

Formalizing Informality: How States Control Intergovernmental Organizations through NGO Participation

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Abstract

What explains the participation of nongovernmental organizations (NGOs) across intergovernmental organizations (IGOs)? Existing explanations tend to emphasize either the formal design that determines NGO access to IGOs, or the processes of informal governance that non-state actors operate through. I join these diverging perspectives together by viewing NGOs as informal mechanisms for states to control IGO behavior. NGO participation supports the influence of powerful states by providing additional information and diluting the normal process of governance. Specifically, the United States changes IGO rules to allow NGOs access when it begins to lose relative influence within the organization vis-à-vis other states. This constitutes a formal change to institutional design that creates an informal mechanism of IGO governance. To retain control in the IGO, the United States “formalizes informality.” I test this hypothesis quantitatively using the Transnational Actor (TNA) data-set. I then provide an in-depth case study of the World Bank to examine the process behind NGO access and test the theoretical mechanisms. Both the quantitative and qualitative results provide support for the theoretical expectations.

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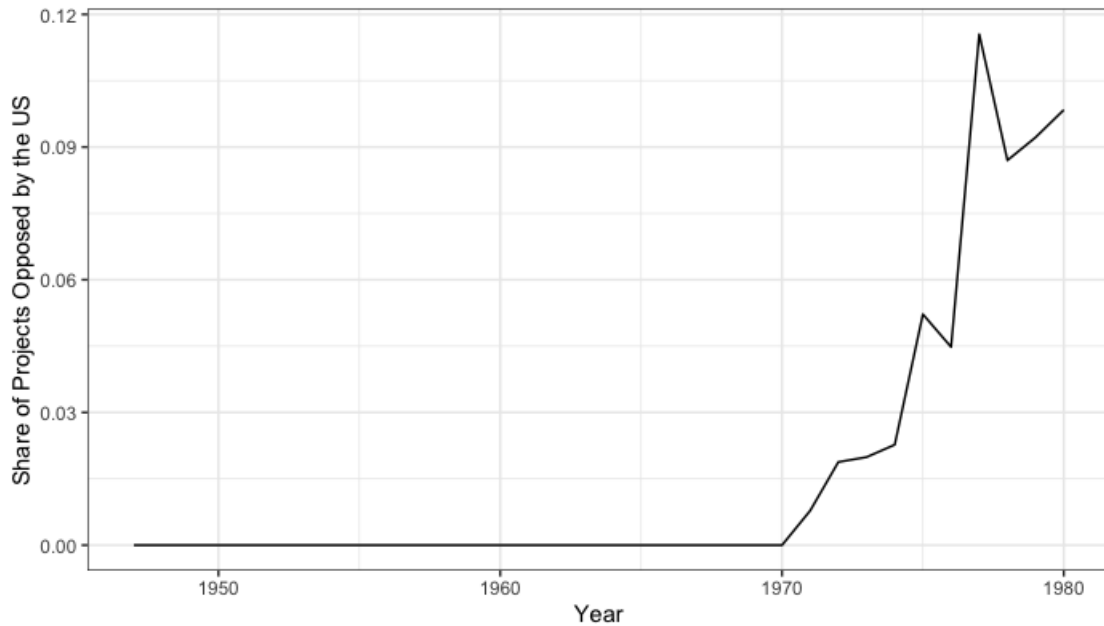
1 Introduction

By the 1980s, the United States faced a precarious situation in the World Bank, one of the most prominent international organizations. Since the Bank's founding in 1944, the United States had grown used to the institution reflecting its interests with little contention. But American leverage had declined in the decades since the Bank's founding. A growing membership, coupled with member-states' growing economies, diminished the United States' weighted vote share across the World Bank Group's various institutions. The International Bank for Reconstruction and Development's (IBRD) borrowing portfolio was less entwined with the American banking system. Other multilateral development banks (MDBs), such as the Inter-American Development Bank (IDB) and African Development Bank (AfDB), were created. Developing states suddenly had options for multilateral aid outside the World Bank's institutional umbrella.

The 1970s, in particular, brought about a cascade of political defeats for the United States within the international organization. In 1971, the American Executive Director fruitlessly cast the United States' very first "no" vote on the IBRD Executive Board, regarding a loan to Guyana. The United States repeatedly, and unsuccessfully, petitioned for the Bank to send aid to its ally, South Vietnam, only to openly contest a \$60 million International Development Association (IDA) loan to a unified Vietnam in 1978. The infrastructure and overall development resulting from Bank projects began to threaten American producers, a problem so severe that, in 1977, Congress passed legislation preventing the United States Executive Director from approving loans for the production of palm oil, citrus crops, and sugar. And the United States' increased support for human rights met with little enthusiasm in the Bank's lending decisions. By 1981, the United States had voted against 112 loan proposals due to human rights concerns in the borrowing state. None of the 112 proposals were denied by the Bank's executive boards. "In the view of senior Treasury officials, the Bank was out of control" (Gwin 1997, p. 218).

Figure 1 validates the idea that the United States was "losing control" of the World

Figure 1: United States ‘No’ Votes and Abstentions in the IBRD/IDA



Bank in the 1970s. Using data from Schoultz (1982), I collected the share of “no” votes and abstentions made by the United States on approved IBRD and IDA loans in the World Bank. Until 1971, the United States never explicitly disapproved of a project. But throughout the 1970s, the United States began to oppose more proposals. Eventually, the United States opposed about 10% of proposals for the last three years of the decade.

This loss of control coincides with the World Bank’s integration of nongovernmental organizations (NGOs). In 1981, the Bank issued Central Projects Note 10.05 which established a formal procedure for engaging with global civil society organizations. Notably, the policy note outlined a role for NGOs in every stage of a World Bank lending operation, from its initial design to its eventual evaluation. Coupled with the loss of control described above, the timing of NGO entry is puzzling. Despite losing control over project lending decisions, the United States still had an effective veto over any institutional reforms. Why would the United States, after suffering a decade of humiliation in the World Bank, accept the inclusion of private organizations that could further critique American policy? And under what conditions are NGOs granted access to IGOs more broadly?

I propose that the United States, upon losing control of an IGO, changes the organization's formal rules to allow NGOs access. The alignment between the United States' loss of control and the World Bank's integration of NGOs was no coincidence. The United States, as a major shareholder, pushed to change the World Bank's institutional rules to allow NGOs access, because NGOs provide information and additional preferences that the United States can leverage to restore control. The argument extends across intergovernmental organizations (IGOs). The United States changes an IGO's rules to allow NGOs access when they have experienced a loss of control over the IGO and policies no longer match their preferences.

The paper proceeds as follows. First, I outline existing explanations for why NGOs are allowed to participate within the halls of intergovernmental organizations, drawing particular attention to "technocratic functionalist" explanations. While I do not directly contest the validity of these arguments, I intend to re-frame the debate toward the underlying politics behind the institutional design that allows for NGO participation. I next elaborate upon the theoretical argument, specifying the key mechanisms of information sharing and dilution that NGOs provide for the United States. My research design describes the Transnational Actors (TNA) data-set and justifies the choice of explanatory variables to be used in a quantitative analysis. The results, followed by a series of robustness checks, support the proposed explanation. I then provide an in-depth case study of the World Bank to examine the process behind NGO access and test the theoretical mechanisms.

This study adds to our understanding of NGO participation within IGOs and stresses the often deemphasized role the state has in providing access. While NGOs can work to improve the general performance of IGOs, their participation can also serve the political interests of powerful member-states. More broadly, it highlights the importance of power and process in determining institutional design. International institutions can adapt to changing external environments, but rules can also be changed in tandem to insulate the interests of the most powerful. In particular, formally integrating informal means of control can provide important

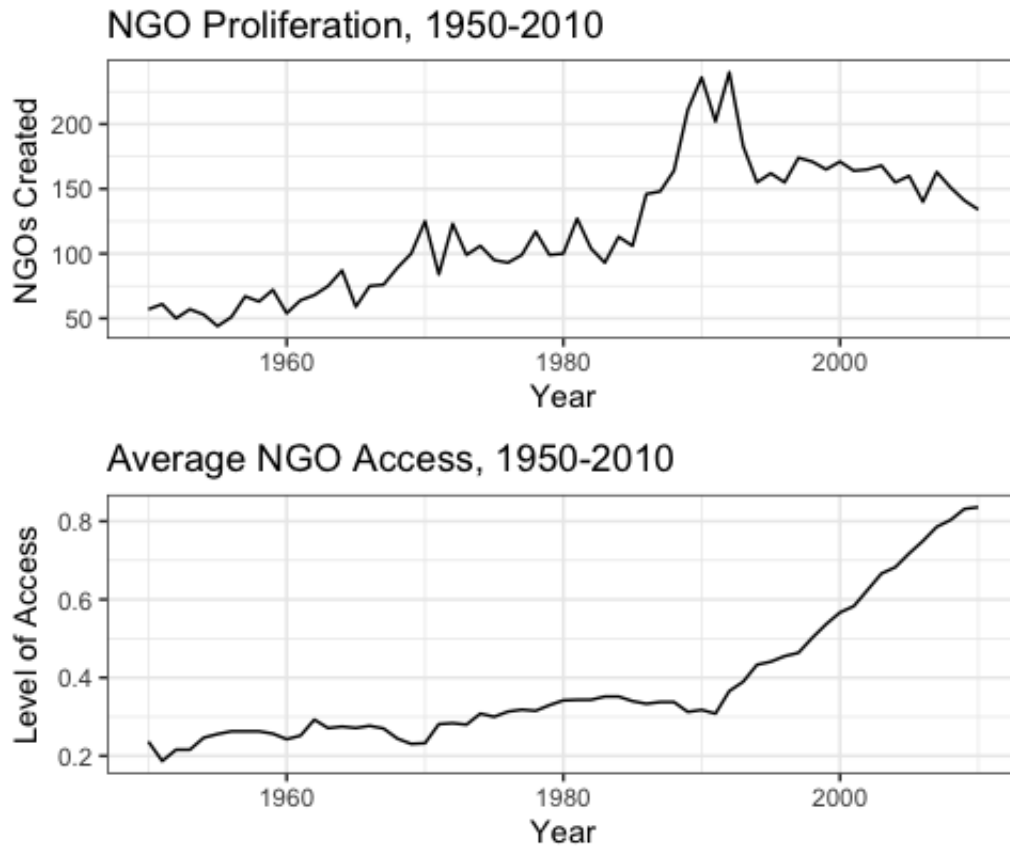
systemic benefits to powerful states.

