 – 4, as well as 5 and 6. The lower the indicator, the simpler the engagement. Hence, the higher hypotheses will also include the lower indicators (cf. Diagram 1).

The indicators are designed on the assumption, challengeable for future research, that practices represent lesser change than policy. The lowest indicator, I1, is simply the

creation of an NGO office or unit. By contrast, I6 is policy change. The logic is that policy prescription defines political institutions. Hence I6 ties to the highest hypothesis, H4, which denotes institutional redefinition. Between these extremes of light change in practice and serious change in policy is arrayed a series of steps, I1-6, to indicate greater NGO penetration.

I1 and 2 indicate H2 – organization defense. The creation of an NGO facility (I1) is simple organizational change. Such an office can funnel, deflect, and domesticate external critiques. It represents little more than basic adaptation to a pernicious environmental change. Consultation with NGOs (I2), as the NGOs so frequently told me, is also light change. Talk is cheap and easy. It represents no commitment to change. The NGOs often wondered aloud whether all their engagement made any difference. Consultation with no commitment to act on it is empty, and ‘consultation fatigue’ – “talking the NGOs to death” in the words of one – is an easy defensive strategy. Hence, while I1 and 2 are a necessary part of the other hypotheses, on their own, they suggest little more than low adaptation for the purposes of defense against external critics.

I3 and 4 indicate H3 – mission efficiency. Impact on programming (I3) suggests that NGO input is valuable in its own right. Consultation has graduated to impact on, in the case of the Bank and Fund, projects and national loan packages. Impact on performance outcomes is real. Retrospective evaluations by an IGO of its engagement with NGOs (I4) similarly suggest that the IGO takes NGOs seriously. Measurement (especially in econometric institutions like the BWI) suggests care and concern. Hence, evaluation (regardless of its findings) implies a role for NGOs that is worth evaluating in the IGO’s ‘business plan.’

Indicators 1-4 reflect a limited engagement with NGOs. I1-4 retain a sharp dividing line between the IGO itself and the NGO. The actors are distinct with identifiably separate preferences. I1-4 reflect adaptive behavior. This is a rationalist model close to neoliberal institutionalism.

Indicators 5 and 6 are more challenging. They reflect whether the larger NGO effort of IGO transformation – deep politics, learning - is successful. The NGOs not only seek to change this or that loan package, encourage social benchmarks, or bring more

social scientists into the BWI. They also seek to radically re-imagine or re-envision what the BWI do and how they self-conceive. NGOs challenge the dominance of the state as the sole voice of people in a given territory. They challenge the intellectual hegemony of capitalist economics. They wish the BWI, and IGOs more broadly, to expand their sense of self to include NGOs as rightful actors to whom they must be accountable. I have tried to capture this by using Jan Scholte's notion of a "global governance agency" in H4. This notion seems to catch the wider sense of accountability and expanded engagement ('mission creep') that the NGOs want from the IFA in general, and the BWI particularly. This socially interactive model derives from constructivism; it is premised on Haas and Haas' learning, instead of easier adaptation.

Empirically benchmarking such change is difficult. Much of this effort is sociological or ideational. The NGOs want the BWI to re-think themselves; this is not easily amenable to positive demarcation. Nevertheless, I have suggested two indicators. The internal legitimacy of NGOs to an IGO (I5) connects to H4, because the move from an IGO to a global governance agency requires reaching out to non-state actors – civil society generally, and NGOs particularly. The legitimate coparticipation of NGOs separates engagement from the expected utility logic of H2 and 3. The logic of appropriateness dictates that if actors are legitimate, they are consulted, even if it is cost-inefficient. Democracy and pluralism are slow and costly, but we believe they are appropriate decision-making mechanisms nonetheless. I sought to uncover if the same relationships existed between the Bank and Fund, and NGOs.

NGO-driven policy and/or paradigm change (I6) also captures H4, because policy sets the tone of the institution. If an organization is what it does, and policy is to inform its action, then policy changes suggest identity change. In the case of the BWI, the NGOs have sought distinctly left-leaning socio-economic policy changes, such as deep debt-relief, environmental safeguards, or looser macroeconomic targets, as well as a paradigm shift away from the Washington Consensus. To make such moves would not simply imply a routine shift at the Bank and Fund, but significant change in their purpose. (A point not lost on my interviewees.)

