Re-contracting International Organizations: Membership Change and the Creation of Linked Intergovernmental Organizations

Andrew Lugg
University of Nevada, Las Vegas
World Trade Institute, University of Bern

Abstract: How does international cooperation evolve? Current approaches suggest that cooperation at intergovernmental organizations (IGOs) is difficult to maintain. When countries are dissatisfied, they seek alternative forums, which leads to contestation, exit, and the construction of alternatives. Here I challenge this pessimistic view. My primary argument is that IGO members often create new affiliated bodies, which I call linked intergovernmental organizations (LIGOs), in order to “re-contract” their cooperation. This helps IGOs adapt to fluctuating membership dynamics, including the addition of new members and shifting constellations of power. Several features of LIGOs incentivize their creation: (1) they bypass difficult-to-enact reforms at an existing IGO; (2) flexible design features help increase the voice of dissatisfied constituencies; and (3) they are cost-effective and help preserve existing cooperation. To test my argument, I analyze original data on 1,200 LIGOs created between 1945 and 2014. Multivariate statistical analyses show that LIGOs are created in response to shifting membership environments at existing IGOs. I complement the quantitative analysis with case studies of two significant LIGOs: The International Development Agency (IDA) and United Nations Environment Programme (UNEP). My theory suggests a dramatic rethinking of how international cooperation evolves and has broad implications for global governance in an increasingly multipolar world.
Introduction

Everywhere international cooperation seems under stress. Of particular concern is what many commentators view as a weakening of intergovernmental organizations (IGOs) – especially those associated with the post WWII global liberal order – in response to contestation among member countries (Acharya 2017; Cooley and Nexon 2020). The conventional wisdom is that cooperation at IGOs is brittle, and unlikely to endure as power becomes more diffusely concentrated around the world. As evidence, studies have documented widespread instances of “contested multilateralism” and “counter institutionalization”, which is thought to be creating dysfunction in global governance (Morse and Keohane 2014; Zürn 2018; Hale, Held and Young 2013). Studies of institutional choice emphasize that states have many options when an existing IGO is no longer to their liking; they can shift their cooperation to an alternative forum or even create a new, more compatible, institution from scratch (Helfer 1999; Busch 2007; Alter and Meunier 2009; Jupille, Mattli, and Snidal 2013; Vabulas and Snidal 2013; Lipscy 2017).

Yet, episodes of dissatisfaction with IGOs are not new. Many of the same grievances articulated today with respect to IGOs such as the UN and World Bank – that they are not representative enough of their changing memberships – are remarkably similar to bouts of contestation that took place in the 1960’s and 70’s. Ultimately, most of the IGOs created since WWII have proven surprisingly resilient. Members seldom follow through on their threats of exit, and few major IGOs die outright, particularly in the post WWII period.¹ On the contrary,

¹ Aside from a few well-known examples, such as the most recent UK withdraw from the EU, unilateral exit of IOs is very rare, and when it does happen it is often temporary. According to von Borzyskowski and Vabulas withdraw only happens in about .04 percent of IO-member-years, which they note means that “most states actually remain in the IGOs [IOs] they join and withdraw rarely” (2019, p. 339). Moreover, work on the death of IOs, which is still in its infancy, finds that few major IOs have died in the post 1945 era (Gray 2018; Eilstrup-Sangiovanni 2018).
most IGOs grow dramatically after creation, increasing in size and scope over time (Barnett and Finnemore 2004; Vaubel, Dreher, and Soylu 2007; Hanrieder 2016; Heldt and Schmidtke 2017). These contrasting perspectives on the durability of formal cooperation represents a key puzzle in international relations. How IGOs adjust (or fail to adjust) to contestation provides a window into the health of the global order, which should help us better understand the continuing prospects for cooperation in an increasingly multipolar world.

In this paper, I advance an optimistic view of international cooperation by suggesting that IGOs respond to member contestation through adaptation. My primary argument is that member states regularly update existing IGOs through the creation of new affiliated bodies, which I call linked intergovernmental organizations (LIGOs). The creation of semi-autonomous LIGOs provides members a viable outlet to recontract their cooperation, updating it in response to changing membership dynamics. Three aspects of LIGOs make them particularly appealing: 1) relative to direct reforms of an IGO’s existing structures, LIGOs are relatively easy to create; 2) LIGOs can be designed flexibly to resolve distributional and governance dilemmas within the membership; and 3) LIGOs are appealing to both status quo and dissatisfied states in the membership of an existing IGO because they are relatively cheap to create and help preserve cooperation valued by members.

After explaining why LIGOs are useful, I advance a theoretical framework explaining when they are most likely to be created. I argue that they emerge when shifts in the membership dynamics at an existing IGO disrupts cooperation, which prompts states to recontract how cooperation is structured. I stress the importance of changes in the distribution of power and preferences and the addition of new members as catalysts. Additionally, I argue that some
traditional IGOs – those with larger memberships and more diffuse concentrations of power – are more likely to foster contestation in general, thus requiring more frequent LIGO creation.

The ability to recontract cooperation through the creation of LIGOs helps states resolve tensions over how to redistribute the benefits of cooperation as membership dynamics change. The creation of LIGOs can be used to increase the voice of members (or groups of members) who were not well represented (or present) when the original structures were created. This is important when coalitions of members hold major differences over how cooperation should be organized, due to shifts in power and status within the membership. Importantly, this process helps resolves the competing demands of dissatisfied states who seek major changes to the organization, while also maintaining the original structures favored by members who prefer the status quo. The net effect is that LIGOs enhance the representativeness and legitimacy of cooperation, helping maintain and even expand it into new areas over time.

To empirically evaluate the argument, I collect original data on the creation of 1,200 LIGOs created between 1945 and 2014. First, I show that LIGOs are an overlooked form of cooperation in the international system and that their numbers have increased dramatically over time. Next, multiple regression analyses demonstrate that IGO member states create new LIGOs in response to changing membership dynamics – including the addition of new members and shifts in the distribution of power, and preferences. Finally, a case study of the World Bank Group shows that changes in the composition of the membership, from one dominated by the US, to one with many developing country members, and a more diffuse distribution of power, has led to periods of heightened demand for reform. To resolve these tensions members states have created LIGOs such as the International Development Agency (IDA) and the United Nations Environment Programme (UNEP).
The Importance of IGO-affiliated Bodies

Academic scholarship on international cooperation has long privileged formal cooperation organized through IGOs. Upon close inspection, however, it is apparent that most studies focus on a limited subset of well-known IGOs, rather than universe of all potential IGOs. Particularly notable is that most scholarship has dismissed what are often called “emanations” or “second order” IGOs, such as the many agencies, bureaus, programmes, councils, and commissions that are part of larger organizational complexes, such as the United Nations system, the World Bank Group, and the European Union (for exceptions see Shanks, Jacobson, and Kaplan 1996; Johnson 2014). For example, the prominent Correlates of War Intergovernmental Organizations Data (COW IGO) notes that it “continues to exclude IGOs that are not created by states, which are commonly referred to as ‘emanations’” (Pevchouse et al., 2020, p. 494). Moreover, studies that have focused more extensively on emanations and similar bodies have shown that bureaucrats often exert outsized influence in these bodies, which has likely contributed to disinterest from state-centric international relations scholars (See Barnett and Finnemore 2004; Johnson 2014)

This conventional wisdom is misleading, however. First, the majority of “emanations” are in fact created by states, as bureaucrats typically do not have the authority to create new semi-autonomous intergovernmental bodies. Instead, the charters of IGOs give state representatives the authority to create semi-autonomous bodies through legally recognized lawmaking functions, such as the passage of resolutions in the main plenary body (see Alvarez 2005; White 2016). For example, members of the UN frequently create new entities via resolutions at the General Assembly or the Security Council, which they have used to create
bodies as diverse as the UNICEF, UNCTAD, UN-Women, the Peacebuilding Commission, and the UN Regional Commissions. Moreover, member states at existing IGOs often resort to creating affiliated IGOs through the formal treaty making process, which has been used to create the various organizations comprising the larger World Bank Group and are commonly used to create new organizations connected to regional IGOs, such as the Arab League and the Council of Europe (CoE).

Second, the notion that IGO affiliated bodies are unimportant could not be further from the truth. For example, in 2018 only about 6,236 million, or approximately twelve percent of the total expenditures of the UN system went to the original five UN organs created in 1945. In contrast, approximately 46,540 million dollars, or eighty eight percent of the total UN budget, went to fund UN linked organizations created by member states and connected to the larger UN system over the years.\(^2\) Thus, the vast majority of UN resources flow to affiliated bodies. In fact, many of these so-called emanations are larger and more important than the IGOs included in datasets such as the COW IGO data. It is unclear for example why organizations such as UNDP, an entity with a yearly budget of over 5 billion dollars governed by an executive board of thirty-four UN members, should be considered a lesser organization than the Association of African Tax Administrators (AATA), which is little more than a yearly meeting for state bureaucrats, or the North Atlantic Salmon Organization (NASCO), which has a secretariat of five. Moreover, traditional datasets that purport to exclude emanations often include organizations that are connected to and dependent on other IGOs such as the International Development Association

---

\(^2\) These numbers likely overestimate the extent to which UN system expenditures go to the original organs of the UN. Many LIGOs, including the relatively autonomous regional economic commissions and specialized committees, are included as core UN system expenditures. UN System expenditures broken down by agency can be accessed here: https://unsceb.org/fs-revenue-agency.
(IDA), which has a governing body that is nearly identical to that of the International Bank for Reconstruction and Development (IBRD) and shares the same staff and headquarters.