2 Nongovernmental Organizations in Global Governance

NGOs appear to be a growing force in global governance. As Figure 2 shows, the annual creation of new, internationally focused NGOs increased throughout much of the 20th century, with a peak in the early 1990s. The access NGOs (and other transnational actors) have in IGOs appears to follow a similar pattern, with a slowly increasing average followed by a sharp increase in the 1990s. But the story becomes more complicated when access is conceptualized as a spectrum. Organizations may grant NGOs complete access or no access at all. But substantial variation exists between these two levels. Figure 3 shows the moving average paired with the level of access individual organizations provide. While the average does suggest an upward trend, individual organizations continue to vary dramatically on the level of access granted. The International Monetary Fund (IMF) and World Trade Organization (WTO)—two prominent economic institutions—continue to grant only limited access that affords little real influence, while the World Bank has steadily increased its access since the end of the 1970s. Why have some organizations opened themselves up to NGOs while others remain largely closed?

The rational design literature suggests institutional features are implemented with an eye toward solving fundamental cooperation problems (Koremenos, Lipson, and Snidal 2001; Koremenos 2016). New functionalist explanations that directly address NGO participation bolster this theoretical perspective by emphasizing the technocratic advantages NGOs can bring to an IGO’s policy work, a perspective on NGO participation I label “technocratic functionalism.” The emerging literature on IO “orchestration” (Abbott and Snidal 2010; Abbott et al. 2015) describes how IGOs (and sometimes states) organize NGO activities to improve IGO performance outcomes. Similarly, Tallberg et al. (2014) argue that NGO access is more likely the more technically complex an IGO’s task is. These works emphasize the

Figure 2: NGO Proliferation and Access to International Organizations Over Time



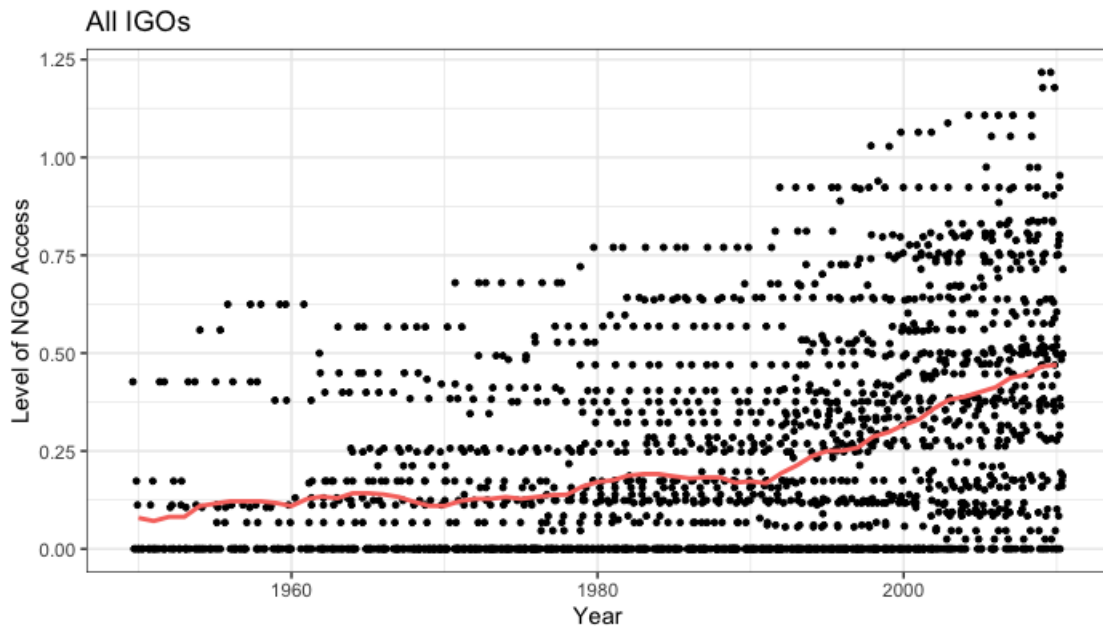
Data on NGO proliferation was collected from the Yearbook of International Organizations database, which collects information on every international organization in existence. Using qualifiers to select NGOs that prioritize a consistent international presence, I constructed a time series that tracks how many such organizations were created each year. The time unit for both series is annual from the years 1950-2010. Data from Sommerer and Tallberg (2017) were used to create the plot detailing NGO access at the IGO-body level.

importance of issue-area and the resulting type of cooperation problem addressed by NGO participation.

Other studies continue the “technocratic functionalist” perspective by emphasizing the monitoring role NGOs can play. Building off the classic idea of using NGOs as “fire alarms” (McCubbins and Schwartz 1984), Vabulas (2013) and McNamara (2019) argue that states deploy NGOs into organizations to monitor activities and evaluate policy agendas, sometimes dependent on the relevant issue-area.¹ Similarly, Buntaine (2015, 2016) argues that

¹For example, a human rights organization would use NGOs the most, because monitoring and evaluation

Figure 3: NGO Access to International Organizations



Data from Sommerer and Tallberg (2017) were used to create this plot detailing NGO access at the IGO level.

participation from civil society organizations leads to greater accountability from IOs. Here, NGOs essentially aid state principals in overseeing the activities of IO agents to ensure efficient delegation (Hawkins et al. 2006). Yet only half of development organizations grant consultative status to NGOs (Vabulas 2013, p. 199), and the range of their involvement varies within particular organizations, too. If NGOs are included to monitor and support an IGO's activities, why are they not applied more uniformly, particularly when their participation appears to improve performance outcomes (Lall 2017)?

The literature on legitimacy and international organizations (Zaum 2013; Tallberg, Bäckstrand, and Scholte 2018) would, unsurprisingly, suggest the legitimating power of NGO participation and the call for increased IGO transparency (Bexsell, Tallberg, and Uhlin 2010). However, Grigorescu (2007, 2015) finds that while IGOs do actively engage in efforts to increase their legitimacy and transparency, the inclusion of NGOs does not match the timing of these efforts. Rather, democracy is the most likely determinant of increased legitimacy and

are so critical to that issue-area.

transparency. Indeed, Tallberg et al. (2014) and Tallberg, Sommerer, and Squatrito (2016) put forth regime type as the most powerful determinant of NGO participation, with more democratic memberships resulting in greater NGO participation. They find little empirical evidence for norm-based explanations of NGO participation. Similarly, Henry et al. (2019) argue that NGOs in unfavorable domestic environments (i.e. autocracies) have more difficulty participating in IGOs.

Other studies provide an NGO-centric explanation for the deployment of NGOs. Abbott, Green, and Keohane (2016) and Green (2014) view the delegation to nonstate actors as a way to fill the gaps of global governance (i.e. where IGOs are not very involved, like global environmental governance). Keck and Sikkink (1998) stress the influence and autonomy NGOs maintain without relying on state principals or IGOs. Sommerer and Tallberg (2019) stress diffusion and the practice of institutional mimicry in the adoption of NGO participatory arrangements. Here, the proliferation of NGOs has the potential to transform the standard institutions of global governance (Raustiala 1997; Joachim 2003; Tarrow 2005). From this perspective, NGO participation may be the result of the increasing influence NGOs wield and their subsequent lobbying to move into IGO policy-making.

The above explanations – save NGO-centric ones – place NGO participation within a formal delegation framework where NGOs are brought into an organization for a specified reason. An influential literature on informal governance details how decision-making can occur outside the formal rules of delegation to the benefit of powerful member-states (Stone 2011; Vabulas and Snidal 2013; Westerwinter, Abbott, and Biersteker 2017). However, this literature’s pivot away from formal rules would lead most analyses to only consider NGO action *outside* an IGO’s institutional design. My proposed theoretical argument seeks to rectify this omission by linking formal delegation with informal influence. NGOs can influence IGO activities through informal channels, but only when the IGO’s rules are formally changed to allow them in. To retain control of the organization, the United States formalizes informality.

3 Theoretical Explanation

I argue that NGOs can be used as mechanisms for the United States to regain control of IGOs. After losing control of an IGO, the United States changes the organization’s institutional design to allow NGOs access. NGOs can bolster American influence in two ways. First, they increase the *information* the United States holds by monitoring and reporting on the activities of adversarial states. Second, they *dilute* the normal process of governance with new voices and preferences, allowing the United States more opportunities to wield its influence. The following section details the logic and identifies observable implications. I first describe the assumed preferences of the United States and NGOs. The primary circumstances that lead to the United States “losing control” over an organization are then detailed. Next, I explain how NGOs can work to reverse this loss of control, with an emphasis on the two mechanisms of information-sharing and dilution. The logic leads to a single hypothesis on the predicted participation of NGOs.

3.1 The United States and NGOs: Roles and Preferences

The United States is accustomed to wielding considerable influence within organizations it is a part of. Its preference is to maintain this influence without discouraging other member-states from using the organization. While the formal rules often favor the United States as a major shareholder, these rules can adapt to the changing international landscape. For example, while the American executive director maintains the highest vote share in the IBRD, its share has diminished over time to reflect the growing membership of the organization. The United States wants the IGO to favor its interests without completely tarnishing the IGO’s legitimacy. If the organization loses too much legitimacy in the eyes of its member-states, non-major shareholder states will cease to use the organization (Borzyskowski and Vabulas 2019).

Critically, American officials should be more comfortable working with NGOs, relative

to other states. The United States government views NGOs as governing partners, affording them far greater status and responsibilities than other developed states like France or the United Kingdom (Stroup 2012). For example, the United States frequently uses NGOs to dispense foreign aid. About 30% of American government development assistance is channeled through NGOs and other private organizations (p. 37). This comfort extends beyond the US Executive Branch; Congress will often work through NGOs to gather information on Executive Branch activity, a practice that has carried over to monitoring IGOs (Daugirdas 2013). Prior to an IGO's "opening up," American government officials should already have the experience and knowledge required for NGO collaboration. However, this comfort does not necessarily lead to a wholesale embrace of NGO participation; the United States led the opposition to NGO access in the United Nations General Assembly (UNGA) and Security Council (UNSC) in the 1990s (Grigorescu 2015, p. 196).