7.2. Method

The method of the dissertation is a structured, focused comparative case study. There were four primary modes of data collection: 1. documentary analysis; 2. a mail survey (of NGOs); 3. interviews (of BWI staff mostly, but of some NGOs as well); and 4. participant observation. A list of NGOs especially focused on the BWI was newly created from Bank and Fund data; these NGOs were surveyed by mail. Interviews of BWI staff complemented the NGO survey. I purposefully sought a diversity of evidence and relied heavily on direct interaction at the Bank and Fund with staff, as well as NGO critics.

Quantitative figures came mostly from the closed response questions on the survey and interviews. The same questionnaire tool was used to analyze the Bank, Fund, and NGOs. This was purposive, for methodological rigor and cross-comparability, and it paid off. There were noticeably different answers from the BWI and NGOs on the same questions. Some quantitative data was also drawn from the plethora of written statements from the Bank and Fund regarding NGOs.

Qualitative feedback came mostly from participant observation and the open-response answers on the questionnaire. This material was the most rich and exciting, but also tricky. I heard many memorable anecdotes and stories. And the body language and tone of interviewees, from both sides, suggested various conclusions (specifically, that the debate between the BWI and NGOs is deeply polarized). Nonetheless, I sought only to flag a vein of qualitative findings if several informants corroborated it, or if participant observation at events and meetings reinforced my impressions. Only continuing research in this area, and exposure to these informants, can confirm if some of the most explosive remarks made represent real trends, or just outliers.

The occasionally strident and harsh language of the qualitative feedback broaches a final methodological concern throughout my work – for neutrality. I frequently felt that I was being manipulated by one side or the other in a harsh political climate. Several off-the-record remarks from both sides suggested that some informants sought to co-opt me or had exaggerated their feedback for political reasons. In the literature review, I have noted previous scholars who detected similar concerns. I have sought to prevent compromising my work by a strict nonintervention posture, occasionally to the ire of

some informants. But this was methodologically proper, as well as necessary. The polarized climate reduces access for researchers. Scholarly partisanship in observation will only worsen this problem.

7.3. Results

Despite the long list of validity threats – perceived cooptation, anecdotal outliers, some mixed signals from the quantitative feedback, and others - the conclusions of this dissertation are fairly robust.

At the Bank, all the data from the Bank-side – quantitative and qualitative – strongly suggested H3, the engagement of NGOs for mission improvement. Most interviewees thought the Bank had moved on from defensive positioning (H2) years ago. Long lists of programs with NGO involvement are available from a myriad of Bank documents and offices.

The NGO data was less enthusiastic, but H2 only just edged out H3 in the quantitative data. The NGO qualitative data was also mixed. As I grew accustomed to the interview process with NGOs, my sense grew that the NGOs saw real change at the Bank, but were afraid to admit it. To do so would take the wind out of their sails, reduce their relevance, and give the Bank a ‘win.’ There is, I believe, almost a reticence in the NGO community to admit the Bank has moved beyond defensive engagement (H2). Indeed, there is even some evidence, both in the Bank’s documents and in my interview data, that the Bank is drifting haltingly toward H4, institutional redefinition.

The Fund is quite different. The data – both qualitative and quantitative, and from the NGOs and the Fund – cut in different ways that make a solid conclusion more difficult. It needs to be more disaggregated than the Bank’s. In the quantitative data, the NGO and the Fund interviewees broke evenly against each other on the direct question of which non-null hypothesis (H2-4) was correct. The Fund staff clearly rejected H2, defensive posturing, for H3, mission utility; the NGOs went inversely. But in the quantitative questions on the empirical indicators, Fund staff answers suggested H2, while the NGO data was erratic and indeterminate.

The qualitative and documentary data followed similar breakages. The qualitative data from the NGOs strongly, almost ferociously, fell in favor of H2, institutional defense. Indeed, that is probably the most robust data finding in my 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 H2 defensiveness to a more constructive, H3 relationship built on utility. Finally and most surprisingly, the Fund's documentary data, even in recent years, broke in favor of H2. I was astonished to find open admission in the Fund's printed material of a hostile or awkward relationship with NGOs, of EXR'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 came down in favor of H2 for the Fund. This leaves the only concern about the strength of the design.

