

Deliberating over development policy: What are the benefits and limits of arguing in international organizations?

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Abstract

That powerful member-states can wield disproportionate influence in international financial institutions is well-documented. What is underappreciated, however, is that these organizations take most decisions by consensus. This is conducive to deliberation—negotiations where actors justify their claims and listen to each other. What, then, is the role of deliberation in everyday decision-making of international financial institutions? Building on scholarship from deliberative democracy and the political economy of international organizations, I theorize that arguing makes decision-making more technocratic, thereby constraining powerful member-states and leading to decisions favorable to relatively weak states. Empirically, I study negotiations in the International Monetary Fund (IMF)—a hard case for deliberation to shape organizational decisions—pertaining to 141 countries between 1995 and 2015. To measure deliberative quality, I develop a new approach based on quantitative text analysis that is reliable, replicable, and scalable. Estimates from subsequent regression analyses show that, consistent with my argument, deliberative quality is associated with more favorable lending terms for borrowers, i.e., relatively weak states. Semi-structured interviews with former members of the IMF’s Executive Board complement the statistical analysis to illustrate when, and how, deliberation affects the Fund’s decisions. Taken together, this work advances our understanding of the political economy of international financial institutions and the power of the weak.

Keywords: global governance; deliberation; development; International Monetary Fund

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1 Introduction

Decision-making of international financial institutions takes place in the ‘shadow of hierarchy’ (Scharpf 1997, 197-99): Powerful member-states frequently achieve their preferences through formal, informal, or structural power (e.g., Clark and Dolan 2021; Copelovitch 2010*a*; Dang and Stone 2021; Dreher, Sturm and Vreeland 2009*b,a*; Dreher, Lang, Rosendorff and Vreeland 2022; Kentikelenis and Babb 2019; Kilby 2006; Stone 2011; Vreeland 2019). The Bretton Woods twins—the International Monetary Fund (IMF) and the World Bank—are a case in point. For instance, geopolitical allies of the U.S. receive World Bank loans with less stringent conditionality, both in terms of count and scope of policy reforms (Clark and Dolan 2021). Yet these accounts documenting U.S. influence over international organizations largely ignore the actual decision-making rules and processes: International financial institutions such as the IMF, the World Bank, and numerous regional development banks take most decisions—particularly those pertaining to their everyday operations—by consensus (Martinez-Diaz 2009). This is conducive to deliberation, according to which actors are not motivated purely by a ‘logic of consequentialism’ but also by a ‘logic of arguing’ (Risse 2000). Indeed, scholars of diplomacy and deliberative democracy have long recognized that outcomes in world politics are a function of how political actors speak to each other, that it makes a difference if actors justify their claims or listen to each other (Checkel 2001; Deitelhoff 2009; Johnstone 2003, 2011; Lewis 1998; Risse 2018; Schimmelfennig 2001). What, then, is the role of deliberation in everyday decision-making of international financial institutions?

In this paper, I introduce the concept of deliberative negotiation (Naurin and Reh 2018; Warren and Mansbridge 2013)—encompassing, to different degrees, relatively open discussions, levels of justification, and mutual respect—to the study of international organizations. Deliberative negotiation captures the continuum between the two ideal-types of pure bargaining (if the shadow of hierarchy completely determines organizational decisions) and pure arguing (if strategic interests are completely absent). It is therefore able to take seriously both the (unequal) distribution of power in the international system and the decision-making

process. As state representatives participate in negotiations to a similar extent, justify their claims, and respect their peers, the deliberative quality increases. In turn, I argue that higher deliberative quality is associated with more technocratic decision-making because when given the opportunity, staff—with considerable autonomy and expert authority (Barnett and Finnemore 2004)—prefer technocratic over politically-motivated action (e.g., Louis and Maertens 2021). Since it is typically powerful member-states that exercise political influence (e.g., Stone 2011; Vreeland 2019) and relatively weaker states who rely on persuasive strategies in international organizations (Hibben 2015; Kentikelenis and Seabrooke 2017), technocratic decision-making leads to organizational outputs more likely to be in the interests of the latter.