NGOs themselves have strong incentives to participate within prominent IGOs for both financial and operational reasons. Working inside an IGO brings additional contracts, connections and status, all of which can be leveraged to obtain greater funding, a great concern for many NGOs (Cooley and Ron 2002; Mulesky 2020). At the same time, IGO participation presents NGOs with a chance to make substantial progress toward their mission (Keck and Sikkink 1998; Steffek 2013). A World Bank contract allows development NGOs to operate on a larger scale than normal. A human rights NGO can bring greater attention to its reporting by presenting information directly to the Human Rights Council. And many NGOs, particularly those involved in advocacy operations, wish to increase IGO oversight and organizational performance. Participation thus allows the chance for NGOs to improve the IGO from the inside. The Bank Information Center, a watch-dog for international financial institutions, does just this by participating in World Bank civil society forums and monitoring development projects around the world. In short, I follow Mitchell and Schmitz's (2014) argument that NGOs act with "principled instrumentalism," allowing room for them to desire participation for both material and normative ends.

3.2 How the United States Loses Control

I propose that the United States, upon losing control of an IGO, changes the organization's formal rules to allow NGOs access. The United States can lose control over an organization in a variety of ways, depending on the institution. In development lending, it may occur when loans are perceived to favor adversaries more than allies. In international adjudication, it may occur when the United States finds itself as the respondent more often than the complainant. A loss of control may even be perceived immediately upon the institution's creation. Control is most likely to be lost when the organization in question maintains a large membership in the context of competition.

The United States can expect its influence to diminish as an IGO's membership increases, particularly if the IGO is subject to organizational competition. Increases in membership add a greater variety of states, leading to less homogenized preferences across the organization. Moreover, as more states join an organization, some will be adversaries to the United States. Thus, preferences will not only become more heterogeneous; they will also begin to diverge more greatly from American interests. Subsequently, a large membership can allow said preferences to be armed through bloc voting. The Group of 77 (G77), created in 1964, famously drove UN general assembly voting. Even weighted voting systems do not present a guarantee. While the United States maintained the largest vote share in the World Bank throughout the 1970s, its efforts to reject project proposals based on human rights concerns repeatedly failed due to the near unanimity of the other board members and the recent reduction of its vote-share (Clark 1981, p. 15).

However, a large membership alone does not constitute a total loss of control. An IGO's competitive environment matters as well. As Lipsky (2017) explains, institutional rules that favor powerful states—no matter the membership size—can remain in place, provided non-powerful states do not have other options available to them. The World Bank, which competes with 19 other development banks, has reformed its voting rules to better reflect its membership relative to the IMF, which is the only institution of its kind. Non-major share-

holders can choose to stop using an organization they view as illegitimate, either by using already-existing institutions or by creating an entirely new institution. But the ease of such an exit depends on the competitive environment with which an organization operates. The WTO is a large organization not subject to explicit competition; when the Trump administration obstructed the WTO's dispute settlement process by blocking judicial appointments, other member-states had little recourse. Thus, membership increases should only lead to a loss of control when the organization operates within a competitive policy environment.

3.3 How NGOs Reverse the Loss of Control

I argue that NGO participation broadly serves to increase the influence of the United States, and thus provides one method to reverse the changing influence described above. Two principal mechanisms underpin this relationship. First, NGOs provide the United States with *information* it would not normally have. Second, NGOs can *dilute* the influence of various actors within the IGO, providing the United States with a better hand in managing its affairs. Each mechanism is explained in turn below.

NGOs bring a substantial amount of new information into an IGO as they maintain their own networks and expertise. Indeed, as the orchestration literature describes, NGOs often have expertise and technical skills that IGOs and states do not possess, or do not wish to expend resources on. NGOs can share this information with member-states, which can influence decision-making. In a 1986 World Bank vote on dam construction in Brazil, Oxfam International and the Environmental Defense Fund provided executive directors with information on the project's potential environmental impact. Several executive directors cited this material as the reason for their refusal to approve the loan (Wade 1997, p. 670). Similarly, the Organization for American States (OAS) allows NGOs to distribute written reports among member-states before meetings; this often includes areas in which the NGO has a certain expertise.

Moreover, NGOs do not just share information with member-states, but sometimes hold

information advantages *over* member-states. World Bank staffers would often discuss policy papers with (usually Washington-based) NGOs before most executive directors would even see drafts. Some executive directors even received their first copies of important policy reports from NGOs themselves (Kapur, Lewis, and Webb 1997, p. 34). The information NGOs provide also has the potential to compete with the normal information provided from an organization's bureaucrats. One World Bank executive director – when describing the 1988 Narmada dam project in India – said, “When I hear what NGOs say about this project and then what the [World Bank staffers] say, it sounds like they are talking about two different projects.” (Wade 1997, p. 699).

Without NGOs, states have far less information to work with. But the information should benefit the United States the most in pushing IGO policies toward its preferences. Whereas a non-major shareholder government may only care about how an IGO's activity affects its own interests, the United States cares about how an IGO interacts with all states. Without NGOs, the United States must gather this information itself or trust the IGO's staff. The United States can even coordinate with NGOs to gather particular information. When provided with a major position paper, the United States executive director to the World Bank would often call NGOs together to debrief them (Kapur, Lewis, and Webb 1997, p. 366). NGOs, in turn, monitor operations and share their own findings. As one Congressional report on multilateral development banks stated, “they [the Treasury] are highly dependent upon notification and/or feedback from NGOs to identify projects with potential problems, and to document the nature of problems in the field,” (Sanford and Fletcher 1998, p. 35). In short, NGOs inundate IGOs with new information, which the United States can subsequently leverage to its advantage.

NGOs can also dilute the normal channels of influence within an IGO. The logic here is similar to Ehrlich's (2007) work on access points in trade policy, which describes how certain institutional features allow protectionist lobbyists more or less access. Here, powerful states deliberately change institutional features to allow NGOs—the lobbyists—access to

numerous points in IGO policy making. By adding an additional actor within the IGO's formal governance, the influence of adversarial states can be crowded out. 591 accredited NGOs can theoretically operate in the UN Environment Programme's deliberations,² which, if present simultaneously, would quadruple the number of independent voices in the room. This presents a counter to growing memberships. As the International Labor Organization's membership grew in the 1950s, and the United States—along with its Western European allies—pushed for additional nongovernmental seats to counter increases in state delegates (Grigorescu 2015, p. 206-207).

Moreover, the added voices come with new preferences. Whereas an international financial institution (IFI) may have only cared about economic growth and stability before NGO access, NGOs, once they are allowed in, bring in new preferences on topics like human rights and environmental protections. Suddenly, the IFI must contend with a host of new considerations that dilute the normal process of governing. And while NGOs have preferences on how existing IGO policy sways, they also aim to reform the IGO's governing practices, particularly in the area of accountability (Buntaine 2016). NGOs were arguably the strongest voice, alongside the United States, to advocate for the creation of the World Bank's Inspection Panel in 1993 (Wade 1997). Such checks on the IGO's bureaucracy add more steps and access points along the organization's normal line of operations.

By increasing the number of access points through which NGOs can insert their preferences, the IGO's governance process can be slowed down. This is an important advantage for the United States. As outlined above, their preferences extend beyond those of non-major shareholders. A non-major shareholder simply desires favorable treatment from the IGO. The United States, in contrast, often seeks to ensure the IGO favors their allies and not their adversaries. But a rapid governance process can erode its ability to ensure this preference. For example, the United States Treasury Department was genuinely overwhelmed by the volume of development bank loan proposals to approve in the 1970s, and reaching a con-

²<https://www.unenvironment.org/civil-society-engagement/accreditation/list-accredited-organizations>

sensus on the United States' position proved difficult (Schoultz 1982, p. 544). NGOs slow down the governance process by lobbying for their preferences on the environment, human rights and other social concerns, which allows the United States more time to ensure its own preferences are met.

The above mechanisms of information and dilution are not perfect mechanisms for powerful states to control organizations. NGO participation is not costless and will, at times, go against the interests of the United States (Vabulas 2013). NGOs may provide information that portrays the United States negatively or dilute the organization with adverse preferences. This is precisely why NGO participation matches a *loss* of control within the organization. If American officials can ensure an IGO promotes American interests, they have no reason to risk the blowback effects of NGO participation. At the founding of the United Nations, Secretary of State Edward Stettinius pushed for NGO access in ECOSOC to garner additional voices of support in the competitive issue-areas of economics, education and human rights. But Stettinius was careful to exclude nongovernmental observers from the UNSC, where the United States would retain its powerful veto (Schlesinger 2003, p. 124-125).

The above logic leads to the following hypothesis:

Hypothesis: *NGOs are granted more institutional access to an IGO—in which the United States is a member—when the United States loses control over the organization's political outcomes.*

4 Data and Quantitative Analysis

4.1 Dependent Variable: NGO Access

NGO participation within intergovernmental organizations can manifest itself in various ways, including debates within the organization’s discourse and aiding in logistical operations. However, my theory explains the decision to let NGOs into the organization in the first place, through a change of institutional design. This study therefore concerns itself with the institutional design as it relates to NGO participation: the level of access granted to NGOs. NGO access can be measured both on a binary scale (are NGOs granted access or not) and on a spectrum (the degree of access NGOs are granted). For example, the World Bank adopted Central Projects Note 10.05 in 1981, which established a formal procedure for engaging with global civil society organizations. Since then, additional rules have been adopted that further determine the level of access NGOs are granted. Here, emphasis is placed on the degree of access; the greater their access, the more NGOs can theoretically make up for a powerful state’s loss of control.

The data for the dependent variable are taken from Tallberg et al. (2013, 2014) and Sommerer and Tallberg (2017), who have created the most comprehensive dataset on NGO participation to date.³ Using a random sample of 50 IOs and 298 IO bodies, they measure both the *depth* and *range* of NGO access to intergovernmental institutions. In their data, *depth* is defined as the degree of access NGOs are granted, whereas *range* refers to the number of NGOs that are allowed access. They also create a logged index that measures the overall degree of NGO access for an organization in a given year.⁴ This index constitutes the primary dependent variable with the IGO-year as the unit of analysis. The sample is limited to IGOs in which the United States holds membership. I include separate analyses

³Tallberg et al. (2014) study “transnational actors” (TNAs) which includes NGOs alongside MNCs. Theoretically, my argument on NGO access remains the same for both NGOs and MNCs, and Tallberg et al. acknowledge that the UN definition of NGO, “is close to that of TNAs in substantive terms” (2014, 761).