7.4. Measurement Study

The research design sketched above is original. It tries to fill a gap of methodological rigor in research on NGOs and IGOs outlined in the literature review. However, my sliding scale of indicators tied to causal hypotheses was untested. So my project has a second end, beyond simply measuring along the scales. It was also important to determine whether the design itself captured the relevant aspects of NGO-IGO interaction. Reliability and validity are measurement issues lurking behind this project. First, do my indicators and hypotheses reliably connect to one another, thereby justifying my causal inferences from I1-4 to H3 for the Bank, and from I1-2 to H2 for the Fund? Second, are my indicators and hypotheses valid markers for measuring and explaining change at these institutions?

My dissertation performed better on the second than the first question. Concerning validity, I asked in both the survey and interviews if there should be other indicators and hypotheses beyond my suggestions. I was pleased that only a few at the Bank suggested presidential leadership. Perhaps President Wolfensohn's zeal for NGOs drove NGO-sought change at the Bank. This is discussed as question for future research in Chapter 6.5.4, but only a small minority of interviewees corroborated this explanation.

Most suggested that NGO change at the Bank was deeper than such entrepreneurship and would likely survive Wolfensohn's departure. Clearly other indicators and hypotheses could exist and will be fleshed out as this project expands. But the positive response regarding alternatives does suggest that my measurement structure did get to the relevant topics.

Concerning the reliability of my tie between the indicators and hypotheses, the design was less successful. The predicted relationship in the indicator data is a declining, linear slope. I1 represents easier change than I6, and the other indicators in-between are scaled to be ever more intrusive. So the scores given to I1 should be higher than I2, than I3, and so on. I predict a stepwise decline from I1 to I6.

A second predicted relationship is that outcome of the indicator questions would correlate to that of the hypothesis questions. The last indicator to receive above the neutral score of 3 (on the 1 to 5 Likert scale used in the questionnaire) should then correlate to the preferred hypothesis. For example, an informant who selected H2 as his preferred explanation, should not then have provided scores above 3 on I3-6.

My expected relationships only held in the data from World Bank interviewees (cf. Table 1). There is a clear decline in impact from I1 to I6. This fits my first prediction. The last indicator above the neutral score of 3 was I4, and so suggested H3. The separate question on which hypothesis was most accurate (cf. Table 7) also returned H3 as the primary choice. This fit my second prediction. My model worked well at the Bank.

Unfortunately for my research design the NGO data curve on the World Bank indicators is 'spiky' (cf. Table 1). It bobs up and down from I1 to I6. The only indicator above the neutral score of 3 was I2. This suggests H2, and the NGO data on the hypothesis question also suggests H2. So my first prediction failed, but my second did not. The NGO data is not useless. However, their response may suggest I have not correctly arrayed my indicators from least to most intrusive. It is also possible the questions were badly written.

At the Fund, the data alignment is also troublesome. I1-3, for both the Fund and NGO data, show the predicted stepwise decline. But on I4-I6 for the NGOs, and I5-I6 for the Fund, the data curve perks back upward, creating a soft u-curve (cf. Table 5). This

was quite unanticipated. The later scores that perk upward, do not break the neutral score of 3, so my first prediction is not completely overthrown. This contrasts with the quirky NGO data for the Bank.

The similar curves from both the interview (Fund) and survey (NGO) data at the Fund suggest a clearer conclusion for the measurement study. It appears I5 and I6 are not the very intrusive indicators I surmised, at least at the Fund. Hence in my Chapter 6.6.1.2 recommendations to improve the research design, I suggest reevaluating the relationship between policy and practice as markers of NGO penetration. Specifically, it may be that I3, program impact, should displace I6, policy impact, as the deepest marker of NGO success. (That conclusion, however, is bedeviled by the Bank data.)

More problematic is my second predicted relationship. The Fund interview data violates my postulated connection between the hypotheses and indicators. The Fund interviewees came down strongly for H3 on the direct hypothetical question, yet their answers to the indicators suggested H2 (cf. Table 8 and Table 5). This discrepancy may be a design flaw. Yet, my perception grew through the interviewing period that it may also be a participant distortion. Insofar as interviewees wished to project a better image of the Fund – a concern frequently raised in the Fund’s annual reports, but not in the Bank’s - interviewees may have optimistically selected H3 in the direct causal question. Meanwhile, the causal inference, from indicators to hypotheses, may not have been clear in the indicator questions, resulting in less self-conscious data. Certainly, my other sources of data, the NGO surveys and the Fund’s written material, strongly reinforce H2 as well. This raised the possibility issue of overly optimistic informant responses, and drives my eventual conclusion on the side of H2, not H3.