To test my argument empirically, I examine deliberative processes in the IMF—arguably the most powerful organization in global economic governance (Stone 2011; Woods 2006). The IMF has delegated considerable authority to its resident Executive Board, which is responsible for everyday decision-making: the 24 state representatives (known as Executive Directors) meet approximately three times per week in formal session to deliberate and decide over lending programs, surveillance activities, or policy matters. Drawing on a new text corpus of Executive Directors speeches in 2,744 meetings on developing countries between 1995 and 2015 (Forster, Honig and Kentikelenis N.d.), I develop text-based measures of deliberative quality that are reliable, replicable, and scalable. Informed by linguistic markers for justification and respect and based on the distribution of comments, I compute the level of deliberative quality in each meeting. Subsequently, I employ regression analysis to predict the number of binding conditions mandated in subsequent discussions of lending programs as a function of deliberative quality. The number of policy reforms mandated in IMF programs (so-called conditionality) is a highly consequential decision for borrowing countries; implementation of conditionality determines disbursements of loan tranches but it also has far-reaching socio-economic consequences (e.g., Forster, Kentikelenis, Reinsberg, Stubbs and King 2019; Lang 2021; Steinwand and Stone 2008).

Controlling for alternative determinants of IMF lending, such as the interests of the U.S.

([Dreher, Sturm and Vreeland 2009b](#)) or domestic politics ([Rickard and Caraway 2014](#)), my results show that higher deliberative quality in Executive Board meetings is associated with less stringent conditionality in subsequent lending programs—which I argue is in the interests of relatively weak, borrowing, countries. These findings are robust to a range of different specifications, including models in which I drop the contribution of U.S. representatives and other powerful member-states, showing that the results are not driven by the intervention of these countries in formal decision-making. In other specifications, I control for the past level of conditionality approved by individuals in a particular debate, thereby addressing the concern that the estimates are due to the composition of the Executive Board (and individual-level preferences towards more or less stringent programs).

Semi-structured elite interviews with former IMF state representatives corroborate this picture of deliberation, but also draw attention to the limits of arguing. On the one hand, interviewees described the power of argumentation as an underappreciated strategy in IMF governance. On the other hand, they highlighted that the scope for open debate is constrained, e.g., due to directives from their home governments, the disproportionate influence of the U.S., or the technocratic culture of the Fund.

Taken together, the article’s contribution is threefold: First, it speaks to discussions of the political economy of international organizations (e.g., [Vreeland 2019](#)). By focusing on deliberation, it provides a new way of thinking about negotiations and decision-making of these institutions—largely neglected by studies in International Political Economy. In doing so, the research questions the widely used approach of deriving preferences exogenously to the decision-making process, but also shows the challenges of deliberation within organizations. Second, it contributes to the literature of deliberative democracy by showing that arguing matters in intra-organizational processes, and by opening the black box of why deliberation matters. Such scholarship has developed scope conditions which facilitate negotiations ([Risse and Kleine 2010](#); [Ulbert and Risse 2005](#)), but these institutional characteristics are relatively constant within institutions. By introducing the concept of deliberative negotiation and

focusing on deliberative processes, I show how to address this shortcoming. Third, the research innovates methodologically by developing a new method of measuring deliberative quality from text that is scalable, replicable, and reliable. In doing so, it extends recent research that uses automated techniques to infer linguistic concepts from text (Benoit, Munger and Spirling 2019; Grimmer, Roberts and Stewart 2022).

2 Decision-making and deliberation in international organizations

2.1 Political decisions and the shadow of hierarchy

International organizations may be technocratic institutions, but their decisions are often political. There is extensive evidence that powerful member-states can exercise disproportionate influence, drawing on formal, informal, and structural power (for a recent review, see Vreeland 2019). For instance, allies of the U.S., Germany, Japan, France, and the U.K. receive better lending terms from the IMF—e.g., higher loan amounts and less stringent conditionality (Clark and Dolan 2021; Dreher and Jensen 2007; Dreher, Sturm and Vreeland 2009b,a; Dreher et al. 2022; Vreeland 2019). Countries politically aligned with the Fund’s major member-states are also more likely to receive improved ratings in debt sustainability analyses (Lang and Presbitero 2018) or favorable inflation forecasts (Dreher, Marchesi and Vreeland 2008). Similarly, countries aligned with the U.S. in the UN General Assembly receive more attractive loans from the World Bank (Clark and Dolan 2021; Dreher, Sturm and Vreeland 2009a).