⁴Breaking with Sommerer and Tallberg, I treat the six principal UN organs as separate organizations, rather than individual bodies under the overarching UN system.

for the body-level and depth/range measures in the Appendix.

4.2 Independent Variables and Controls

My primary independent variable is the “loss of control” that occurs within an organization over time. As my theory implied, I measure the potential loss of control as an interactive effect between an IGO’s **membership** and its **competitive environment**. The Correlates of War IGO dataset provides membership information for all intergovernmental organizations which will be used for the **membership** variable (Pevehouse, Nordstrom, and Warnke 2004). The absolute value of membership is measured to capture how the persistence of a large membership leads to a loss of control. The variable is logged to better interpret the impact a difference in membership has. I code the **competitive environment** myself for all organizations included in the TNA access dataset. The measure captures whether the IGO experiences any significant competition at all using a binary scale (no competition or competition; 0/1). For example, the wide-ranging activities of ECOSOC are covered by other institutions, whereas the UNSC’s ability to create international law is unparalleled. The measure is time-invariant to capture both the reality and potential for organizational competition.

I account for potential confounders with the inclusion of several control variables in the main models. The underlying issue-area and policy tasks of an organization present a crucial variable to control for. Given the prominence of technocratic functionalist explanations, issue-area is often given as a key determinant of NGO participation. Moreover, issue-area could impact the primary independent variables. Certain issue-areas, such as international development, operate in a relatively dense institutional milieu made up of overlapping organizations and agencies, and are therefore subject to greater competition. And certain organizations, such as the IMF and WTO, maintain nearly universal memberships due to their distinct, yet crucial policy tasks. Issue-area and the related policy tasks an IGO engages in may therefore determine both NGO participation and the degree of control powerful

states wield within the organization. To control for this possibility, I use three variables from Tallberg et al. (2014). *Monitoring* measures whether an organization and the relevant body create significant noncompliance incentives for member-states, and thus require the monitoring of member-state behavior. Monitoring is often considered to be an NGO's most valuable attribute (McCubbins and Schwartz 1984; Vabulas 2013). *Implementation* measures whether an organization's work entails local activities within states (e.g. World Bank development operations). NGOs can often aid in the implementation of said local activities, given their local and programmatic expertise. Finally, *Policy Formulation* measures the technical complexity of an IGO's policy task.⁵

Other possible confounders are controlled for. IGOs with larger memberships tend to have larger budgets, and bureaucrats may therefore have more incentive and ability to open contracts with NGOs. Furthermore, NGOs themselves may be incentivized to work with "wealthier" IGOs to gain greater status and fund-raising opportunities. The variable *Budget* measures the log of an IGO's budget in millions of Euros (Tallberg et al. 2014). I also control for the influence of NGOs themselves using Tallberg et al. (2014)'s indexed measure of the number of transnational actors operating in a given year. Much like IGO membership, the "supply" of NGOs has increased over time, particularly since the 1970s. Finally, the influence of democracy may also confound the relationship. Democratizing states are more likely to both join (Mansfield and Pevehouse 2006) and create (Poast and Urpelainen 2018) international organizations and may therefore impact my measure for losing control (membership and competitive environment). The level of democracy within an IGO may also have a positive relationship with NGO participation (Tallberg et al. 2013, 2014). I therefore include *Democracy* to measure the average level of democracy among an IGO's member-states. The variable is lagged one-year and should account for sudden shifts in an IGO's democracy-level.

⁵I use the above measures to create a more parsimonious model free from numerous dummy variables designated to capture an IGO's specific issue-area. However, I also estimate models with issue-area dummies included; see Section 9.

5 Results

Table 1: Effect of 'Losing Control' on NGO Access, 1950-2010

	OLS Models		
	NGO Access		
	(1)	(2)	(3)
Competition	-0.436*** (0.084)	-0.713*** (0.088)	-1.025*** (0.107)
Membership	0.003 (0.009)	-0.102*** (0.030)	-0.139*** (0.027)
Competition*Membership	0.190*** (0.020)	0.256*** (0.020)	0.322*** (0.022)
Monitoring		0.190*** (0.027)	0.155*** (0.014)
Implementation		0.051 (0.055)	-0.003 (0.030)
Policy Formulation		0.131*** (0.013)	0.116*** (0.008)
Budget		-0.001 (0.004)	-0.004** (0.002)
Democratic Membership		-0.011* (0.006)	-0.032*** (0.004)
NGO Supply		0.090*** (0.013)	-0.011 (0.015)
Constant	0.192*** (0.036)	-0.029 (0.073)	
Year fixed-effects?	No	No	Yes
Robust standard errors in parentheses			
Observations	1,027	1,015	1,015
Adjusted R ²	0.326	0.451	0.397
Residual Std. Error	0.287 (df = 1023)	0.259 (df = 1005)	

Note:

*p<0.1; **p<0.05; ***p<0.01

I estimate OLS regressions with robust standard errors. While not purely continuous, the indexed nature of the *Access* variable is appropriate for OLS estimation. However, the data are left-censored at zero, which could lead to bias. Tobit models can account for left and right-sided data censorship. To facilitate interpretation, I report OLS models for the

main results and include the Tobit models in Section 9.⁶ The variable *access* constitutes the dependent variable across all models in Table 1. Models 1 and 2 present the bivariate and multivariate results, respectively. Model 3 includes year-fixed effects to account for the influence of temporal trends.

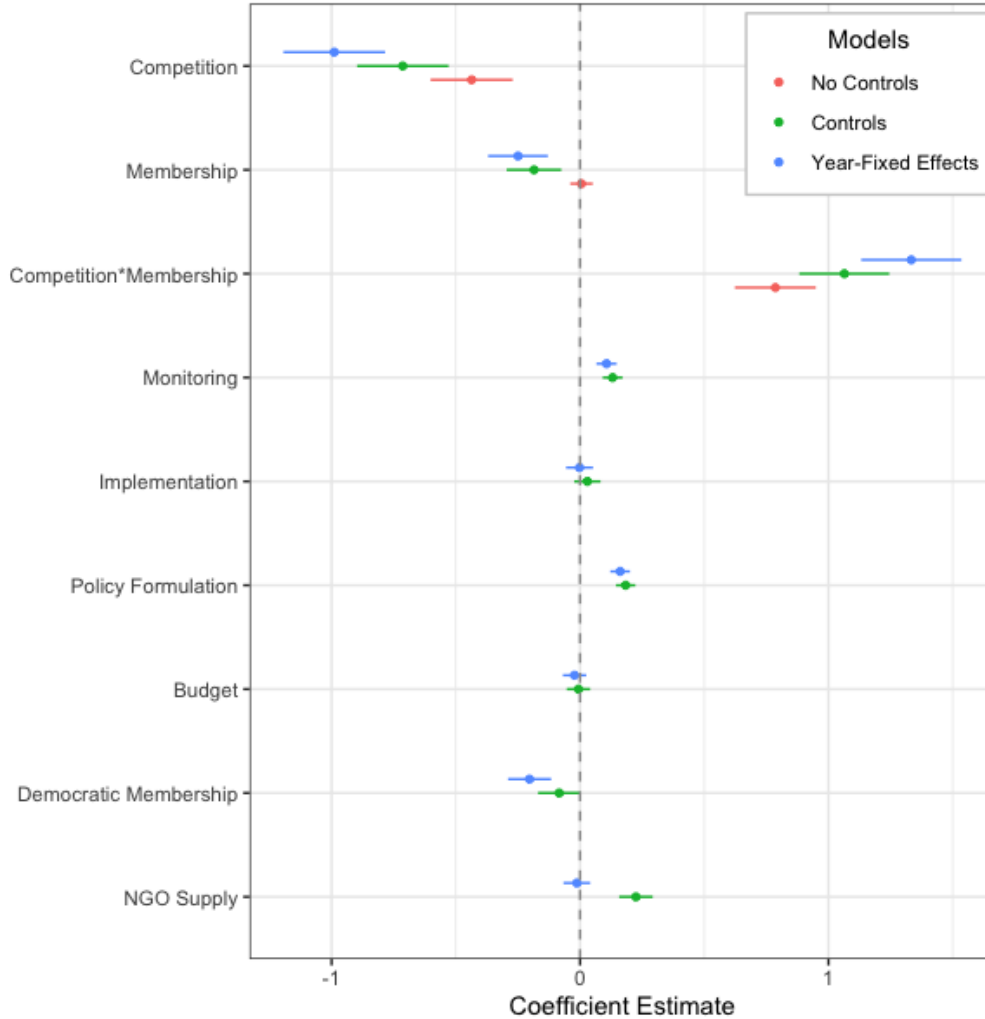
The results are consistent with my theoretical expectations. While *competition* is negatively significant alone, the interaction between *competition* and *membership*—my measure for losing control—becomes positive and highly significant with the index of NGO access. The negative direction of *Competition* and questionable significance of *Membership* (it is only statistically significant when controls are added), highlight the importance of the interactive effect. NGOs do not simply gravitate toward large or overlapping organizations; they are brought into organizations that are particularly difficult to control. Moreover, the results are substantively significant. Figure 4 plots the effect sizes, which are notably larger than the included controls. The marginal effects plot in Figure 5 further details the importance of the interaction; a growing membership in a non-competitive organization is actually associated with a *decrease* in the level of NGO access.

The negative relationship between *access* and *competition* alone is worth highlighting. This suggests that normally, IGOs operating in a competitive environment offer less NGO access than non-competitive organizations. Thus, the type of organization is less determinant than the eventual loss of control that results from a large membership. Of course, this relationship also highlights the potential confounding effect of temporal trends. However, the inclusion of year-fixed effects actually increases the magnitude of the interactive effect. Additional controls—specified in the next section—provide further checks for the confounding effect of time.