This ‘test drive’ of the research design worked reasonably well. Future work with these indicators, and their relationship to the causal hypotheses, will improve my scale. Continuing research with my design is warranted given the fairly robust answers uncovered by it, as well as its reasonably strong performance in the measurement study.

APPENDIX A

SURVEY QUESTIONS

Survey of Nongovernmental Organizations In Attendance at the World

Bank/International Monetary Fund Civil Society Dialogues

Closed-Response Questions

Please indicate your agreement with the following statements by circling one a number from one to five, from strong disagreement to strong agreement. Thank you.

1 The Bank/Fund has developed a meaningful institutional response to NGO efforts to engage it.

1 2 3 4 5
strongly disagree neutral strongly agree

2. The Bank/Fund routinely consults with NGOs in the crafting of particular projects.

1 2 3 4 5

3. NGOs routinely impact the crafting of particular Bank/Fund projects.

1 2 3 4 5

4. The Fund/Bank routinely evaluates the participation of NGOs in its projects.

1 2 3 4 5

5. The Bank/Fund views NGOs as legitimate co-participants in its work.

1 2 3 4 5

6. The Fund/Bank has altered its macro-policies because of NGO influence efforts.

1 2 3 4 5

7. The Bank/Fund engages NGOs, because its member-state owners have forced it upon the institution.

1 2 3 4 5

8. The Bank/Fund engages NGOs, because they threaten the institution itself and its work.

1 2 3 4 5

9. The Bank/Fund engages NGOs, because they aid the accomplishment of the institution's mission.

1 2 3 4 5

10. The Bank/Fund engages NGOs, because institution sees it is proper that NGOs, as civil society representatives, participate.

1 2 3 4 5

Open-Response Questions

11. Questions 1-6 suggest 6 different markers by which to identify whether NGO pressure has impacted the Bank/Fund. Can you think of others?

12. Questions 7-10 suggest 4 different reasons why the Bank/Fund would engage NGOs. Can you think of others?

13. What are the 5 most important changes your organization promotes in the practices and/or policies of the Fund, and why?

(1 is the most important; please feel free to add other pages.)

1. _____

2. _____

3. _____

4. _____

5. _____

14. What have been your most significant achievements in engaging the Bank/Fund, and what has been important in making those achievements possible?

15. What have been your greatest disappointments in engaging the Bank/Fund, and what factors contributed to those disappointments?

Please add any comments or observations that you think would be useful in an assessment of the role of NGOs in the Bank of Fund.

APPENDIX B

SURVEY COVER LETTER

To Whom It May Concern:

My name is Robert Kelly. I am a Ph.D. candidate at Ohio State University in political science. I am writing my dissertation on the impact of non-governmental organizations (NGOs) such as [NGO NAME] on the World Bank and International Monetary Fund. This is a survey of those NGOs who have interacted with the Bank and Fund.

As an attendee at previous Civil Society Dialogues with the Bank and Fund, [NGO NAME] has demonstrated its interest in the policies and practices of those institutions. I would greatly appreciate it, therefore, if a member of your staff would complete the enclosed surveys for each institution. I seek to uncover the NGO community's perception of how much it has impacted the Bank and Fund, and why or why not. Please feel free to add any other insights separate from the surveys. Please find enclosed a self-addressed envelope with which to return the surveys.

I would greatly appreciate your participation, but it is not required. Your response insures representation from the all areas of the NGO community. It serves the advancement of our knowledge on NGOs and the Bretton Woods Institutions and clarifies the contours of this important and contested relationship. Please note that the information you provide will be used in a publicly available document, my dissertation, unless you indicate otherwise. I will not identify particular respondents by name without your consent. I hope you will respond.

If you have any further questions, please contact me at (614) 294-8927 or kelly.260@osu.edu, or Professor Alexander Thompson, of my dissertation committee, at thompson.1191@osu.edu. Should you be interested, I would be happy to share any further information on my research with you.