But powerful member-states do not always have it their way and relatively weaker states can—at times—resist pressures from their more powerful peers (Hibben 2015; Kentikelenis and Seabrooke 2017; Schneider 2009, 2011). For example, in debates on the enlargements of the European Union (EU), weaker states were able to secure side-payments from powerful

states due to their ability to credibly threaten to delay accession negotiations (Schneider 2011). In the IMF, member-states from low-income countries have successfully built coalitions to block institutional change and initiated reforms in their interests (Hibben 2015). In the 1990s, for instance, developing countries, despite their inferior material resources, successfully opposed the emergence of a new policy norm the removal of capital controls as a means to regulate financial flows (Kentikelenis and Seabrooke 2017).

This literature therefore depicts organizational decisions as the result of strategic action by member-states, powerful and weak alike. By reducing the operations of international financial institutions to bargaining of its member-states, however, it is oblivious to the potential impact of decision-making practices—the everyday behavior and interactions of state representatives, management, and staff in an organization. By contrast, scholars of deliberative democracy focus on the role of communicative action in international affairs.

2.2 Deliberation in international financial institutions

Political scientists have long maintained that arguing and listening in negotiations may affect decision-making (e.g., Bächtiger, Dryzek, Mansbridge and Warren 2018; Habermas 1984; Müller 1996; Parkinson and Mansbridge 2012; Risse 2000). The so-called ‘input-output’ approach to deliberation assumes that arguing has occurred if input and output features conform to certain deliberative criteria, e.g., if preferences of certain actors have changed due to learning (Bächtiger 2018). The input-output perspective therefore abstracts from the deliberative quality of interactions itself, but has produced a number of scope conditions—institutional characteristics that are conducive for deliberation (Risse 2018; Risse and Kleine 2010; Ulbert and Risse 2005): multiple identities (or conflicting interests) of political actors, in-camera negotiations, an orientation towards expertise and moral competence, and repeated interactions—discussed in more detail in Table 1.

Thus far, scholarship in International Political Economy has not considered these scope conditions—even though most international financial institutions are likely to satisfy them.

Table 1: Scope conditions for deliberation in international organizations

Scope condition	Description
Multiple identities	<p>Institutional settings in which participants have multiple identities are likely to increase uncertainty about appropriate behavior and other actors' preferences, thereby making it more difficult to negotiate purely strategically (Risse and Kleine 2010). In international organizations in which member-states delegate power to a non-plenary board and members are represented through constituencies, state representatives may have to balance conflicting interests from their constituents. For instance, in the resident boards of the IMF and World Bank, several Executive Directors represent both creditor and borrower countries (Martinez-Diaz 2009).</p>
In camera	<p>In camera negotiations may allow individuals to develop their preferences irrespective of identities and engage in 'truth-seeking' behavior (Risse and Kleine 2010; Checkel 2001; Warren and Mansbridge 2013). Indeed, most international organizations take great care in shielding their decision-making from the public's eye: meetings are typically held behind closed doors and outcomes are communicated to the public without attribution to individuals.</p>
Consensual knowledge	<p>Institutional procedures and norms that valorize expertise and moral competence are likely to lead to arguing (Risse and Kleine 2010). International organizations that follow strict rules and protocols are more likely to establish consensual knowledge and an organizational culture where deliberation takes place. One element of this is that staff can prepare decisions, provide background reports, and other documents—all of which serve as reference points of consensual knowledge.</p>
Repeated interaction	<p>Repeated interactions undermine the usefulness of purely strategic bargaining because threats of future non-cooperation are credible, and thus also tend to facilitate deliberation (Warren and Mansbridge 2013). In international organizations, resident boards increase the number of meetings and interactions among state representatives, management, and staff.</p>

In particular, state representatives in the IMF, the World Bank, and a range of regional development banks sometimes represent multiple member-states, they take decisions behind closed doors, rely on relatively autonomous staff and management with considerable agenda-setting power, and frequently interact with their peers and management (Martinez-Diaz 2009). As a result, we would expect to see some deliberation in the decision-making bodies of these institutions.