Some control variables are significant, but do not substantially change the relationship when they are included. *Monitoring* and *Policy Formulation*, in particular, present large, positively significant estimates. This is not surprising, given the existing literature’s emphasis

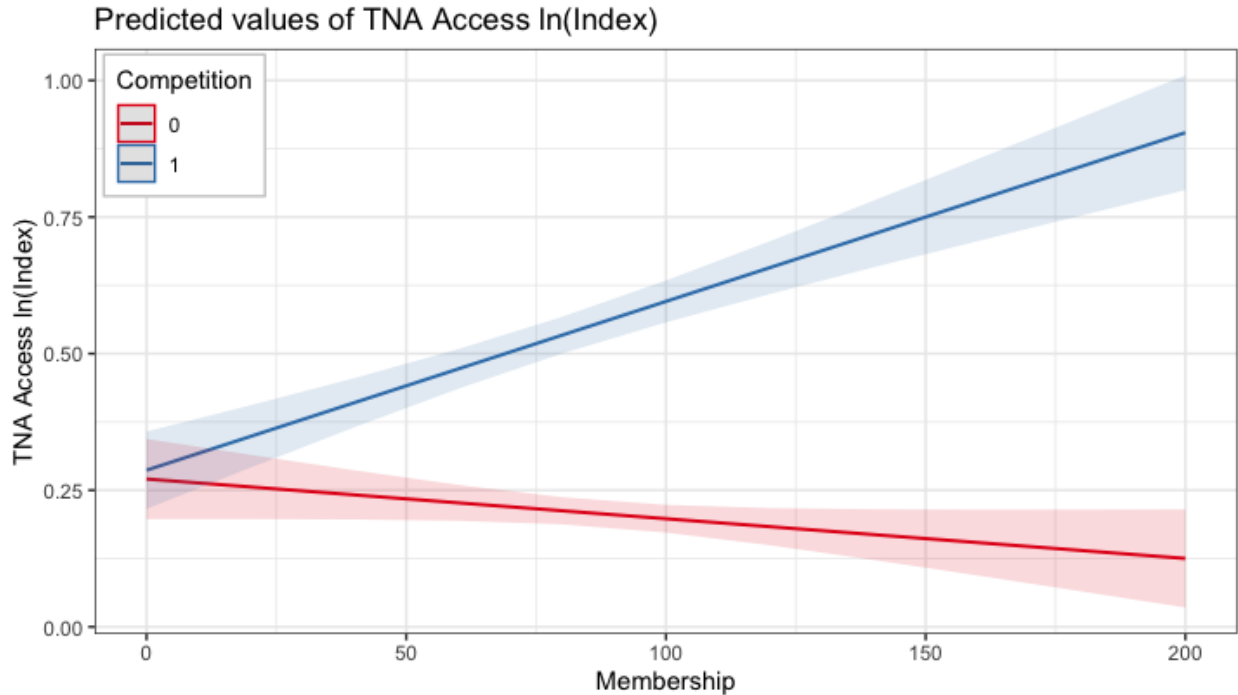
⁶Table 2 presents the results from the Tobit models. The results are similar to the original OLS models.

Figure 4: Effect of "Losing Control" on NGO Participation, 1950-2010 (OLS Models)



on the NGO monitoring abilities and technocratic expertise. *NGO Supply* is positively significant but does not diminish the main association of interest. Interestingly, this variable loses its significance when year fixed-effects are included. This suggests that while a larger NGO population is associated with increased access, this correlation is best explained by temporal trends, rather than the influence of NGOs themselves.

Figure 5: Marginal Effects Plot of "Losing Control" on NGO Participation, 1950-2010 (OLS Model)



6 Robustness Checks

I also conduct a series of robustness checks to further test the proposed relationship. The tables and figures can be found in the Appendix (Section 9). First, I further address possible temporal effects beyond the year fixed-effects and *NGO supply* variable included in the main results. Internationally-focused NGOs have proliferated in recent decades, particularly in the 1990s. The access granted to NGOs may therefore be a symptom of their increasing role and influence within the broader system of global governance. An intervention analysis suggests 1991 as a possible break-point in the dependent variable. I therefore split the original models before and after the year 1990 to account for a possible structural break (Table 3). The results remain similar, although the effect size is slightly larger for *Competition*Membership* before 1990.⁷ I further control for the influence of temporal trends by introducing a linear trend variable in Table 4. This slightly reduces the relationship's effect size but does not diminish

⁷As with the other models, robust standard errors are reported to account for potential heteroskedasticity.

its statistical significance.

Second, a Breusch-Godfrey test suggests the possibility of serial correlation. I therefore re-estimate the above models with clustered standard errors at the organization level to account for the potential dependence within units. The main interactive relationship of interest is robust to the rigorous specification, but all control variables, aside from *Policy Formulation*, lose their statistical significance (Table 5). These results cast doubt on the functional necessity of NGO monitoring and implementation across organizations. Figure 7 plots the marginal effects of the main relationship with clustered standard errors.

While my main results include Monitoring, Implementation and Policy Formulation to account for the specific tasks IGOs engage in, it is possible that an organization's general issue-area is the common cause for both NGO participation and my independent variables. I therefore estimate a model with dummy variables for various IGO issue-areas. Figure 8 displays the results. While certain issue-areas are statistically significant, the main results do not change. Moreover, most issue-areas do not appear to have a large effect on NGO participation. This presents further evidence that political factors appear to be a greater determinant of NGO participation than technocratic functionalist explanations.

Finally, I examine whether the results hold when the unit of analysis is changed from the IGO-year to the body-year and leverage this distinction to further probe the underlying mechanisms behind my explanation. The access observed across whole organizations may be driven by access granted to specific bodies, rather than the IGO as a whole. I therefore re-estimate the main models at the body-level. While this increases the number of observations, the relationship holds. In addition, Sommerer and Tallberg (2017) include separate measures for the depth and range of access at the body-level.⁸ While my explanation stresses the mechanisms of information and diffusion, the United States may instead introduce select NGOs to lock-in shared preferences. In this case, we would expect a loss of control to be positively associated with the depth of access granted and *negatively* associated with the

⁸Depth measures the activities nonstate actors can engage in while range measures to the eligibility criteria of nonstate actors.

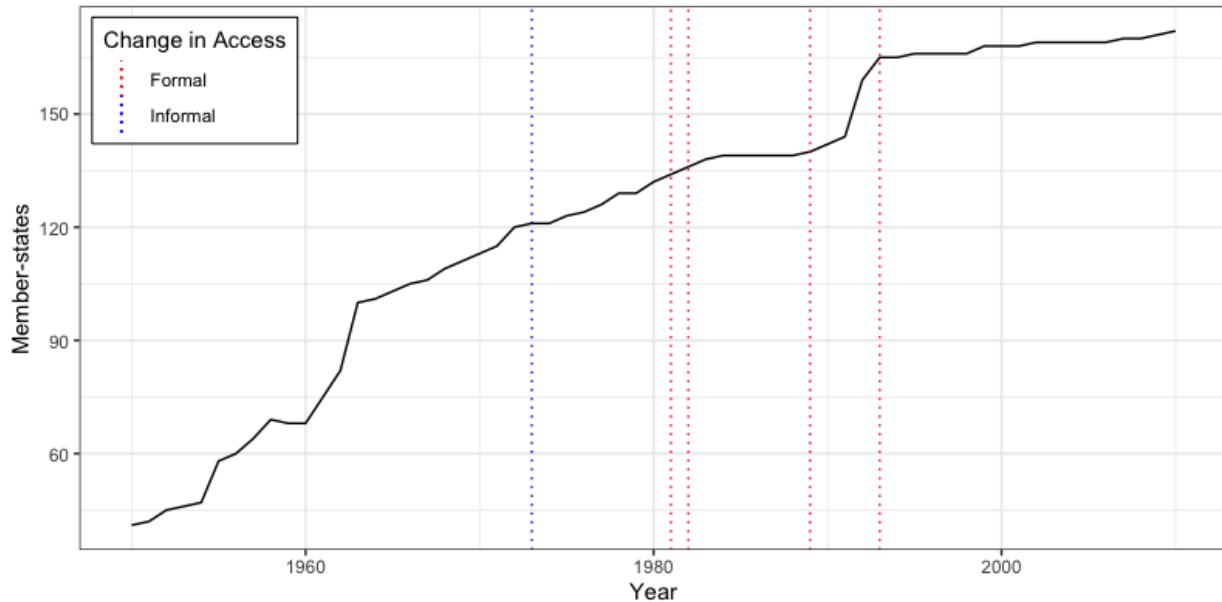
range of access granted, as opposed to my explanation which expects increased access for all nonstate actors. I therefore re-estimate the body-level analysis with separate dependent variables for depth and range; the interactive measure for losing control is positively significant for *both* the depth and range of access (Table 7). These findings thus support my originally proposed mechanisms.

7 The Story in the World Bank (1970-1993)

This article opened with the question of why the United States, after losing influence in the World Bank, would accept the formal participation of NGOs, actors that could further critique and erode its power. The United States retained its veto over institutional reforms and, as a senior Bank official once commented, “no major Bank initiative has gone forward without the support of the United States.” (GAO 2016, 60). So why did the United States allow a group of independent actors formal access to the organization? I argue that the United States would have welcomed NGOs into the fold precisely *because* government officials felt an acute loss of control occur.

The section presents an in-depth case study to supplement the above quantitative analysis. While the quantitative analyses provided general support for the theory across a sample of IGOs, this method leaves questions surrounding the process by which my theory operates unanswered. How do NGOs operate within an organization informally, prior to gaining formal access? How long does the process of “formalizing informality” take, from loss of control to change in institutional rules? Does the process halt after control is effectively retained and/or stabilized? And do alternative explanations of NGO access hold a place in the theoretical story? This case study will answer these questions by highlighting the process by which NGOs gained access in the World Bank. As one of the most prominent IGOs, the World Bank is deserving of special attention to uncover if the proposed theory applies to an “important” organization.

Figure 6: NGO Access and State Membership in the World Bank, 1950-2010



To find evidence for or against my argument, the process-tracing analysis proceeds in three steps. First, I examine if the United States recognized or perceived a loss of control over its preferences in the World Bank. Second, I examine the informal role NGOs held within the World Bank prior to their formal admission and whether the United States appreciated their utility in this role. And third, I examine the formalization of NGO participation, which includes the initial access granted in 1981 in addition to its reinforcement in 1989 and 1993. If my argument is supported, we should find that the United States recognized a loss of influence and subsequently pushed for the formal introduction of NGOs. Instances of the United States resisting the inclusion of NGOs will weaken support for my argument. In addition, evidence of alternative mechanisms, such as legitimacy critiques against the Bank, bureaucratic desires for improved performance brought on by NGO expertise, and the influence of NGOs themselves, will also weaken the support for my argument. Figure 6 displays the instances of informal and formal change to NGO access alongside the organization's changing membership.