Thank you for your time and participation.

APPENDIX C

INTERVIEW QUESTIONS

Name: _____

Organization: _____

Date & Time: _____

Questionnaire for Interviewees from the World Bank and International Monetary Fund

1. The Bank/Fund has developed a meaningful institutional response to NGO efforts to engage it.

1 2 3 4 5
strongly disagree neutral strongly agree

2. The Bank/Fund routinely consults with NGOs in the crafting of particular projects.

1 2 3 4 5

3. NGOs routinely impact the crafting of particular Bank/Fund projects.

1 2 3 4 5

4. The Fund/Bank routinely evaluates the participation of NGOs in its projects.

1 2 3 4 5

5. The Bank/Fund views NGOs as legitimate co-participants in its work.

1 2 3 4 5

6. The Fund/Bank has altered its macro-policies because of NGO influence efforts.

1 2 3 4 5

7. The Bank/Fund engages NGOs, because its member-state owners have forced it upon the institution.

1 2 3 4 5

8. The Bank/Fund engages NGOs, because they threaten the institution itself and its work.

1 2 3 4 5

9. The Bank/Fund engages NGOs, because they aid the accomplishment of the institution's mission.

1 2 3 4 5

10. The Bank/Fund engages NGOs, because institution sees it is proper that NGOs, as civil society representatives, participate.

1 2 3 4 5

APPENDIX D

SELECTED PHOTOGRAPHS FROM THE FIELD RESEARCH

Civil Society Dialogues at the Spring Meetings 2004



Photograph 1. World Bank (left), IMF (right)



Photograph 2. A CSD at the IMF



Photograph 3. A CSD at the World Bank



Photograph 4. A CSD off-campus debate with 50 Years is Enough

Antiglobalization Protests at the Spring Meetings 2004



Photograph 5. Unhappy Birthday Protest on the 60th Anniversary of the Bank and Fund



Photograph 6. Street Protests in Washington, D.C.



Photograph 7. Spotters on the World Bank's Roof


World Social Forum IV 2004



Photograph 8. Workshop on Global NGO Coordination

APPENDIX E


IMF-WORLD BANK 60TH ANNIVERSARY UNHAPPY BIRTHDAY CARD



Return this card to Jubilee USA Network
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2004 is the 60th Birthday of the World Bank and IMF...but...

It's No Time for a Party!



It's Time to Drop the Debt!


It's no time for a party to celebrate the IMF/World Bank's 60th Birthday.

The institutions have left many harmful legacies over the past 60 years, but perhaps none so debilitating from the perspective of human development and justice as the DEBT.

The legacy of the IMF and the World Bank is that, today:

- Africa pays \$15 billion in debt service each year to the IMF, World Bank and rich country governments. This is more than the continent receives each year in aid.
- Debt service to creditors including the IMF and World Bank accounts for almost half of the Philippines' annual budget, double the amount the government spends on social services.
- Haiti, the most impoverished country in the Western Hemisphere, pays twice as much on debt service as it does on health care, while the IMF/World Bank have denied Haiti access to even limited debt relief.
- When money is released from paying debt service, it has been used to fight poverty -- Uganda nearly tripled school enrollment. But the IMF/World Bank's debt relief program is limited to too few countries, does not provide 100% debt cancellation, and forces countries to adhere to harmful conditions that increase poverty.

IMF and World Bank,
On Your 60th Birthday,
I Call on You to Cancel 100% of the
Debts of Impoverished Countries,
Without Harmful Conditions!



For A True Jubilee Celebration,
Let Us Join Hands to
Break the Chains of Debt.