In short, due to several common misconceptions, we presently know relatively little about the scope and distribution of IGO-affiliated bodies, and the role(s) that they play in global governance. One contemporary problem is that without understanding the role that IGO affiliated bodies play, it is difficult to know whether global cooperation is becoming deeper and more inclusive over time or if it is fragmenting beyond repair.

**Conceptualizing Linked IGOs**

In this paper, I formulate the concept of the linked intergovernmental organization or LIGO. A LIGO is defined as a *semi-autonomous organizational body embedded within the governance structure of an existing intergovernmental organization*. LIGOs must meet two conditions: 1) an intergovernmental body controlled primarily by two or more member states, and 2) the authority and/or resources of the organization are substantively intermingled with that of another IGO. Thus, the second condition describes bodies that rely on a traditional IGO but that still have independent authority over an issue area. Thus, for an organization to qualify as an LIGO, it needs to be more than an administrative unit. Instead, LIGOs must be controlled by different procedures from the traditional IGO to which they are linked and/or receive resources that allow states to exercise some independent authority through them.

Using this conceptual definition, I collect original data on 1,200 LIGOs created between 1945 and the 2018. To identify the universe of potential LIGOs, I first compiled a list of all IGOs tracked by the Union of International Associations *Yearbook of International Organizations* (YIO). The YIO counted approximately 7,657 IGOs in 2018 and classifies them into 15 different
categories. Most IGO data collection efforts use the YIO as a baseline but exclude most of the categories based on the determination that they are not sufficiently independent from other IGOs. Rather than exclude these categories, I categorized each as either a “traditional IGO” or a “LIGO”. I also discard organizations if they are not IGOs, either because they lack sufficient an ongoing administration, were a national body, or had non-states entities as their primary members. Using this procedure, I count approximately 1,560 total IGOs in existence as of 2018 and categorize 400 as traditional and 1,160 as LIGOs. Full coding details can be found in the supplemental appendix.

Figure one below shows growth since 1945 in the number of LIGOs relative to traditional IGOs. Two quick observations are noteworthy. First, today the vast majority of IGOs are LIGOs, which comprise approximately 74 percent of all IGOs in existence. Second, the creation rate for LIGOs has exceeded that of traditional IGOs over the post-war period. In 1945, LIGOs represented only around 35 percent of all IGOs, but that number has grown steadily since. Thus, not only are LIGOs ubiquitous, but they have come to play an increasingly prominent role in global governance in the last 70 years.

---

3 These observations are echoed by studies focusing on emanations (Shanks, Jacobson, and Kaplan 1996; Johnson 2014).
Competing Perspectives on LIGO Creation

At present we know relatively little about the role that LIGOs play in global governance, particularly why and when states create them. However, conventional studies of international cooperation do imply several potential mechanisms. Moreover, there have been a few studies which have sought to explain the design of similar bodies, such as emanations, which yield more concrete predictions about possible rationales for their creation. Therefore, before presenting my original theory, I briefly survey these approaches.

The dominant perspective to understanding IGOs can broadly be termed the rationalist functionalist approach to international cooperation. This perspective stresses that international institutions represent efforts by states to solve global collective action problems (see Abbott and Snidal 1998). Accordingly, the choice to create an IGO – and the design features selected by
states – should reflect the nature of the underlying cooperation problem (see Koremenos, Lipson, and Snidal 2001; Koremenos 2016). This approach suggests that we should expect the structures of IGOs to evolve in response to consensus among member states. Narrower functionalist versions of this argument rooted in the development of the EU go further, suggesting that IGOs reconfigure state interests in favor of additional cooperation, which should lead to an expansion of the original IGO (see Haas 1958; Hooghe, Lenz, and Marks 2019). From this we can adduce relatively straightforward predictions: LIGOs will emerge when there is consensus among the membership on the desirability of additional cooperation. Moreover, this approach suggests that states will rationally design LIGOs in line with the cooperation problem.

An alternative explanation is provided by sociological institutionalism. A core assumption of this perspective is that bureaucrats have preferences independent of states (Barnett and Finnemore 2004). In particular, bureaucrats are thought to prefer an expansion of their mandate and resources, which they can pursue through the creation of new affiliated organizations (Barnett and Finnemore 2004 pp. 158-166; Littoz-Monnet 2017). This suggests that IGO bureaucrats will use their authority to convince states of the desirability of new tasks to obtain a wider mandate and more funding. Strong versions of this approach suggest that bureaucrats also have a preference for autonomy from states. Work looking specifically at emanations argues that bureaucrats use their role to ensure that emanations are designed to maximize their independence from member states (see Johnson 2017). According to this view, this extends the delegation chain from the original structures of the IGO to new bodies that are more closely controlled by bureaucrats. Ultimately, this approach suggests that LIGOs will emerge in IGOs where bureaucrats have considerable authority, which they can then use to
expand their reach further. Moreover, it suggests that bureaucrats will design LIGOs to maximize autonomy.

In contrast, I develop a novel explanation for the creation of LIGOs that builds from two alternative perspectives. First, I utilize dynamics emphasized by historical institutionalists, who stress that IGOs reflect prevailing political conditions at the time of establishment, which strongly conditions their future development (see March and Olsen 1998; Hanrieder 2014; Fioretos 2011, 2017; Ikenberry 2017; Zürn 2018). This approach stresses that IGOs display path-dependence after creation, which can complicate cooperation. Second, my explanation builds on approaches that emphasizes membership dynamics at IGOs, especially as they relate to distributional concerns (see Cox and Jacobson 1973; Voeten 2021). This viewpoint suggests that states bargain to maximize their share of the benefits available from cooperation. As such, my theory focuses on the struggles between states over how to structure (and restructure) cooperation, rather than the features of the cooperation problem or the interests of bureaucrats.

**A Re-contracting Theory of LIGO Creation**

My primary theoretical argument is that states build LIGOs to recontract the terms of their existing cooperation in response to member state dissatisfaction. When IGOs are created they reflect the power and interests of specific constellations of member states. However, membership dynamics change over time, which puts pressure on members to update cooperation to make it more representative of the current distribution of power and preferences. This creates dissatisfaction among member states who feel that their interests are no longer served by the existing structures of the traditional IGO. These states will seek to use their voice to enact reforms at the traditional IGO. Yet, due to rigid design features and purposeful blockage by
countries who benefit disproportionately, changes to the core structures of IGOs is undersupplied. This dynamic creates a political dilemma. Without regular reform members become increasingly dissatisfied and may attempt to hold-up cooperation or exit the IO, harming cooperation for all members. The creation of LIGOs offers a viable solution to this problem by providing member states a flexible means through which to recontract their cooperation. Three factors make LIGOs particularly appealing.

*Traditional IGO Rigidity*

A first reason why states turn to LIGOs is because traditional IGOs are structurally rigid, making reform difficult to enact. Upon creation, powerful countries insist on rules and procedures that “lock in” their prerogatives (see Ikenberry 2001; Fioretos 2011). Otherwise, powerful countries would not submit to follow the rules and instead choose go-it-alone (see Gruber 2000; Voeten 2001). Moreover, many IGOs are created by states when they are at the height of their global or regional influence, such as the US in the immediate post-WWII era (Krasner 1976; Gilpin 1981; Keohane 1984; Ikenberry and Nexon 2019). Ultimately, in order to bear the costs of creation and preserve their influence, powerful states design IGO rules so that they are difficult to change.

This lock-in can be accomplished through several mechanisms. First, powerful states often design the rules so that they have *de jure* veto power over structural reform. For example, the US has veto power over any changes to the UN Charter and amendments to the articles of agreement at both the IBRD and IMF.4 Second, states frequently design procedures that make reform inherently difficult, which has the effect of preserving the organizational status quo. For

---

4 Veto power over amendments to the UN Charter is specified in Articles 108 and 109. At founding, amendments to the IBRD and IMF’s Articles of Agreement required eighty percent of the total vote of the board of governors, giving the US effective veto power in both. Both were subsequently amended, at the behest of the US, when the US vote share dropped below twenty percent. Now amendments require eighty-five percent of the total votes.
example, many founding treaties specify that amendment proposals are only allowable under special circumstances, such as through the calling of a special conference, or that major amendments require approval by a supermajority or the entirety of members.³ Third, many IGOs provide significant informal influence over reform processes to powerful founders, which they can use to exercise *de facto* veto-power (Stone 2011). This influence often extends to design provisions which provide asymmetric influence, such as funding rules (Graham and Serdaru 2020). For these reasons, the underlying contracts establishing IGOs are difficult to change. For example, over their more than 75-year history the treaties establishing the UN and the IBRD have only been changed three times each.