7.1 American Influence at the Bank in Decline (1970-1979)

American development policy entered the 1970s with multilateralism on its mind. The 1970 US Task Force on International Development recommended an increasing portion of American aid be channeled through the World Bank and related institutions (Presidential Task Force on International Development 1970), a proposal President Nixon agreed with (Nixon 1970). And yet, the 1970s brought a sharp decline in American influence at the World Bank, the preeminent multilateral development bank. A growing membership and changing economic power-levels diminished the United States' weighted vote shares in both the IBRD and IDA, which dipped below 30% for the first time, to 24.5% and 25.3%, respectively. The American Executive Director frequently found himself outvoted as he cast “no” votes for human rights concerns, competition with American producers, and expropriation against American firms, many of which were dictated by Congressional statute.⁹ Figure 1 displays how in the last three years of the 1970s, the United States found itself voting against roughly 10% of all approved loans.

Beyond the loss of voting power, the United States increasingly had trouble monitoring the Bank's activities. The Treasury Department—overwhelmed by the volume of loan proposals put forth by the Bank's staff—struggled to formulate policy positions on Executive Board votes (Schultz 1982, p. 544). Much less was known about a project's implementation once it was approved. According to a 1973 GAO report, monitoring was “sporadic and informal” and reporting to the United States on the “efficiency of operations, success or failure of World Bank and IDA projects, results achieved, etc., is virtually nonexistent,” (37). That same report also lamented the under-utilization of external monitoring mechanisms such as USAID country-missions, which often maintained little coordination with Bank projects in their own target country (Government Accountability Office 1973, p. 44). This stood in stark contrast with the Bank's practice throughout the 1950s and 1960s—when bilateral aid

⁹By 1981, the United States had voted against 112 loan proposals due to human rights concerns in the borrowing state. None of the 112 proposals were denied by the Bank's executive board.

was the predominant force in development lending—of working closely with USAID missions in project implementation (Gwin 1997, p. 218-219). The situation did not improve; in 1977 the Assistant US Treasury Secretary complained that IDA projects, in particular, were “done solely” by the Bank’s staff without proper approval or oversight from the Executive Board (Senate Committee on Foreign Relations 1977, p. 105). The United States found itself without the ability to properly monitor projects, just when the Bank was approving more loans to ill-favored countries brought on by a growing membership.

And while the vote-shares and control over project implementation slipped from the United States, attempts to work outside the formal rules did not meet with success. In the early 1970s, Secretary of State William Rogers directly pressured Bank President Robert McNamara to take two loans to India off the Executive Board agenda. McNamara refused, and the United States was outvoted on the loans once the Board met (Lewis, Webb, and Kapur 1991, p. 51). And when the the United State did manage to successfully exert informal influence, other countries readily critiqued the endeavor. In 1978, Congress was outraged by the US Executive Director’s failure to stop a \$60 million loan to Vietnam.¹⁰ McNamara, in an effort to placate a hostile Congress from taking harmful action toward future IDA replenishments, signed a letter that promised a freeze on any future loans to Vietnam. Officials in the US Treasury drafted the letter to ensure it met American preferences (Brown 1992, p. 189).¹¹ This act met unanimous protest from the rest of the Bank’s Executive Board, who saw it as an attempt by the United States to overtly politicize the Bank (Clark 1981, p. 181). The informal action of the United States proved effective in its singular aim, but the immediate condemnation prevented the strategy’s systematic deployment.

In short, the United States faced an eroding influence over loan approvals, project monitoring and informal governance throughout the 1970s. An evolving membership and subsequently reformed vote share increased the number of disapproved projects, which made the

¹⁰The United States presented the sole “no” vote against the loan.

¹¹McNarama disputes that he signed the letter under pressure from the United States (Lewis, Webb, and Kapur 1991, 61).

monitoring of implementation all the more critical, despite the diminished USAID influence. Moreover, the sheer amount of World Bank lending—part of which was brought about by an increase in borrowing member-states—increased substantially, which made monitoring more difficult. This led some officials to worry about the Bank eclipsing American bilateral development lending while the United States subsequently lost its influence over how Bank funds were used (Lewis, Webb, and Kapur 1991; Gwin 1997).

7.2 The Informal Role of NGOs (1973-1981)

Around the same time the United States observed its diminishing influence in the World Bank, it began to appreciate the benefits that came from informal NGO collaboration. NGOs operated within the World Bank on an *ad hoc* basis years prior to their formal accession in 1981. NGOs first worked on World Bank projects in 1973 and eventually attached themselves to 91 different projects by 1981 (Nelson 1995, p. 75). Moreover, some select NGOs began to push for broader policy changes within the World Bank as a whole. Specialist workshops involving NGOs began in the mid-1970s to discuss policy formulation on various topics, such as forestry, energy management and poverty reduction (Cleary 1996, p. 70). Notably, these workshops often covered environmental concerns, which NGOs often stressed but the Bank had done little to address previously.

The United States' own development policy promoted the use of NGOs during this time. The 1973 Foreign Assistance Act specified that development aid should be channeled through NGOs “to the maximum extent possible,” (93rd U.S. Congress 1973, p. 715). And just as NGOs were informally pressing the Bank to address environmental concerns, the International Financial Institutions Act of 1977 dictated that “United States assistance to multilateral development banks should promote sustainable use of natural resources and the protection of the environment,” (95th U.S. Congress 1977). Actors within the government already appreciated (or were directed to appreciate) the role of NGOs in development.

These broad statutes translated into actual American practices in overseeing projects

at the Bank. Projects with explicit USAID intervention in the 1970s—through either co-financing or joint implementation—tended to be the projects with the early NGO participation mentioned above. An education project in Liberia, approved in 1976, used USAID-financing to pay for CARE to construct the majority of primary school units related to the project (World Bank 1983). Similarly, a USAID-financed Bank project in Kenya included the Agricultural Cooperative Development International (ACDI), an American-based NGO, as a consultant (World Bank 1985a). But USAID-NGO coordination extended to local NGOs as well. The Yogyakarta Rural Development Project in Indonesia, approved in 1979, relied upon the Yayasan Indonesia Sejahtera-Association for Indonesian Welfare (YIS), an Indonesian NGO, to provide training and technical assistance to local villages (World Bank 1979). USAID co-financed the project with the IDA and conducted two pilot programs prior to the project’s official start (World Bank 1990). Notably, Indonesia had recently been re-admitted to the IDA in 1978 at the United States’ urging (Department of the Treasury 1982, p. 179). American agencies, specifically the Treasury and USAID, would have been keenly aware of what NGO participation in the Bank entailed.

The United States’ new preferences toward human rights, the environment, and poverty-focused lending, as they regard multilateral development, matched some of the concerns NGOs were informally bringing to the World Bank throughout the 1970s. As theorized, these added preferences could serve to dilute the Bank’s normal governance process and insert additional areas for American monitoring and intervention. Indeed, the Treasury Department called for the increase of NGO participation as part of the United States’ strategy for MDBs in the 1980s while implicitly acknowledging the potential for NGOs to “increase the MDBs’ operational costs associated with project appraisal and supervision.” (p. 170). Such costs might explain the Bank’s cautious approach toward NGO integration at this time (Nelson 1995, p. 130). Here, it was the United States, not the World Bank bureaucracy, that suggested the formal integration of NGOs.

The United States clearly benefited from the *ad hoc* role NGOs played in the World

Bank throughout in the 1970s, not the least of which was because it could, through USAID, finance and direct NGO collaboration on certain projects. Moreover, the added preferences of NGOs matched the added initiatives the United States wanted to introduce, including more accountability and concern for the environment. Thus, while the informal role of NGOs may not have proven pivotal in directly influencing the Bank, American delegates and officials likely saw their increased participation as a boon to be brought forth in a time of declining influence. And this decline showed no institutional signs of abating; the United States' votes shares would diminish again in 1980.

7.3 Formalizing Informality: NGO Access (1981-1993)

The United States approved of Central Projects Note 10.05 in 1981, which formally specified the role NGOs would play inside the World Bank, and the creation of a formal World Bank-NGO Committee, which was established in 1982. But CPN 10.05 and the NGO Committee only provided initial access to NGOs. The formal access granted to NGOs deepened in 1989 and 1993, with the adoption of Operational Directive 14.70 and the establishment of the Inspection Panel, respectively. The United States did not stand by while this formal access was determined. As the American vote share was again reduced in the 1980s, the United States explicitly pushed for more formal access to be granted to NGOs.¹² Notably, these crucial years of NGO consolidation within the Bank did not include many of the common explanations given for NGO participation.

Whereas NGOs had proven useful for projects the United States had a keen interest and involvement on, the newly gained access of the 1980s allowed NGOs to participate in projects without the direct encouragement of the United States. In 1988, NGOs uncovered substantial misinformation with relation to the Narmada Dam project in India, approved in 1985. Here, NGOs were directly involved in the monitoring of the project, a position they

¹²Reforms from 1970-1990 reduced the United States' vote share in the IBRD and IDA by 15.2% and 14.1%, respectively.

had not held with earlier large-scale energy projects of the 1970s.¹³ Critical of the project since its initial implementation, both international and local NGOs expressed serious concern over the project's environmental impact and resettlement & rehabilitation plan (World Bank 1995, p. 26). NGOs provided information that executive directors would not have normally had. Internationally-focused NGOs informed their home country's executive director of the project's implementation, often feeling as though "Bank staff gave them ever hopeful, rosy reports with emphasis on selected areas of progress while they received very different reports from NGOs." (Wyss 1993, p. 6). In addition, NGO action diluted the Bank's implementation by forcing corrective actions, which included a commissioned independent review of the project. The review recommended the Bank step back from the project before continuing, which the Bank did through a detailed action plan to rectify the identified problems (Guhan 1997, p. 354). Overall, NGO monitoring led to a substantial increase in negative information toward the Bank's and borrower's performance alongside a delayed implementation brought on by internal reviews.