2.3 Theorizing the impact of deliberative negotiation on international organizations' decisions

How can we reconcile the view that member-states behave strategically in international financial institutions to further their interests while these organizations satisfy the scope conditions for deliberation? I argue that we can expect to observe a range of debates in international institutions. For instance, in cases when U.S. interests are at stake, its representatives may try to coerce other members by (threatening the) use of its veto power (Stone 2011). At other times, state representatives may engage in an open dialogue when discussing newly-arising issues or when their governments do not have well-defined preferences. The concept of deliberative negotiation captures this continuum between the two ideal-types of pure arguing and pure bargaining (Naurin and Reh 2018; Warren and Mansbridge 2013). The former represents an ideal case of truth-seeking behavior towards the common good, absent any strategic interests; the latter describes negotiations where private interests prevail, and actors leverage information asymmetries to gain strategic advantages. Deliberative negotiation thus refers to ‘negotiation based on processes of mutual justification, respect, and reciprocal fairness’ that take place in a setting of ‘relative openness and disclosure about interests, needs, and constraints’ (Warren and Mansbridge 2013, 92).

A relative open negotiation implies that discussions do not give exclusive weight to the asymmetric distribution of material resources and information; power asymmetries should recede to the background, although they may be present in negotiations (Warren and

Mansbridge 2013). Put differently, state representatives should contribute to negotiations in relatively equal measure. Second, mutual justification implies that political actors justify their arguments and claims with reference to a shared body of knowledge. Third, political actors should treat each other with respect—e.g., they should listen to each other, engage in perspective-taking, while allowing for the possibility of ‘conflicting interests based on self-regarding preferences’ (Naurin and Reh 2018, 731).

In practice, discussions vary in the level of participation, justification, and respect, thereby giving rise to different levels of deliberative quality. As discussions approach the ideal-case of pure arguing, the deliberative quality increases. If prepared to change their views, actors may ultimately be persuaded by the better (or best) argument (Risse 2000). Crucially, I argue that in decision-making bodies of international organizations, state representatives do not primarily persuade each other (e.g., unlike in parliamentary settings). This is likely a fruitless endeavor because most delegates receive instructions from their authorities to which they are held accountable. Instead, representatives target bureaucrats with their intervention. In international financial institutions, staff have considerable agenda-setting power due to their expert authority (Barnett and Finnemore 2004). For instance, bureaucrats negotiate and design lending programs in the IMF (Woods 2006; Chwieroth 2010). When deliberating in formal session, state representatives therefore communicate their priorities at least partly to guide the future behavior of staff. While the position of representatives of powerful member-states will be relatively well-known to staff (e.g., for the World Bank, see Clark and Dolan 2021), other delegates—particularly those affected by the decisions directly—can share insights from their own constituency, experience, and outlook. For example, representatives of borrowing countries in the IMF or World Bank are in close contact with politicians in their home countries (particularly the finance ministry and central bank); they are therefore better able to judge whether a proposal can be implemented in practice than staff.

The central observable implication is therefore that deliberative quality increases the likelihood of organizational decisions more favorable to relatively weak states. I do not

expect deliberative negotiation to matter within the course of a debate or because state representatives themselves are willing (or able) to change their preferences contemporaneously. Rather, the slow decision-making of international organizations and technocratic staff implies that behavior in the boardroom guides future behavior. Simply put: Powerful member-states are most likely to use bargaining strategies because they can threaten to go it alone whereas representatives from weaker states need to convince staff by speaking their language, engaging in an open and persuasive dialogue. My core hypothesis is as follows:

H1. Higher deliberative quality in decision-making of international organizations is associated with decisions favorable to relatively weak states.

I argue that staff would be receptive to such interventions from delegates for two reasons. First, staff are formally the agents acting on behalf of their principals to fulfill the tasks specified in the mandate. Thus, if state representatives voice concerns in formal meetings, staff can ill-afford to ignore these comments altogether—especially if there are a number of state representatives engaging in respectful arguing where they reference each other, effectively building a coalition. Here, respectful behavior in the boardroom implies that state delegates listen to each other, build on each other’s statements, and try to see other delegates’ perspectives and interests. For instance, a delegate from the U.S. may engage in respectful behavior if they recognize that representatives from South-Asia have different notions of fiscal policy, due to their institutional heritage, education, and professionalization. All of these also signal to staff that the points made by representatives from weaker states are ‘valid’ and as mentioned above, staff is likely to be better able to anticipate preferences of powerful member-states than weaker states. As a result, participation in decision-making debates by weaker states is likely to carry a higher informational value to staff, especially where arguments and demands are delivered consistent with organizational culture.