In contrast, LIGOs are considerably easier for member states to create. At many traditional IGOs members can create a LIGO through the normal voting procedure in the plenary body. For example, member states can create LIGOs through simple majority votes at the UN General Assembly, the EU parliament, and the Organization of American States to name but a few. Moreover, many IGOs provide flexible procedures that do not require consideration by the full membership. For example, the FAO, Council of Europe (CoE), and UN give members the option to consider treaties negotiated among subsets of the membership, which can then be used to create LIGOs. In fact, the Council of Europe (CoE) has explicitly created different legal categories for these instruments, including “partial agreements” and “enlarged partial agreements” which allow subsets of member states and those from outside the CoE to participate in the creation of LIGOs. At the UN, it is common for member states to call conferences – with optional participation by members – that are then used as the basis to negotiate the creation of an

---

³ For example, the WTO requires that amendment proposals be reached by consensus and then, depending on which section of the treaty to be amended, requires either a 2/3 or 3/4 vote to approve.
LIGO directly. In sum, traditional IGO members states can create LIGOs often with little more than a bare majority of votes or though procedures that bypass potential non-participants altogether, allowing them to circumvent the more rigid rules governing direct amendments to the organization.

*Design Flexibility*

A second factor is that member states of traditional IGOs have wide latitude to design LIGOs flexibly to empower or disempower certain member states. This helps address the grievances of dissatisfied member states, revising upwards their influence over cooperation. Provisions in the founding treaties of traditional IGOs typically do not provide guidance on LIGO design. Thus, member states can choose from a broad menu of potential design choices to adjust how the benefits of cooperation are distributed. Three design dimensions are paramount.

First, dissatisfied states use LIGOs to increase (decrease) the voice of different member constituencies by manipulating the formal membership and governance rules. For example, states may choose to allocate seats on the governing body of a LIGO according to different rules from the traditional IGO. Depending on the context, this could include switching to geographic representation, or the use of other criteria such as development status or the size of financial contributions in the LIGO. Additionally, voting procedures are often designed such that different coalitions have an outsized (or undersized) voice relative to the original IGO, giving control of the LIGO to a key dissatisfied constituency. For example, many UN-LIGOs such as UNCTAD, UNIDO, and others use strict membership criteria and voting rules to increase the influence of

---

6 For example, UN members often call conferences on specific topics, such as the environment or human rights, which establish an LIGO directly via treaty, or they can use them to negotiate the terms of an LIGO which they then present to another organ, often the General Assembly, for a confirmatory vote.
developing countries. Others, such as the Peacebuilding Commission, sought to increase the voice of several constituencies at once, including developing states, large financial contributors, and peacekeeping troop contributors who were not veto-wielding members of the Security Council.

Second, LIGOs can be designed to undertake mandates favored by dissatisfied member states. The activities pursued by an IGO have important distributional consequences, which serve to direct resources of the IGO towards select constituencies. However, dissatisfied states may wish to change how the benefits of cooperation are distributed. For example, the IBRD originally prioritized large infrastructure projects in line with the desire of the US and allies, but as developing countries increased in number in the membership IBRD members pushed through the creation of IDA, which provides loans of different sizes and different terms to developing countries (see Mason and Asher 1973). Similarly, many LIGOs connected to the UN General Assembly, such as UNIDO, reflected the desire of G-77 countries to redistribute UN resources to the unique development concerns of lesser-developed members.

Third, the creation of LIGOs also provides members organizational perks that enhance their share of the direct benefits of cooperation while also enhancing prestige and status. Beyond increasing opportunities for control, states view the distribution of IGO staffing and infrastructure as a measure of their international prestige (Gilpin 1981; Wood 2013; Renshon 2017). Moreover, recent scholarship emphasizes that states will go to great lengths to enhance their status (Kinne 2014; Musgrave and Nexon 2018). The creation of LIGOs addresses perceived mismatches by providing positions and infrastructure to dissatisfied states, without altering the core organization. For example, the executive officer of MIGA, which is part of the World Bank Group, is always Japanese, who were desirous to update their perceived influence on the world stage in the 1980’s when they became the world’s largest capital exporter (see Chan
1992). Similarly, states view the procurement of IGO physical infrastructure as a gauge of their prestige. For example, recently the WHO affiliated International Vaccine Center (IVC) opened in Seoul, South Korea in 1997, which was that countries first major IGO headquarters. The press painted it is a sign of South Korea’s expanding global economic and scientific clout.7

**Political Viability**

A final factor that incentivizes LIGO creation is that they have desirable political features from the perspective of both status quo and dissatisfied member states in a traditional IGO. I address the advantages for both groups.

For dissatisfied states, LIGOs provide a means to increase their voice (and their status) at a lower cost and with less uncertainty than creating a new IGO from scratch. Existing explanations of institutional choice suggest that dissatisfied states regularly shift their cooperation to alternative forums or build new IGOs from scratch when they are dissatisfied with an existing IGO (Jupille, Mattli, and Snidal 2013; Lipsy 2017). However, in many cases outside options are scarce, and the construction of new IGOs is both costly and uncertain. For example, negotiations often stretch across many years, and the costs associated with physical construction and maintenance alone are immense.8 Moreover, new organizations suffer a “liability of newness” once established which can hamper their effective functioning (e.g. Freeman, Carroll, and Hannan 1983). At the same time, it is not always clear whether shifting cooperation or

---


8 Some research suggests that IGO membership can take up a startling high portions of countries’ foreign affairs budgets (See Gray 2018). Moreover, studies have shown that negotiations for new institutions take years on average to complete (Lechner and Wüthrich 2018). Finally, headquarters buildings and other infrastructure costs are often immense. The new IRENA headquarters in Abu Dhabi reportedly cost over $200 million to construct, and recently China has financed millions of dollars for the building of new IGO buildings in Africa such as the new ECOWAS headquarters, which cost over $30 million, and the AU headquarters in Ethiopia which cost $200 million (see Campbell, 2018). [https://www.cfr.org/blog/china-build-new-ecowas-headquarters-abuja](https://www.cfr.org/blog/china-build-new-ecowas-headquarters-abuja)
constructing a new IGO will fix the problems dissatisfied states hoped to address, as the new IGO may be ineffective, thereby increasing the costs and diminishing the benefits (Barnett and Finnemore 2004; Gutner and Thompson 2010; Lall 2017).

In contrast, LIGOs help dissatisfied members increase their voice while economizing on start-up costs. Specifically, because a LIGOs are built under the auspices of an existing IGO, they are seen as legitimate by international and domestic actors. Moreover, LIGOs frequently utilize organizational resources from the existing IGO, especially during the start-up phase, which reduces short-term costs. This may entail the use of current office buildings, secretarial staff, and co-financing and other funding streams, that would not be available outside the existing IGO. Taken together, the borrowing of legitimacy and utilization of existing resources can dramatically reduce start-up costs.

LIGOs are also appealing from the standpoint of status quo members. For one, because they are embedded within the structure of an existing IGO, status quo states can work to ensure that they help determine the structure and mandate of the LIGO to ensure that they maintain important levers of control. Thus, status quo members may water down provisions during the negotiation phase and ensure that they have enough influence to prevent future actions that would be too extreme. This motivation, for example, were widely cited as explaining US and British participation in the creation of UNCTAD (see Nye 1974). But, perhaps just as importantly, LIGOs are important because they help insulate existing IGO structures from change. Viewed this way, status quo members may be willing to trade-off a loss of control in a new LIGO to preserve their outsized influence in the original IGO structures, which they deem more important. For example, the creation of LIGOs at the UN, such as the recently constructed
Peace Building Commission helps satisfy coalitions of dissatisfied countries, which can dampen efforts to reform original bodies such as the Security Council.

**When will LIGOs be created?**

I now turn to the conditions under which we are likely to observe the creation of LIGOs. The creation of LIGOs helps member states recontract their cooperation, but the need to do so varies across time and traditional IGO. My argument is that demand for re-contracting increases when changing membership dynamics at a traditional IGO disrupt cooperation. In other words, demand will increase as a function of dissatisfaction with the present state of cooperation within the IGO. This dissatisfaction should emerge through two distinct channels: 1) in response to changes in the composition of the membership environment over time; 2) due to differences in the overall characteristics of traditional IGOs. Below I develop this logic further and outline specific hypotheses for empirical testing.

**Composition of the Membership**

My first two hypotheses consider how the number of states in a traditional IGO affects the creation of LIGOs. First, I expect that increases in the membership of a traditional IGO over time should increase the rate of LIGO creation. The addition of new members disrupts the equilibrium distribution of benefits from cooperation negotiated when an IGO was created, changing internal membership dynamics and leading to demands for reform. The logic of this conjecture is intuitive. An expansion of an IGO’s membership increases the number of actors jockeying for influence, but newer members will find that they have to accept whatever conditions are provided by existing IGO members, which can lead to a mismatch between their actual and
desired benefits. Similarly, new members also disrupt coalitional dynamics within the IGO that had been negotiated at the time of creation, which can increase demands for reform. For example, the addition of many similar member states may increase demands for reform in general, which occurred in organizations such as the UN during decolonization. In sum, the addition of new members will lead to heightened demands for reform, but these are unlikely to produce automatic reforms to the structure of the IGO. Instead, these disagreements will be resolved through the creation of LIGOs.