While NGOs enjoyed their newfound access, the United States promoted new policies. In 1985 the Reagan administration unveiled the "Baker Plan," named after Treasury Secretary James Baker, for international debt relief. The Plan promoted increased commercial lending to developing states under the auspices of the IMF and World Bank. The United States simultaneously pushed the environmental agenda laid out by various NGOs, but some borrowing-countries viewed this as a "double-game" by which the United States criticized the Bank's environmental policies as a cover for the unrestricted flow of lending the Baker Plan required (Wade 1997, p. 671).¹⁴ And while this perspective may discount the United States' genuine environmental concerns, the added environmental measures NGOs called for provide a quintessential example of dilution. In fact, the United States appeared to even select which NGO issues received the most attention. NGO proposals on environmental

¹³For example, NGOs were critical of the 1977 Singrauli power plant project, another large-scale Indian World Bank project, but held little concrete information (Marston 2011).

¹⁴The United States executive director cast the first "no" vote out of environmental concerns in 1986, with regard to an electric power sector loan to Brazil.

assessments, investigation panels and information disclosure received American support and subsequent attention from the World Bank staff.¹⁵ Meanwhile, the United States did not support other NGO issues, such as structural adjustment and debt relief, which received little to no genuine dialogue in the World Bank, despite many NGOs pushing reforms on these issues far more (Nelson 1995, p. 64-65).

Indeed, the United States continued to push for both increased NGO participation and environmental monitoring in the late 1980s. In 1987 Congress passed 22 U.S.C. 262m-5 which called on the American executive directors to “vigorously promote participation by borrowing country NGOs at all stages of preparation for loans that may have adverse environmental or sociocultural impacts.” (Government Accountability Office 1998, p. 16). And the 1989 Pelosi Amendment specified that international financial institutions must allow for public inspection of a project’s environmental impact 120 days before approval if it is to have US support. In particular, it stressed the importance of NGO monitoring in implementing this measure. The timing coincided with the Bank’s adoption of Operational Policy Note 14.70 in August 1989, which explicitly encouraged Bank staff to involve NGOs in the project cycle. As Charles Dallara, Assistant Secretary for International Affairs at the US Treasury put it, “Our insistence on the participation of non-governmental organizations and affected communities in the project cycle will also yield fruits in the form of improved project design and better prospects for implementation success.” (One Hundred First Congress 1990, p. 43). Overall, the United States was a principal driver in the increased participation of NGOs at the Bank, for reasons beyond specific environmental concerns.

While the United States supported an increase in NGO participation, through both Congressional statutes and Executive direction, Bank staffers recognized the present and potential roles NGOs held, but did not appear to actively push for increased participation. A 1985 Bank report on early NGO participation recommended that NGOs participate more

¹⁵As my theory would expect, this attention could dilute the normal process of Bank governance by slowing down staff activities. In 1994, for example, the development of sector specific performance indicators were delayed by six months to give NGOs an opportunity to comment drafts (Government Accountability Office 1994, p. 32).

fully on certain projects, without necessarily increasing the number of projects that included participation, stating, “NGO involvement is not an end in itself but a means to enhance certain important aspects of a project.” (World Bank 1985b, p. 11-12). Similarly, a 1989 internal review recognized several NGO benefits, but did not include increased access or participation as one of its many policy recommendations (Salmen and Eaves 1988). Thus, while the Bank was not outright opposed to increased NGO access during this time, it clearly struck a more cautious tone when compared to the preferences put forth by the United States. Reports in the later 1990s generally lauded the positive impact of NGOs (Operations Policy Department 1995; Operations Evaluation Department 1998), but such recommendations appeared after 1993, when NGOs received the greatest boost in institutional access with the creation of the Inspection Panel.

The United States continued to push for more NGO participation up until the establishment of the World Bank Inspection Panel, which included the final institutional carve outs for NGOs. Congress continued to push for NGO inclusion with the 1991 Foreign Operations Appropriations Act, which urged the World Bank to create institutional mechanisms that would cement its relationship with NGOs and local groups affected by Bank projects (Government Accountability Office 1998, p. 25). The establishment of the Inspection Panel—an independent entity that allows NGOs and local actors to submit formal complaints on adverse project outcomes—was controversial at the time. Bank staff and borrowing countries were incredulous, whereas the United States was its main proponent, supported by NGOs who wanted further accountability from the Bank. The United States even threatened to pull IDA funding if Bank staffers did not put forth a proposal for the Panel to the Board (Wade 1997, p. 727). The eventual proposal only just passed the Executive Board when the United Kingdom reluctantly gave its support at the final hour (Kapur, Lewis, and Webb 1997, p. 34).

The additional powers the Inspection Panel granted to NGOs, both international and local, constituted the final burst of formalization granted to NGOs. According to Sommerer

and Tallberg (2017), formal NGO access has only just surpassed 1994 levels, despite increasing NGO collaboration on Bank projects. Thus, while Bank staffers may have grown more comfortable working with NGOs, they were not the primary force behind the formal access granted in the 1980s and early 1990s. And while many NGOs welcomed said institutional changes, their known strategies of delegitimation did not reach a substantial peak until 1994, with the “50 Years is Enough” campaign. Thus, the legitimation explanation for NGO access does not seem to apply to the World Bank. Instead, it was the United States that most consistently advocated for changing the Bank’s institutional rules.

Notably, formal NGO access to the World Bank hit its peak in 1993. Since then, access has either stagnated or declined across the institution’s various bodies. This is a puzzle to existing explanations that emphasize the sharp increase of NGOs in the 1990s and the largely democratic membership that emerged after democracy’s “Third Wave.” But this pause in access supports my proposed explanation, precisely because the United States’ loss of control appears to have tapered off. In 1990, the United States’ IBRD vote share declined to 15.1% (from 21.1% in 1980). But its present vote share stands at 14.97%, representing only a 0.13% decline over 30 years. In contrast, its vote share declined 15.2% over the same span of time from 1960-1990.¹⁶ And as my theory states, while NGOs may prove useful to powerful states, they are independent and always have the potential to go against state preferences.

8 Conclusions

I have argued that NGO participation within IGOs, as a choice of institutional design, is driven by the interests of powerful member-states. Specifically, the United States will work to allow NGOs in when they have lost control over the organization’s political outcomes.

¹⁶The United States’ vote share in the IDA has proven more malleable. It currently holds 10.46% voting power, representing a 6.74% decline since 1990 (17.2%). However, the United States experienced a 14.1% decline from 1960 (31.3%) to 1990 (17.2%) Thus, while the United States has lost formal voting power since 1990, it’s decline was not as precipitous as it was under the principal years in question. Moreover, the United States has, at times, pushed for a reduced IDA share due to the direct financial burdens it incurs. See Xu (2017) for a detailed investigation into this phenomenon.

Control is lost when an IGO's membership grows in the context of competition. This scenario prevents the United States from controlling the organization through explicit means. Instead, they "formalize informality" by changing the institutional rules to allow NGOs the influence required to aid their interests. NGOs indirectly aid American interests by providing new information and diluting the normal policy-making process with their additional preferences. The benefits are not guaranteed however; as independent actors, the information and dilution NGOs provide will occasionally go against American preferences. NGOs are thus only brought in when control has already been lost.

My statistical findings and qualitative process-tracing provide initial support for this hypothesis. Using the TNA dataset from Sommerer and Tallberg (2017), I find that organizations that compete in competitive environments with growing memberships are more likely to allow NGOs access—and to a greater degree—than other organizations. The World Bank case study also supports the proposed theoretical explanation. The United States appreciated the informal participation of NGOs and subsequently advocated for their formal access after recognizing a relative loss of control over the organization. The findings do not discount the standard functionalist explanations behind NGO participation. Rather, they highlight an additional incentive states have for NGO participation that emphasizes the underlying politics inherent within intergovernmental organizations. NGOs can provide meaningful policy advantages while simultaneously aiding the political interests of the United States.

This paper makes several important contributions. Scholars have long recognized the importance of NGOs and the design of international organizations, but most studies have emphasized select IOs and cases (Tallberg et al. 2013, p. 18). This study adds to the field's burgeoning—but still nascent—understanding of NGO participation in global governance from a broad comparative perspective. Moreover, the argument emphasizes the role of the state and its preferences toward NGOs, an under-theorized relationship in the literature (Vabulas and Snidal 2013). Indeed, Raustiala (1997) theorized that NGO proliferation represented an

expansion of the state in global environmental governance. This study suggests that, under certain conditions, this perspective can apply to NGO participation within IGOs.

Second, my explanation stresses the role of power and process in institutional design. In line with distributive rationalist explanations, I emphasize the institutional inequalities that can result from certain design decisions. In particular, I specify the process behind the winners and losers of institutional design, which distributive rationalist explanations tend to discount (Voeten 2019, p.8). International organizations operate in evolving environments, which can prompt institutional change (Lipsky 2017). But while the makeup of an organization can change dramatically, my explanation emphasizes the ways in which institutional rules can change in tandem to maintain invested interests. And while powerful actors may be able to work outside an institution's formal rules in crucial times (Stone 2011), I propose that formally integrating informal means of control can provide important systemic benefits. The changing landscapes of global governance may represent a consolidation, rather than an upheaval, of the *status quo*.

The analysis holds several limitations that should be left to future study. Principally, the analysis only investigates the determinants of formal rules changes that grant and increase the access NGOs are given. Thus, while states may push for NGO participation in the hopes that they will reverse a control loss, it is unclear the extent to which NGOs actually contribute to the political interests of states once they are allowed inside an organization. In addition, this paper's focus on formal access does not address how NGO-IGO relations evolve after a change in access is granted. Future work should investigate the patterns of NGO participation within IGOs beyond formal access.