Signed, _____
Name: _____
City, State: _____
Country: _____

Plate 1. IMF-World Bank 60th Anniversary Unhappy Birthday Card

APPENDIX F

ESTIMATED WORLD BANK FINANCIAL OUTLAYS ON CIVIL SOCIETY IN

FY 2005

SOURCE: WORLD BANK

TYPE OF SUPPORT	ESTIMATES	TOTAL
<p>Funding The Bank provides grants to CSOs both directly through funding mechanisms it operates in Washington and indirectly through government managed Community-Driven Development (CDD) and social funds at the country level.</p>	<p>Directly - \$20 million Indirectly - \$750 million</p>	\$770 million
<p>Staffing The Bank has approximately 120 Civil Society Focal Points, 80 of these based in some 70 countries and 40 based at headquarters in several dozen network, regional, or departmental units. While not all 120 staff work full time, we have estimated the full time value of their salaries, since there are dozens of additional staff such as Country Directors, Sector Leaders, and Task Managers who interact at times with CSOs and whose cost we are not computing here.</p>	<p>Headquarters-based 40 x 80,000 = \$3.2 million Country-based 80 x \$40,000 = \$3.2 million</p>	\$6.4 million
<p>Consultations Units across the Bank from the global to the country levels are increasingly undertaking policy dialogue and consultation processes related to operational policy reviews (information, adjustment lending), sector strategies (EIR, water), and major studies (WDR, PPR). The estimated averages in the next column for global and country level consultations include staffing, meeting, and dissemination costs.</p>	<p>Global level 4 x \$100,000 = \$400,000 Country level 60 x \$50,000 = \$3 million</p>	\$3.4 million
<p>Operational Budgets It is estimated that there is civil society participation in 72% of new Bank loans. We have estimated that an average of \$10,000 is allocated as part of the preparation (which includes the identification, design, and appraisal phases) budgets of these loans to cover the costs of such activities as consultancies (stakeholder analysis), consultation meetings, and training.</p>	<p>72% ÷ 250 (loans) = 180 180 x \$5,000 = \$900,000</p>	\$900,000
	TOTAL	\$780.7 million

APPENDIX G

IMPROVED QUESTIONNAIRE

1. The Bank/Fund has developed a meaningful institutional response to NGO efforts to engage it.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

- 2.a. The Bank/Fund routinely consults with NGOs in the design of Bank projects/Fund country programs.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

- 2b. The Bank/Fund consultation with NGOs is meaningful and committed; it is not simply to fulfill a requirement.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

3a. NGOs routinely impact the design of Bank projects/Fund country programs.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

3b. NGOs meaningfully impact the design of Bank projects/Fund country programs.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

4a. The Bank/Fund take NGOs seriously enough to routinely evaluate their participation and contributions.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

4b. The Bank/Fund take NGOs seriously enough to meaningfully evaluate their participation and contributions.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

5a. The Bank/Fund accepts NGO claims to be experts of local and other knowledge relevant to their work as legitimate.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

5b. The Bank/Fund accepts NGO claims to be representatives of project/program affected peoples as legitimate.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

6a. The Fund/Bank routinely alter *specific* policies and strategies because of NGO influence efforts.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

6b. The Fund/Bank meaningfully alter *specific* policies and strategies because of NGO influence efforts.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

6c. The Fund/Bank routinely alters its general paradigm because of NGO influence efforts.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

6d. The Fund/Bank meaningfully alters its general paradigm because of NGO influence efforts.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

7. The Bank/Fund lack internal autonomy in responding to NGOs. NGO engagement occurs, ors not, because of the wishes of the most powerful member-state owners on the Board.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

8. The Bank/Fund engages NGOs for cynical or public relations purposes. NGO engagement is an act of self-defense against potential nuisances or even threats to the Bank/Fund's work, budget and prestige.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

9. The Bank/Fund engages NGOs to improve its own performance. NGOs aid the accomplishment of the institution's mission and goals.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

10a. The Bank/Fund engages NGOs because they are legitimate representatives of project/country program affected peoples.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

10b. The Bank/Fund engages NGOs because they are legitimate representatives of global civil society. In lieu of global elections, global civil society speaks legitimately for the global public.

Northern/advocacy NGOs

0 1 2 3 4 5 6 7 8 9 10

Southern/operational CSOs

0 1 2 3 4 5 6 7 8 9 10

Note:

The most important addition is the inclusion of the term “meaningful,” and its separation from the term “routine.” This should serve to parse the distinction between quantitative and qualitative change. Frequently NGO respondees noted that the BWI do routinely consult, but that consultation is a farce, or that there is NGO impact, but very little. Fewer, but some, BWI interviewees made similar observations. The questions are therefore reworded to measure not whether the NGOs impacted some project or loan, but how significantly or meaningfully. In the words of one Bank interviewee (B4), Bank engagement with NGOs is still plagued with “quality-control problems.” Revamping the survey/interviewee questions around “meaningful” provides informants greater room to make such judgments.

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