**Hypothesis 1:** Increases in the number of member states in a traditional IGO increases the likelihood that members states create LIGOs.

In addition to changes in the membership over time, I also expect that traditional IGOs with larger memberships in general will have higher level of demand for reform. The logic behind this conjecture follows from social science research suggesting that large-N environments make cooperation more difficult (e.g. Olson 1965; Keohane and Ostrom 1994). Specifically, increasing the number of states in an IGO increases the potential for information problems concerning the preferences of the actors, which can lead to bargaining failures (Jervis 1976; Reed 2003). Additionally, a higher number of actors also opens up possibilities for coalitions to emerge along more than one issue dimension, providing openings for like-minded states to advocate reforms. Overall, the presence of more members will complicate efforts to reach agreements, exacerbate coordination and information problems, and potentially activate reform efforts along new issue-area dimensions, all increasing demand for reform. In this context, we should expect that states will seek avenues to recontract.

**Hypothesis 2:** Traditional IGOs with more member states are more likely to create LIGOs.
Distribution of Power

My next two hypotheses consider how the distribution of power within the membership of a traditional IGO affects LIGO creation. First, I expect that when the concentration of power within a traditional IGO becomes more diffuse this will lead to LIGO creation. When traditional IGOs are created they codify the distribution of power among the founding countries. However, fluctuations in the distribution of power are not automatically reflected through changes in the structure of the IGO, which will create a mismatch between members’ actual power and their influence within the IGO. Countries who established the IGO will be reluctant to cede control of their levers of influence if their power on the world stage declines. In contrast, members who have seen their relative power grow are likely to seek changes to the IGO that reflect their power. Rising powers, in particular, view their ability to control the machinery of global governance as a central tool in their foreign policy arsenal and will seek to recontract as their power grows. Therefore, as power becomes more diffuse there should be an increase in demand for reform, particularly as rising powers or coalitions of previously under-represented states seek to alter the structure of the IGO to reflect their growing influence.

Hypothesis 3: As power becomes more diffuse in the membership of a traditional IO, member states are more likely to create LIGOs.

I expect that differences in the way that power is distributed within an IO will also affect that overall level of dissatisfaction at traditional IGOs. In traditional IGOs where there are more equally powerful members, e.g., where more member states of similar levels of power are vying for influence, there should be more competition for influence, which will create a higher level of dissatisfaction with the status quo. Moreover, in IGOs where power is distributed evenly there is
more scope for uncertainty about how the benefits of cooperation are distributed and whether it is in line with each member’s true power. Taken together these dynamics will increase dissatisfaction thereby increasing the rate of LIGO creation.

**Hypothesis 4:** Member states of traditional IGOs where power is more diffuse are more likely to create LIGOs.

**Distribution of Preferences**

A third membership characteristic that should affect rates of LIGO creation is whether foreign policy preferences change over time. My primary expectation is that the members of traditional IGOs where preferences are becoming more heterogenous over time are more likely to create LIGOs. Increases in preference heterogeneity creates demand for reform through two possible avenues. First, it indicates that members are developing divergent geopolitical interests, which could lead to tensions within the membership over who should control the IGO and what it should do. In these cases, members can use LIGO creation to carve out a sphere of influence within the IGO and/or address matters of particular salience to a subset of the membership. Second, increased preference heterogeneity may also represent the emergence of new issues that are salient to constituencies within the membership. This type of change creates demands among a subset of the membership to address an issue (or sub-issue) that the traditional IGOs was not originally intended to address. However, because traditional IGOs are designed rigidly, status quo forces will be reluctant to change the traditional IGO. This dynamic motivate hypothesis 5.

**Hypothesis 5:** As the preferences of members states in a traditional IOs become more heterogenous, they are more likely to create linked IOs.
We may also expect that preference heterogeneity affects the level of demand for reform across traditional IGOs. My argument suggests that demand for reform should be higher in traditional IGOs where the states hold diverse preferences, whereas traditional IOs with relatively homogeneous preferences either will have no need to recontract cooperation or are able to push through reforms without contestation. Thus, I hypothesize that traditional IOs with more preference heterogenous memberships will turn to linked IOs more frequently in order to redistribute the benefits of cooperation. This motivates hypothesis 6 below.

**Hypothesis 6:** Member states of traditional IOs with more heterogenous member preferences are more likely to create linked IOs.

**Data**

In order to empirically assess my argument, I match my original data on LIGOs created in the post WWII period with the COW IGO data, which contains information on traditional IGOs. Importantly, the COW IGO data has yearly membership information for many traditional IGOs, which allows me to construct variables capturing the membership characteristics of each traditional IGO.\(^9\) I use these combined data as the basis for a series of multiple regression models assessing my theory of LIGO creation. Below I discuss in more detail the variables and the estimation techniques.

**Dependent variable**

My primary dependent variable, *LIGOs created*, tracks the number of LIGOs created by traditional IGO member states in a given year between 1945 and 2012. Thus the data is at the

---

\(^9\) The COW 3.0 data also includes several IOs that I categorized as LIOs; I discard these as well as any traditional IO that dies before 1945.
traditional IGO year level of analysis. I use two version of the dependent variable. My primary tests use a specification of the variable that includes LIGOs with a direct connection to a traditional IGO included in the COW IGO data. To assess the robustness of the findings, I also use a less strict formulation of the number of LIGOs created per year, which counts those that are indirectly connected to a traditional IGO through another LIGO. For example, this would count an organization created by the members of UNEP as an organization linked to the UN.

Independent Variables

Hypotheses 1 and 2 specify a relationship between the number of member states in a traditional IGO and the creation rate of LIGOs. To test hypothesis 1, I create the variable Member Change, which tracks the change in the full members of the traditional IGO in the previous three years. The coefficient for this variable should be positive, indicating that an increase in the membership will increase the rate of LIGO creation. To test hypothesis 2, I include the variable Total Members which counts the total number of full members for each traditional IGO. I also expect this variable to be positive – traditional IGOs with more members are more likely to create LIGOs.

Hypotheses 3 and 4 posit a relationship between the distribution of power within the membership and LIGO creation. To test hypothesis 3 I create the variable, Change in Power Concentration, which is the yearly change in a Herfindahl-Hirschman Index of member countries’ material power. For my primary specifications I use CINC scores, but I also include as

---

10 Approximately 982 of the LIGOs in my data have a first order connection to a traditional IGO. This correspondence is not 100 percent for two reasons: (1) some LIGOs have a primary linkage to an IGO that is not included in the COW IGO, (2) some LIGOs start as traditional IGOs but become linked at a later data.

11 The distinction between what I call first order and second order LIGOs is discussed in further depth in the appendix.
robustness checks measures derived from member states’ GDP, population, and military spending. The HHI index ranges from 0 to 1, where higher numbers indicate that power is highly concentrated, whereas lower numbers indicate that power is evenly concentrated.\(^{12}\) I expect that as power becomes more equally distributed, this will increase LIGO creation. Because the HHI goes from 0 to 1 this will be expressed as a negative coefficient. To test hypothesis 4, I include the variable *Power Distribution*, which is the difference between traditional IGOs. I expect the sign to be negative for this variable as well.

Hypotheses 5 and 6 suggest a relationship between the foreign policy priorities in the traditional IGO and LIGO creation. For hypothesis 5 I include the variable *Change in Preference Heterogeneity* which calculates the change in the yearly standard-deviation of the UN voting ideal points for traditional IO members. I use UN voting ideal points calculated by Bailey, Strezhnev and Voeten (2017). The coefficient should be positive, indicating that as preferences become more heterogenous the expected creation rate of LIGOs should increase. To test hypothesis 6, I include *Preference Heterogeneity (UN)*, which is the standard deviation of the UN voting derived ideal points for all states in the membership.

*Controls*

I include a variety of controls. First, I include *IGO Age*, which is the age of the traditional IGO in years. My argument suggests that changes in the membership environment over time are a driving force behind LIGO creation, but I do not posit an independent causal effect of time. I include IGO age as a control, however, in order to guard against potential rival explanations. For

\(^{12}\) HHI indices are commonly used to indicate how concentrated market power is in each industry. Formally, an HHI index is defined as \(H = \sum_{i=1}^{N} s_i^2\), where \(s_i\) is the market share of the firm, and \(N\) is the number of firms in the market. In the current case \(s_i\) is the power share of the country (or GDP, population, or military expenditure share) of each member state of a traditional IO and \(N\) is the number of members states of the traditional IO.
example, a rationalist functionalist approach might suggest that LIGOs represent a manifestation of spillover as states seek to deepen their cooperation (Haas 1968). Second, I include the variable *Democratic IO*, which is the average polity 2 score of the traditional IGO’s members in a given year. The logic for the inclusion stems from a wide-body of research suggesting that democracies are more likely to cooperate with one another (see Huth and Allee 2002) and other research noting that they are more likely to create and use IOs for domestic purposes (Poast and Urpelainen 2013; Milewicz and Elsig 2014).