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9 Appendix

Table 2: Effect of 'Losing Control' on NGO Access, 1950-2010 (Tobit Models)

	Tobit Models			
	NGO Access			
	IGO			IGO
	(1)	(2)	(3)	(4)
Competition	-0.482*** (0.120)	-0.880*** (0.132)	-0.640*** (0.112)	-1.340*** (0.153)
Membership	-0.017 (0.019)	-0.121*** (0.043)	-0.041** (0.018)	-0.187*** (0.047)
Monitoring		0.315*** (0.044)		0.267*** (0.044)
Implementation		0.146** (0.068)		0.081 (0.068)
Policy Formulation		0.205*** (0.022)		0.184*** (0.022)
Budget		-0.023*** (0.006)		-0.024*** (0.006)
Democratic Membership		-0.016* (0.008)		-0.045*** (0.010)
NGO Supply		0.132*** (0.020)		0.001 (0.033)
Competition*Membership	0.222*** (0.029)	0.315*** (0.031)	0.258*** (0.027)	0.410*** (0.035)
logSigma	-0.928*** (0.029)	-1.049*** (0.029)	-1.009*** (0.029)	-1.075*** (0.029)
Constant	0.151* (0.078)	-0.294*** (0.114)		
Year fixed-effects?	No	No	Yes	Yes
Observations	1,027	1,015	1,027	1,015
Log Likelihood	-628.506	-493.432	-545.070	-471.781
Akaike Inf. Crit.	1,267.012	1,008.864	1,220.140	1,085.562
Bayesian Inf. Crit.	1,291.684	1,063.013	1,540.875	1,435.070

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 3: Effect of 'Losing Control' on NGO Access, 1950-2010 (1990 Break)

	OLS Models	
	NGO Access, Index	
	Pre-1990 (1)	Post-1990 (2)
Competition	-1.487*** (0.154)	-0.124 (0.142)
Membership	-0.331*** (0.053)	0.074 (0.050)
Monitoring	0.244*** (0.040)	0.078* (0.044)
Implementation	0.115** (0.058)	-0.180** (0.078)
Policy Formulation	0.136*** (0.019)	0.092*** (0.022)
Budget	0.010 (0.006)	-0.009* (0.005)
NGO Supply	0.084*** (0.025)	0.059*** (0.021)
Democratic Membership	-0.051*** (0.009)	0.020 (0.013)
Weighted Voting	0.429*** (0.037)	0.149*** (0.031)
Competition*Membership	0.910*** (0.153)	-0.609*** (0.221)
Observations	569	427
R ²	0.459	0.484
Adjusted R ²	0.450	0.472
Residual Std. Error	0.259 (df = 559)	0.238 (df = 417)
F Statistic	52.694*** (df = 9; 559)	43.396*** (df = 9; 417)

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 4: Effect of 'Losing Control' on NGO Access, 1950-2010 (with linear trend control)

	OLS Models	
	NGO Access	
	(1)	(2)
Competition	-0.524*** (0.088)	-0.855*** (0.102)
Membership	-0.046 (0.029)	-0.089*** (0.032)
Monitoring	0.118*** (0.028)	0.089*** (0.029)
Implementation	0.173*** (0.044)	0.088* (0.045)
Policy Formulation	0.156*** (0.013)	0.135*** (0.014)
Budget	-0.032*** (0.004)	-0.030*** (0.004)
Democratic Membership	0.009 (0.006)	-0.017*** (0.007)
NGO Supply	0.053*** (0.013)	-0.061*** (0.023)
Trend	0.001*** (0.00004)	0.025*** (0.002)
Competition*Membership	0.211*** (0.021)	0.282*** (0.023)
Constant	-0.199*** (0.075)	
Year fixed-effects?	No	Yes
Observations	1,015	1,015
Adjusted R ²	0.530	0.475
Residual Std. Error	0.240 (df = 1004)	
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01	

Table 5: Effect of 'Losing Control' on NGO Access, 1950-2010 (with Clustered Standard Errors)

	OLS Models		
	NGO Access		
	(1)	(2)	(3)
Competition	-0.436 (0.405)	-0.713* (0.420)	-1.025*** (0.326)
Membership	0.003 (0.048)	-0.102 (0.114)	-0.139 (0.135)
Monitoring		0.190 (0.158)	0.155 (0.156)
Implementation		0.051 (0.333)	-0.003 (0.359)
Policy Formulation		0.131* (0.069)	0.116* (0.069)
Budget		-0.001 (0.017)	-0.004 (0.018)
Democratic Membership		-0.011 (0.023)	-0.032 (0.028)
NGO Supply		0.090* (0.051)	-0.011 (0.130)
Competition*Membership	0.190* (0.107)	0.256*** (0.096)	0.322*** (0.081)
Constant	0.192 (0.205)	-0.029 (0.243)	
Year fixed-effects?	No	No	Yes
Clustered standard errors in parentheses			

Note: *p<0.1; **p<0.05; ***p<0.01

Table 6: Effect of 'Losing Control' on NGO Access, 1950-2010 (IGO Body Level)

	OLS Models		
	NGO Access		
	IGO Body	IGO Body	IGO Body
	(1)	(2)	(3)
Competition	0.011 (0.090)	-0.124 (0.099)	-0.641*** (0.094)
Membership	0.010 (0.014)	0.020 (0.037)	0.062 (0.055)
Monitoring		0.396*** (0.027)	0.378*** (0.015)
Implementation		0.271*** (0.030)	0.262*** (0.026)
Policy Formulation		0.116*** (0.012)	0.118*** (0.005)
Budget		-0.018*** (0.005)	-0.027*** (0.005)
Democratic Membership		0.071*** (0.017)	-0.142*** (0.020)
NGO Supply		0.038*** (0.008)	0.034*** (0.013)
Competition*Membership	0.111*** (0.023)	0.154*** (0.024)	0.261*** (0.015)
Constant	0.311*** (0.050)	-0.506*** (0.094)	
Year fixed-effects?	No	No	Yes
Robust standard errors in parentheses			
Observations	3,846	3,762	3,762
Adjusted R ²	0.106	0.282	0.234
Residual Std. Error	0.713 (df = 3842)	0.641 (df = 3752)	

Note:

*p<0.1; **p<0.05; ***p<0.01

Table 7: Effect of 'Losing Control' on NGO Access, 1950-2010 (Depth and Range of Access)

	NGO Access			
	Depth		Range	
	<i>OLS</i>	<i>panel linear</i>	<i>OLS</i>	<i>panel linear</i>
	(1)	(2)	(3)	(4)
Competition	-0.738*** (0.072)	-1.018*** (0.082)	-0.190** (0.082)	-0.619*** (0.093)
Membership	-0.078*** (0.023)	-0.054** (0.025)	0.058** (0.027)	0.087*** (0.028)
Monitoring	0.290*** (0.014)	0.276*** (0.014)	0.288*** (0.016)	0.268*** (0.016)
Implementation	0.098*** (0.013)	0.097*** (0.013)	0.220*** (0.015)	0.218*** (0.015)
Policy Formulation	0.115*** (0.008)	0.114*** (0.007)	0.085*** (0.009)	0.084*** (0.008)
Budget	-0.009*** (0.003)	-0.014*** (0.003)	-0.004 (0.004)	-0.011*** (0.004)
Democratic Membership	0.013*** (0.004)	0.011** (0.005)	0.020*** (0.005)	0.014** (0.006)
NGO Supply	0.071*** (0.010)	-0.047*** (0.015)	0.054*** (0.011)	-0.119*** (0.017)
Competition*Membership	0.237*** (0.018)	0.291*** (0.020)	0.125*** (0.021)	0.209*** (0.022)
Constant	-0.038 (0.063)		-0.516*** (0.073)	
Year fixed-effects?	No	Yes	No	Yes
Observations	3,471	3,471	3,471	3,471
Adjusted R ²	0.274	0.191	0.297	0.247
Residual Std. Error (df = 3461)	0.380		0.434	

Note:

*p<0.1; **p<0.05; ***p<0.01

Figure 7: Marginal Effects Plot of "Losing Control" on NGO Participation, 1950-2010 (OLS Model with Clustered Standard Errors)

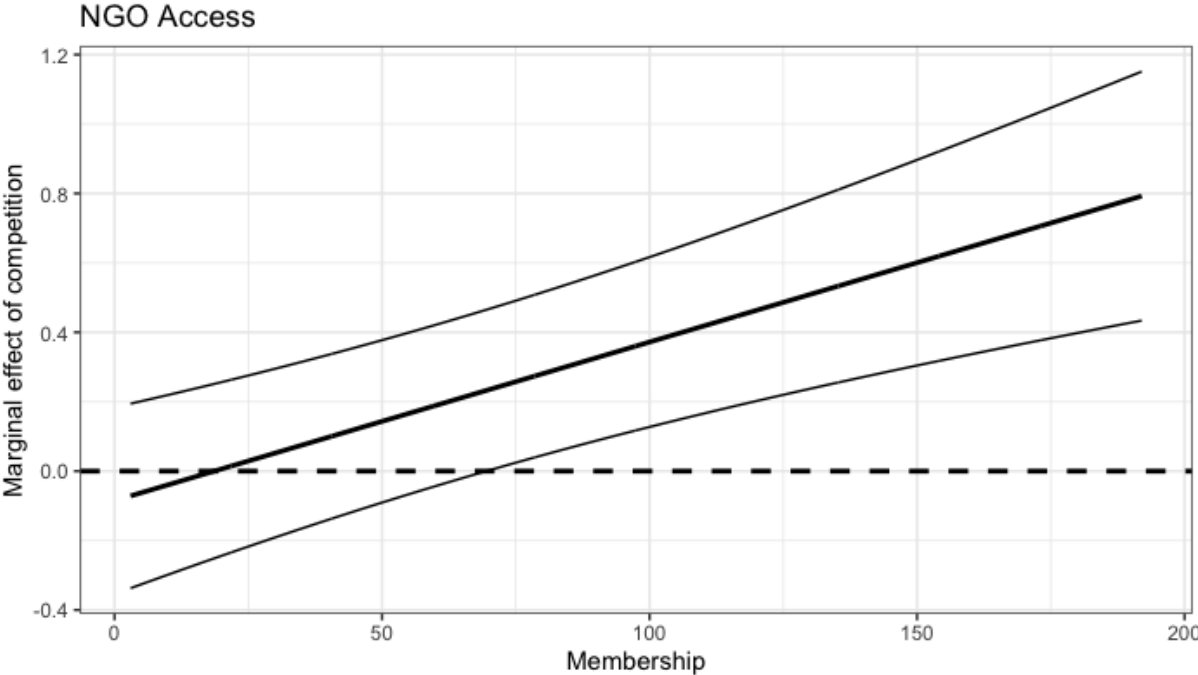


Figure 8: Effect of "Losing Control" on NGO Participation, 1950-2010 (OLS Models)