I also include control variables to account for differences across traditional IGOs. First, I include the variable *Regional IGO*, which takes a value of 1 if the IGO is regional and 0 otherwise. The rationale for inclusion is that regional IGOs may be less likely to create LIGOs due to their more limited mandates and/or naturally smaller memberships, which could serve to dampen the need to create LIGOs. Second, I include variables to account for whether the traditional IGO is primarily concerned with *Social issues*, *Economic issues*, or *Political issues*. This determination is based on the COW IGO issue area coding. The purpose for the inclusion is that certain issue areas may be more likely to lead to LIGOs. One possibility, that is broadly compatible with my theory, is that political IGOs, due to the inherently higher stakes of the issues involved, are more likely to produce distributional concerns among states, which will lead to LIGO creation. Additionally, these variables also help control for the strategic context of multilateralism. Recent scholarship has shown that states’ decisions to use existing IGOs, reform them, or switch to other IGOs is affected by the availability of outside options, which should vary by issue area (Kastner, Pearson, and Rector 2016; Lipscy 2017).

Finally, even though data coverage is more limited, I also include two additional IGO level controls that directly guard against potential alternative explanations. First, I include the
variable *Delegation*, which is based on data by Hooghe and Marks (2015). *Delegation* measures the extent to which there is a “conditional grant of authority by member states to an independent body”. Put simply, it measures whether an IGO’s secretariat is empowered to undertake independent action. I include this to guard against the strong version of the sociological institutionalist argument, which suggests that bureaucrats might create LIGOs to expand their influence (e.g. Johnson 2014). Additionally, I include the variable *Pooling*, also created by Hooghe and Marks, which measures the degree to which states cede authority to the traditional IGO. I include this variable to guard against a rationalist functionalist logic, which suggests that once authority is pooled this will lead to spillover (Hooghe and Marks 2019). Table 1 below summarizes my main variables, empirical expectations, and data sources.

**Table 1. Summary of independent Variables and direction of main effects.**

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Description</th>
<th>Hypothesized Direction</th>
<th>Data Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Change</td>
<td>The change in the count of member states in an IO.</td>
<td>+</td>
<td>Author's Calculations using data from Correlates of War IGO data (v3.0)</td>
</tr>
<tr>
<td>Total Members</td>
<td>Count of the Number of Members of an IO in each year.</td>
<td>+</td>
<td>Author's Calculations using data from Correlates of War IGO data (v3.0)</td>
</tr>
<tr>
<td>Change in Power Concentration (CINC)</td>
<td>Change in Herfindahl-Hirschman index of state power within IO membership.</td>
<td>-</td>
<td>Author's Calculations using Correlates of War &quot;National Material Capabilities (v5.0)&quot; data.</td>
</tr>
<tr>
<td>Power Concentration (CINC)</td>
<td>Herfindahl-Hirschman index of state power within IO membership.</td>
<td>-</td>
<td>Author's Calculations using Correlates of War &quot;National Material Capabilities (v5.0)&quot; data.</td>
</tr>
<tr>
<td>Change in Preference Heterogeneity (UN)</td>
<td>Change in standard deviation of IO member countries' UN voting ideal point</td>
<td>+</td>
<td>Author's Calculations using UN ideal points based on Bailey, Strezhnev, and Voeten 2017.</td>
</tr>
<tr>
<td>Preference Heterogeneity (UN)</td>
<td>Standard deviation of IO member countries’ UN voting ideal point</td>
<td>+/-</td>
<td>Author's Calculations using UN ideal points based on Bailey, Strezhnev, and Voeten 2017.</td>
</tr>
</tbody>
</table>
## Controls

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Author/Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>Average age in years of traditional IO.</td>
<td>+ Author's Calculations.</td>
</tr>
<tr>
<td><strong>Democratic IO</strong></td>
<td>Average Democracy score of IO membership.</td>
<td>+ Author's Calculations using Polity 2 measure from Polity project.</td>
</tr>
<tr>
<td><strong>Regional IO</strong></td>
<td>Does the IO restrict membership regionally?</td>
<td>- Author's coding</td>
</tr>
<tr>
<td><strong>Political</strong></td>
<td>Issue area a traditional IO operates in.</td>
<td>+ Correlates of War IGO data (v3.0)</td>
</tr>
<tr>
<td><strong>Economic</strong></td>
<td>Issue area a traditional IO operates in.</td>
<td>- Correlates of War IGO data (v3.0)</td>
</tr>
<tr>
<td><strong>Delegation</strong></td>
<td>Autonomous authority of the IO secretariat.</td>
<td>+ Liesbet Hooghe, Gary Marks, Tobias Lenz, Jeanine Bezuijen, Besir Ceka, Svet Derderyan. 2017</td>
</tr>
<tr>
<td><strong>Pooling</strong></td>
<td>Authority of IO to create nationally binding rules.</td>
<td>+ Liesbet Hooghe, Gary Marks, Tobias Lenz, Jeanine Bezuijen, Besir Ceka, Svet Derderyan. 2017</td>
</tr>
</tbody>
</table>

---

## Empirical Tests

My preferred estimations use negative binomial (NB) regression, which is suitable for non-negative event count data (Cameron and Trivedi 2005). I use this technique over alternatives, because my dependent variable, *linked IOs created*, is overdispersed.\(^\text{13}\) The NB model includes an extra parameter, typically denoted \(\alpha\), which models the overdispersion, thereby providing more tractable empirical results. Because my theory contains hypotheses cast at both the within IGO and across IGO levels of analysis, I estimate both a pooled model and a random effects negative binomomial model (RENB). The RENB is desirable because it helps account for spatial

\(^{13}\)To confirm for these data I ran an auxiliary regression to test the null hypothesis that \(V[y_i|x_i] = E[y_i|x_i]\) versus the alternative that \(V[y_i|x_i] = E[y_i|x_i] + \alpha(E[y_i|x_i])^2\). The p-value for the auxiliary regression was .000. Additionally, a likelihood ratio test of \(\alpha = 0\) is statistically significant at conventional levels.
and temporal variation across IGOs, thereby accounting for unobserved heterogeneity. My primary statistical models take the form:

**Equation 1:**

\[
\text{E} \left( \text{Linked IOs Created} \right)_{i,t} = \exp(\beta_0 + \beta_1 \text{Member Change}_{i,t-1} + \beta_2 \text{Total Members}_{i,t-1} + \\
\beta_3 \text{Change in Power Concentration}_{i,t-1} + \beta_4 \text{Power Concentration}_{i,t-1} + \\
\beta_5 \text{Change in Preference Heterogeneity}_{i,t-1} + \beta_6 \text{Democratic IO}_{i,t-1} + \beta_7 \text{IO Age}_{i,t-1} + \beta_8 \text{Regional}_{i} + \beta_9 \text{Political IO}_{i} + \beta_{10} \text{Economic IO}_{i} + \beta_{11-13} \text{Time Controls} + \mu_i + \epsilon_{i,t})
\]

where \( \text{E} \left( \text{Linked IOs Created} \right) \) denotes the expected count of LIGOs created by member states of traditional IO \( i \) in year \( t \), \( \beta_{1-6} \) are the estimated parameters for my primary variables of interest, \( \beta_{7-11} \) are estimates for control variables, \( \beta_{12-14} \) are controls for time, and \( \epsilon_{i,t} \) represents a stochastic error term. Because I expect there to be variation in the characteristics of traditional IOs across the panels, I utilize the RENB approach, such that \( \mu_i \) represents random effects for the \( i \)th traditional IO. In this model \( \exp(\mu_i) \) is gamma distributed with mean 1 and variance \( \alpha_i \), where \( \alpha_i \) is the dispersion parameter of the negative binomial model. The random effects model helps account for unobserved heterogeneity in the count of LIGOs across groups and assumes that \( 1/(1+\alpha_i) \) follows a beta distribution of Beta(r,s).

In my baseline models I compare the RENB results to a pooled negative binomial model with robust standard errors clustered on the traditional IGO. Pooled models are common in studies of international relations, and therefore provide a useful benchmark. I also include \( time \), \( time^2 \), and \( time^3 \) to account for time trends of an unspecified form in the panels. This procedure is common in empirical international relations work.\(^{14}\) The models include data from 468 traditional IGOs over the period 1945 and 2012. Diagnostic results illustrate that the random

---

\(^{14}\) See Carter and Signorino (2010)
effects model is significantly different than the pooled model, which suggests that there is unobserved heterogeneity across the traditional IOs. However, the results from the pooled model and the random effects model are similar, with the coefficient directions and statistical significance running in parallel.

**Empirical Results**

Table 2 presents estimates testing my primary hypotheses. Overall, the results provide support for several of my central claims. First, the results provide strong support for my two membership hypotheses. Across both models the coefficient for *Member Change* is positive ($\beta = .0234$ and .0373) and statistically significant at the 99 percent confidence level. This supports hypothesis 1, which states that as the number of member states in an IGO goes up, this should increase LIGO creation. Second, the coefficients for *Total Members* are positive ($\beta = .0083$ and .0166) and statistically significant at the 99 percent level in both models. This supports hypothesis 2, indicating that members in traditional IGOs with larger membership are more likely to create LIGOs.

**Table 2. The Membership Environment in Traditional IOs and Linked IO Creation.**

<table>
<thead>
<tr>
<th></th>
<th>Model 1. Random Effects</th>
<th>Model 2. Pooled Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member Change</strong></td>
<td>0.0234***</td>
<td>0.0373***</td>
</tr>
<tr>
<td></td>
<td>(0.0077)</td>
<td>(0.0120)</td>
</tr>
<tr>
<td><strong>Total Members</strong></td>
<td>0.0083***</td>
<td>0.0166***</td>
</tr>
<tr>
<td></td>
<td>(0.0022)</td>
<td>(0.0030)</td>
</tr>
<tr>
<td><strong>Change in Power Concentration (CINC)</strong></td>
<td>-6.2407***</td>
<td>-4.6271**</td>
</tr>
<tr>
<td></td>
<td>(1.8567)</td>
<td>(1.8300)</td>
</tr>
<tr>
<td><strong>Power Concentration (CINC)</strong></td>
<td>-3.4345***</td>
<td>-3.3730***</td>
</tr>
<tr>
<td></td>
<td>(0.7367)</td>
<td>(1.1540)</td>
</tr>
</tbody>
</table>
### Results

<table>
<thead>
<tr>
<th>Preference Heterogeneity (UN)</th>
<th>0.2922</th>
<th>0.9916**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(0.5053)</td>
<td>(0.4913)</td>
</tr>
<tr>
<td>Preference Heterogeneity (UN)</td>
<td>-0.7548***</td>
<td>-2.4718***</td>
</tr>
<tr>
<td></td>
<td>(0.2909)</td>
<td>(0.5803)</td>
</tr>
<tr>
<td>Democratic IO</td>
<td>-0.0206</td>
<td>0.0175</td>
</tr>
<tr>
<td></td>
<td>(0.0188)</td>
<td>(0.0296)</td>
</tr>
<tr>
<td>Age</td>
<td>0.0160*</td>
<td>0.0371***</td>
</tr>
<tr>
<td></td>
<td>(0.0092)</td>
<td>(0.0132)</td>
</tr>
<tr>
<td>Regional IO</td>
<td>0.1904</td>
<td>0.6717</td>
</tr>
<tr>
<td></td>
<td>(0.3672)</td>
<td>(0.4495)</td>
</tr>
<tr>
<td>Political IO</td>
<td>1.5567***</td>
<td>1.1919***</td>
</tr>
<tr>
<td></td>
<td>(0.4020)</td>
<td>(0.4227)</td>
</tr>
<tr>
<td>Economic IO</td>
<td>0.4435</td>
<td>0.6224</td>
</tr>
<tr>
<td></td>
<td>(0.3083)</td>
<td>(0.4346)</td>
</tr>
<tr>
<td>Cubic Polynomials</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Number of Traditional IOs</td>
<td>468</td>
<td>468</td>
</tr>
<tr>
<td>Observations</td>
<td>13526</td>
<td>13526</td>
</tr>
</tbody>
</table>

Likelihood-ratio test vs. pooled, chibar2 = 999.50; prob >= 0.00

Note: Model 1 estimates from random effects negative binomial model estimated with xtnbreg procedure implemented in STATA. Model 2 is a pooled negative binomial model with standard errors clustered on the traditional IO. Cubic polynomials included in all models. All statistical significant tests are two-tailed.

* = p<.10, ** = p < .05, *** = p < .01

The results also provide strong support for hypothesis 3 and 4, which posit a relationship between how power is distributed within the IGO’s membership and LIGO creation. The coefficients for Change in Power Concentration are negative ((β = -6.24 and -4.62) and statistically significant at the 99 percent level in model 1 and the 95 percent level in model two. This supports hypothesis 3, which posits that as power becomes less concentrated in the traditional IGO this should increase LIGO creation. The statistical models also provide strong support for hypothesis 4. The coefficients for Power Concentration (CINC) are negative (β = -3.43 and -3.37) in both models and are statistically significant at the 99 percent confidence level. This indicates that traditional IGOs with more diffusely concentrated power are more likely to create LIGOs.
The statistical results are less straightforward to hypothesis 5 and 6. The coefficients for *Change in Preference Heterogeneity (UN)* are positive across both models (β = .29 and .99), but the coefficient misses statistical significance in the random effects model and reaches it at the 95 percent confidence level in the pooled model. Thus, there is suggestive evidence in support of hypothesis 5. In contrast, the coefficients for *Preference Heterogeneity (UN)* are negative and statistically significant. This casts doubt on hypothesis 6, which posited that members of traditional IGOs with more dissimilar member states would be more inclined to IGOs. However, I urge caution in assessing the effect of preferences on LIGO formation in a large N framework, as states hold unique preferences specific to the forum in which they are interacting which is not captured by UN ideal points. In particular, preferences derived from UN ideal points likely do not capture the complexity of the preference dimensions activated in other IGOs. Moreover, we know that states sort into IGOs for various reasons (Voeten 2021), which likely affects how the IGO functions and whether members are prone to more frequent bouts of disagreement. Thus, with respect to preferences, more nuanced measures and/or qualitative case studies are likely necessary to understand whether and how preferences affect LIGO creation.

The control variables provide several interesting insights. First, *Democratic IGO* fails to reach conventional levels of statistical significance in either model, and the direction of the coefficients is inconsistent. This suggests that the regime type of traditional IGO members does not affect LIGO creation. Second, the variable *IGO Age* is positive (β = .0160 and .0371) and statistically significant in both models, at the 90 percent level in model 1 and the 99 percent level in model 2. This suggests that LIGOs are more likely to be created as an IGO ages. My theory has an implicit time component, e.g., many of the core theoretical dynamics are expected to become more likely over time. Thus, this finding is expected and, arguably, increases the general
explanatory power of my framework. Surprisingly, non-regional IGOs are no more likely than regional IGOs to create LIGOs. The coefficient for Regional IGO fails to reach conventional levels of statistical significance in either model. Finally, the coefficient for Political IGO is positive and statistically significant at the 99 percent confidence level in both models. This indicates that IGOs that deal with political issues are more likely to create environments that led to the creation of linked IOs. This finding also supports my general framework, as political IGOs deal with issues of high salience to states which should be expected to foster environments where states are particularly sensitive to distributional concerns.

**Robustness Checks**

I turn here to supplementary tests that demonstrate the robustness of the main results. Importantly, I estimate the core models from table 2 but with additional, theoretically informed control variables. First, I include Delegation, which guards against a bureaucratic centered explanation. Second, I include Pooling, which guards against a rationalist functionalist interpretation. The inclusion of these control variables reduces the number of traditional IGOs from 468 to 72. Yet, the results, presented in table 5 below, provide an important test for my theory.

Most importantly, the results corroborate the primary findings from table 2. The effect of Member Change is correctly signed and statistically significant in both models. The same is true for Total Members. Power Concentration is correctly signed and statistically significant in both models. Change in Power Concentration is correctly signed and statistically significant in model 2, and narrowly misses significance in model 1. Importantly, my membership variables are robust to the inclusion of Delegation, which itself does not reach statistical significance in the
preferred random effects model. This suggest that the degree of delegation may be an important factor when comparing across some IGOs but does not appear to be an important factor within most IGOs.

**Table 3. Linked IO Creation, additional Traditional IO Controls.**

<table>
<thead>
<tr>
<th></th>
<th>Model 1. Random Effects</th>
<th>Model 2. Pooled Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member Change</strong></td>
<td>0.0180**</td>
<td>0.0134*</td>
</tr>
<tr>
<td></td>
<td>(0.0084)</td>
<td>(0.0081)</td>
</tr>
<tr>
<td><strong>Total Members</strong></td>
<td>0.0066**</td>
<td>0.0073**</td>
</tr>
<tr>
<td></td>
<td>(0.0028)</td>
<td>(0.0036)</td>
</tr>
<tr>
<td><strong>Change in Power Concentration (CINC)</strong></td>
<td>-2.9077 (2.8770)</td>
<td>-6.8668** (2.9342)</td>
</tr>
<tr>
<td><strong>Power Concentration (CINC)</strong></td>
<td>-3.8612***</td>
<td>-2.4755*</td>
</tr>
<tr>
<td></td>
<td>(1.0887)</td>
<td>(1.3153)</td>
</tr>
<tr>
<td><strong>Change in Preference Heterogeneity (UN)</strong></td>
<td>0.7235 (0.6234)</td>
<td>1.4087** (0.5548)</td>
</tr>
<tr>
<td><strong>Preference Heterogeneity (UN)</strong></td>
<td>-0.5952 (0.3957)</td>
<td>-2.7812*** (0.6388)</td>
</tr>
<tr>
<td><strong>Democratic IO</strong></td>
<td>-0.0258</td>
<td>-0.0304</td>
</tr>
<tr>
<td></td>
<td>(0.0256)</td>
<td>(0.0252)</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>-0.0087</td>
<td>0.0081</td>
</tr>
<tr>
<td></td>
<td>(0.0138)</td>
<td>(0.0123)</td>
</tr>
<tr>
<td><strong>Regional IO</strong></td>
<td>-0.1096</td>
<td>-0.0017</td>
</tr>
<tr>
<td></td>
<td>(0.5695)</td>
<td>(0.5391)</td>
</tr>
<tr>
<td><strong>Political IO</strong></td>
<td>1.4709**</td>
<td>0.9042</td>
</tr>
<tr>
<td></td>
<td>(0.5941)</td>
<td>(0.7507)</td>
</tr>
<tr>
<td><strong>Economic IO</strong></td>
<td>0.0484</td>
<td>0.1793</td>
</tr>
<tr>
<td></td>
<td>(0.4750)</td>
<td>(0.5713)</td>
</tr>
<tr>
<td><strong>Delegation</strong></td>
<td>1.0641</td>
<td>3.3062**</td>
</tr>
<tr>
<td></td>
<td>(0.7875)</td>
<td>(1.2932)</td>
</tr>
<tr>
<td><strong>Pooling</strong></td>
<td>-0.4528</td>
<td>1.2485</td>
</tr>
<tr>
<td></td>
<td>(0.9367)</td>
<td>(1.2228)</td>
</tr>
<tr>
<td>Cubic Polynomials</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Number of Traditional IOs</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>Observations</td>
<td>2916</td>
<td>2916</td>
</tr>
</tbody>
</table>
Finally, Pooling alternates signs in the two models and fails to reach conventional levels of statistical significance. This casts doubt on a functionalist approach to LIGO creation. This finding suggests that the creation of LIGOs is less about spill-over and more about states struggling to resolve disagreement within the membership.

In the supplemental appendix, I provide additional robustness checks. First, I include models that include fixed effects for traditional IGOs. This provides a more exacting test of within IGO dynamics and helps to alleviate concerns over unobserved heterogeneity across traditional IGOs. Second, I also include models that use my less stringent measure of LIGOs created. In these models, I use a definition of LIGOs that that accounts for the creation of second order LIGOs. Third, I also show that my theory is robust to models that only consider the most independent types of LIGOs. This helps allay any concerns that my measurement picks up inconsequential IGOs or those created by a natural expansion of IGO bureaucracies. Fourth, I also include a variety of tests that show my results are robust the inclusion of alternative strategies for measuring my theoretical variables of interest.

Case Illustrations

Here I present short vignettes from two in-depth case studies of LIGO creation at the World Bank and UN respectively. The cases confirm core dynamics of the recontracting perspective and suggest fruitful avenues for further inquiry.
The International Development Association

The International Development Association (IDA) was created and linked to the IBRD in 1960 and today is an integral part of the larger World Bank Group. It is clear example of my recontracting perspective, as its creation represented a compromise between IBRD members states over how to redistribute the benefits of cooperation. Specifically, IDA emerged in response to contestation between developing and developed countries over the mandate and governance of the IBRD, which was precipitated by a dramatic increase in developing country members due to decolonization and increasing solidarity among them.

Less developed countries were not well represented during the creation phase of the IBRD. The primary negotiations took place over a series of small meetings between the US and allied powers and culminated at the Bretton Woods conference in 1945. Due to the preponderant power of the US relative to other members, the US dominated the negotiations (see Mason and Asher 1973 ch. 1; Steil 2013). Thus, even though there were developing countries present, including Mexico, India, and Brazil, their voices were drowned out by the US and close allies in Western Europe. As such, the IBRD’s mandate and operations were geared towards providing short-term reconstruction loans to Western European Allies rather than long-term financing for developing countries (see Krueger 1997). Moreover, the articles of agreement were structured so that voting was based on weighted formula that gave the US and allies nearly complete control. Importantly, the US designed the IBRD so that it had a unilateral veto over major decisions, including changes to the founding articles and changes in voting shares.

Beginning in the late 1950’s, however, the number of developing countries in the membership increased dramatically due to decolonization. By 1960 developing countries
comprised nearly 65 percent of the membership and began to push for major changes. Importantly, developing countries began to meet as a bloc and coordinate through groups such as G-77 in order to push for reforms that would magnify their voice in various IGOs (see Hamilton 1956; Pincus 1967, ch. 8; Mason and Asher 1973, ch.7; Krasner 1985). At this time, several proposals were advanced for the creation of an alternative development IGOs to the IBRD, such as a Special Fund for Economic Development (SUNFED), which would be controlled by developing countries through the adoption of a one-country-one-vote rules (see Toye and Toye 2004).

Initially, IBRD were slow to respond to this growing dissatisfaction, but as the membership changed and solidarity among developing countries increased, the US and other status quo members found themselves in a precarious position. Do nothing and risk the creation of a new development agency or do something now to address developing country dissatisfaction. Not only were US policymakers concerned with developing countries shifting cooperation to a new IGO, but they were particularly worried that this would benefit the Soviet Union, who had in recent years increased their foreign aid and began to back developing country plans for the creation of a UN agency like SUNFED (see Friedmann 1958; Dallin 1962). Moreover, the pace of decolonization was increasing, which would likely further erode the developed countries bargaining position in the future.

Ultimately, US policymakers initiated talks with other industrialized nations and IBRD officials in 1958 to explore the feasibility of setting up a new development organization linked to the IBRD. Because of developing country pressure, the US was willing to enhance resource flows to developing countries and increase their voice in governance of these resources in order to dampen calls for SUNFED and maintain the centrality of the IBRD in development finance.
The choice to create an agency under the auspices of the IBRD was clearly strategic, as it ensured that the US (and other industrialized nations) would continue to influence who received funds and what they could be used for even if they had to concede to some developing country demands (see Pincus 1967; Mason and Asher 1973, ch 12; Krasner 1985: Benjamin 2007). Moreover, many US officials stressed that channeling aid through the IBRD (rather than simply increasing bilateral aid) would come across as more neutral, sending the message that “they [the US] put development ahead of diplomatic advantages” (see Weaver 1965, p. 77).

Hard bargaining ensured over how to design IDA. It would have been far easier to simply amend the IBRD Charter to allow for soft loans to developing countries, but US policymakers feared that “to amend the Bank’s charter in that respect might open discussions of the Bank charter, invite more amendments, etc.” (quoted in Mason and Asher 1971, p. 391). In other words, status quo powers wanted to insulate the IBRD itself from change, while also addressing developing country demands. Ultimately, developing countries were given an increased voting share in IDA relative to the IBRD and were required to contribute only a fraction of the funds, which enhanced their voice and their ability to access financing on favorable terms (see Krasner 1985, p. 145). Moreover, the purposes for which IDA loans could be used were substantially liberalized in line with long-standing developing country preferences.

The creation of IDA has led to a significant expansion of the World Bank’s resources and staff. Moreover, by the 1970’s the World Bank Group, which now consisted of the IBRD, IFC, and IDA, increasingly reoriented its mission around the alleviation of poverty and the granting of long-term development aid. Overall, this closely matches my theory of LIGO creation. The creation of IDA was the result of “pressure brought on by less developed countries” (Krasner 1985, p 146) as part of a “vigorous campaign” (Mason and Asher 1973, p. 380) to recontract how
cooperation was structured. Membership changes due to decolonization, and the increasing credibility of developing countries to create an IGO like SUNFED, put pressure on the US and other founding countries to do something that would maintain the IBRD, while also providing significant new benefits to dissatisfied members. Thus, this episode shows how member changes precipitate dissatisfaction but also the logic that governs LIGO creation from both the perspective of dissatisfied members but also status quo members.

*The United Nations Environment Programme (UNEP)*

UNEP is a difficult case for my theory as it often touted as an example of widespread consensus among UN member states over the need to address environmental protection (Johnson 2012). However, upon inspection, the case supports core dynamics of my re-contracting perspective. In particular, rather than consensus, the impetus for creation emerged from shifts in the preferences of a small group of member countries seeking to use the UN to engage in their preferred environmental activities. Moreover, once debate on the role of the UN in the environment issue-area commenced, it activated contestation between developed and developing countries within the larger UN system, with the later concerned that environmental governance would interfere with their economic development plans (Ivanova 2007). Ultimately, after much disagreement, UN members created an LIGO that reflected comprises between different groups in the membership and which expanded the role of developing countries in governance in the UN system. Notably, this included the establishment of UNEP headquarters in Nairobi which marked the first UN system headquarters in a developing country.

Unlike IDA and other UN affiliated LIGOs such as UNCTAD and UNIDO, the original impetus for adding environmental protection to the UN emerged due to the shifting preferences
within developed countries, most of them in northern and western Europe in the late 1960’s and early 1970’s. This, however, generated pushback from developing countries, and from influential members such as the US, who disagreed about how to incorporate environmental issues within the wider UN system. Eventually a subset of the UN’s membership convened the “International Conference on the Problems of the Human Environment”, more commonly known as the Stockholm Conference, in 1972 in order to negotiate concrete proposals for UN action on the environment.

In the lead-up and during the conference there was widespread disagreement. Developing countries sought to ensure that their main concern – that environmental protection not interfere with economic development – was embedded in any new organization. These views were articulated by Prime Minister Indira Ghandi of India in her speech “Are not poverty and need the greatest polluters”.15 Ultimately, developing countries successfully “re-oriented the agenda … towards a consideration of development and human welfare” as a central pillar in the larger debate about global governance of the environment (1997, p. 297). Thus, the developing countries took what was initially an initiative of a few wealthy countries and succeeded in imprinting their concerns.

The design provisions of UNEP reflected a complicated bargain over how much autonomy the body would have, the composition of its governing body, its mandate and funding, and location. In nearly every instance the different constituencies bargained hard. With respect to autonomy, Western European countries advocated for a specialized agency with significant enforcement powers, operational capability, and autonomy, with some floating the idea of it replacing the Trusteeship Council (see DeSombre 2017, pp. 9-11). However, the developing

15 For a commentary see Mathiesen 2014.
countries were worried that this would interfere with their development priorities and limit their voice. Ultimately the compromise solution was for UNEP to be constituted as a “program” with a semi-autonomous structure to be led by a high-ranking official who reported to the General Assembly. Thus, it was given significantly less autonomy than a specialized agency but was given more than an autonomous unit within the UN’s secretariat (Ivanova 2007; Manulak 2017).

Likewise, the governing council ended up reflecting predominant divisions in the membership. After several rounds of negotiations, it ultimately came to be comprised of 58 members: sixteen for Africa; thirteen for Asia; six for Eastern Europe; ten for Latin America; and thirteen for Western Europe and other States. Thus, the composition of the board sought to balance evenly between developed and developing countries and the major regional groupings at the UN. At the same time, developed countries endowed the Executive Director with some autonomy, which they hoped would ensure that they would be able to exercise informal influence as a means to bypass the influence of smaller states in the intergovernmental bodies (Manulak 2017). With respect to funding, a compromise was made so that regular budget contributions covered a “small secretariat” budget, while the majority of operational funds came from a voluntary “Environment Fund” and included protocols to make funding compatible with “the economic situation of the recipient developing country” (see Ivanova 2007).

A final design feature that became an issue in the 11th hour was the location of the secretariat. Western countries and bureaucrats advocated for New York or Geneva. However, before a secret ballot was cast (which was the procedure that had been used for UNIDO), Kenya persuaded the African group of countries at the General Assembly to sponsor a resolution that:

---

16 Original proposals by the US and UK had called for 32 states. Additionally, the General Assembly dismantled the Governing Council in favor of a new “United Nations Environment Assembly (UNEA)” with universal participation by all members (see DeSombre 2017, p. 11).
A) established in principle that the distribution of UN agencies should be based on considerations of equitable geographic distribution, and B) that the UNEP secretariat should be in Nairobi. This forced the hand of the other developing countries (several of which had hoped to potentially get the headquarters), who ultimately revoked their cities from consideration (see Ivanova 2007, p. 356). This overtly political move provoked backlash from members such as Sweden whose representative noted that “by adopting the Kenyan proposal the Committee would be taking a decision on the basis of political considerations rather than on considerations of efficiency” (United Nations General assembly 1972, A/C.2/SR.1483, paragraph 16). The final vote was 93 in favor, 1 against and 30 abstentions, with the US casting the lone opposing vote and nearly all developed countries abstaining.

Overall, the creation and design of UNEP represents an interesting case for my theory. The impetus for the body was borne from a shift in preferences of UN member states and negotiations over how to design it activated dissatisfaction between developed and developing countries. The final design reflected a series of bitter compromises between developed and developing countries during a period when there was clear contestation between the two groups (Najam 2005). As a result, the design was suboptimal from an efficiency standpoint and bureaucrats were not able to obtain the insulation they deemed necessary to pursue their mandate. Consequently, UNEP has struggled to exercise real authority and provide true coordination through the UN system, leading to duplication and fragmentation in global environmental governance (see Andresen 2001; Zelli and Van Asselt 2013). Perhaps the most interesting legacy, however, is that developing countries successfully used the environment issue area to enhance their voice in the wider UN system, even though they were initially reluctant to participate at all (Najam 2005). The UN office complex in Nairobi has grown so that it now
serves as the headquarters of UN-Habitat, a UN-LIGO created in 1978, and has offices in support of other UN affiliated bodies, including FAO, UNIDO, UNDP, UNICEF, UNHCR, and the United Nations Population Fund.

**Conclusion**

My theory suggests that international cooperation evolves in ways currently underappreciated by mainstream scholarship. First, my findings show that LIGOs play an important role in helping states recontract their cooperation around existing, traditional IGOs. Theories of institutional choice suggest that members face stark choices when contestation occurs within an IGO: reform or exit. In contrast, I demonstrate that states often use LIGOs as an intermediate option – somewhere between full-scale reform and exit – which can help resolve competing claims over how to update cooperation. Importantly, this process has the potential to dramatically restructure cooperation over time. Even though the UN Charter and the World Bank Articles of Agreements have not been substantially altered in over 70 years, they bear scant resemblance to the original organizations created after WWII. Future research should further explore how the rigidity of existing cooperation affects the types of contestation likely to be observed among IGO member states and the organizational strategies members adopt.

Second, my findings show that we gain significant new insights into larger patterns of cooperation if we consider linkages between different institutional fora. For example, many studies of regime complexity argue that increases in the density of IGOs (and other types of institutions) inevitably creates incentives for states to shift their cooperation, leading to fragmentation and “contested multilateralism” (e.g. Alter and Meunier 2009; Morse and Keohane 2014). Yet, if most IGO creation takes place as a pragmatic response to contracting
problems at existing IGOs, then these fears are potentially overstated. Instead of contestation between IGOs, the construction of new organizations may instead represent efforts of countries to maintain their cooperation, just in ways that evolve over time to reflect different constellations of members. This buoys recent scholarship which has shown that there are often overlooked linkages and important hierarchies between international institutions (e.g. Gehring and Faude 2014; Pratt 2019; Eilstrup-Sangiovanni 2021). Future research should further explore the nature of the linkages between different institutional forms, both so that we can develop more extensive typologies of those linkages, but also to better understand how these linkages condition and reflect overall patterns of cooperation.

Third, my theory suggests that many of the most important IGO in world politics are likely to be longer-lived that many commentators fear. Recent research has begun to look more systematically at IGO vitality (Gray 2018; Eilstrup-Sangiovanni 2018) and the decisions of states to leave IGOs (Von Borzyskowski and Vabulas 2019). Due in part to recent developments, such as a surge in anti-globalization and nationalist sentiment, and the rise of the BRICS countries, many commentators fear that the IGOs created by the US and allies after WWII are likely to be tossed in the dustbin of history. My view here challenges this pessimistic account, suggesting instead that states can successfully adjust their cooperation in the face of pressure from within their changing memberships. This ensures that the benefits from cooperation reflect changes in the membership. Furthermore, it indicates that IGOs may be better able to integrate rising powers than many current commentators fear. Future research should address empirically how the creation of LIGOs affects the centrality of existing IGOs, which will help us better understand the durability of cooperation.
Fourth, my theory suggests that LIGO creation is primarily driven by the competing demands of member states. This contrasts with approaches that have argued that IGO expansion is driven by footloose bureaucrats eager to expand their power beyond states (e.g. Barnett and Finnemore 2004;). Thus, my findings buoy scholarship reminding us that states often drive larger processes of organization change (see Elsig 2010). This suggests that to the extent that IGOs have become more complex this is driven by political necessity that helps preserve cooperation, rather than new governance arrangements being foisted on unwitting states. My findings, however, do not preclude an active role for bureaucrats in the design phase of LIGOs which is a well-established dynamic (Johnson 2017). This process deserves further inquiry, as it seems likely that bureaucrats are torn between competing desires to maintain existing cooperation, while helping member states resolve political contestation.

Finally, my approach suggests that the creation of LIGOs makes international cooperation more inclusive. From a normative standpoint, many would consider this a positive development, but more should be done assess whether LIGOs actually lead to substantial gains for historically marginalized constituencies. There is evidence for example, that powerful countries can also use LIGOs – as in the case of IDA – to help preserve their outsized role in global governance. This may forestall needed reforms and perpetuate structures that favor the interests of certain coalitions, even if it does provide a marginal gain to others. As such, future studies should consider in more detail how LIGOs affect the distribution of gains among the cooperating parties, with an emphasis on better understanding whether the pragmatic vision of international cooperation I have advanced here is normatively desirable.
Bibliography


Hale, T., Held, D., & Young, K. (2013). *Gridlock: why global cooperation is failing when we need it most.* Polity.


Johnson, S. (2012). *UNEP the first 40 years*. UNEP.