Second, scholarship using the principal-agent framework to study the relationship between member-states and international organizations tend to characterize staff as self-serving agents interested in maximizing their prestige, salary, or influence ([Hawkins, Lake, Nielson](#)

and Tierney 2006; Martin 2006; Vaubel 1996). However, a large body of work in public administration suggests a more benign reading of staff (Eckhard and Ege 2016; Jankauskas 2022). Not only are bureaucrats motivated by self-interests, they are also interested in addressing a problem at hand in the most effective manner. Further, they are interested in technocratic, rather than political, decision-making (Louis and Maertens 2021). Thus, when exposed to an argument that is framed persuasively, consistent with institutional norms and procedures, I argue it would inform their own decision-making. For example, staff frequently reach out to state representatives in informal settings to receive their input. But staff are also subject to individual biases and they are thus likely to approach delegates based on the formal position in an international organization (e.g., if the U.S. has veto power, staff would naturally reach out to learn more about the American view on a proposal) as well as individual-level skills and traits (e.g., if they have personal ties to certain representatives). Again, this makes it more likely that the participation of relatively weak states in the boardroom provides bureaucrats with new and relevant information, thereby shaping organizational decisions in their favor.

3 Research design

3.1 Case selection

I examine the role of arguing in the IMF's decision-making body, its Executive Board. While the Fund's decision-making procedures are representative of other international financial institutions (Martinez-Diaz 2009), it is unique in its role in development and the attention it receives from member-states. First, the IMF is a key organization underpinning the world economic order, and arguably the most powerful international financial institution (Stone 2011; Woods 2006). For instance, the IMF spearheaded the diffusion of neoliberal policy reforms to the developing world through its structural adjustment programs (Babb and Kentikelenis 2018). IMF loans have considerable socio-economic consequences in borrowing

countries (e.g., [Forster et al. 2019](#); [Lang 2021](#)) and they are regularly accompanied by bilateral bailouts ([Schneider and Tobin 2020](#)), thereby extending their importance beyond the institution itself. Second, the shadow of hierarchy is well-defined in the IMF, with the U.S. and other major member-states enjoying considerable influence over the institution (e.g., [Stone 2011](#); [Copelovitch 2010a](#)). Together, these two conditions make the IMF a ‘least-likely case’ ([Gerring 2007](#)) to observe that deliberation leads to favorable decisions for relatively weak states.

The IMF’s resident Executive Board (EB) is delegated extensive decision-making authorities over day-to-day operations. It meets approximately three times per week in formal session, and is composed of 24 Directors representing the 190 member-states, the Managing Director (or one of their Deputies) who chairs meetings, and key representatives from IMF staff and other international organizations. The largest eight shareholders elect their own representative; the remainder of the membership is represented in 16 multi-country constituencies.

3.2 Data and operationalization

To test my argument on the role of deliberative negotiation in international financial institutions, I leverage the formal transcripts of decision-making bodies as repositories of information. State representatives frequently negotiate behind the scenes in key international organizations, including the IMF ([Stone 2011](#)), the World Bank ([Kilby 2013](#)), the European Union ([Kleine 2013](#)), or the UN Security Council ([Gehring, Dorsch and Dörfler 2019](#)). Yet informal bargaining does not obviate the need to put on record a country’s priorities and formally express their preferences to guide an organization’s future behavior. The formal board meetings—the one that leave a paper trail—may well be the last element of the decision-making process, but one that international organizations rely on for their legitimacy ([Dingwerth, Witt, Lehmann, Reichel and Weise 2019](#)). As several former Board members told me in interviewees, the decisions in formal EB debates may to a certain extent already

been taken before, but the comments and discussions reflect partly that whole process of decision-making and also signals to staff what subsequent actions should look like.

For my study, I draw on a new text corpus of all Executive Board Minutes between 1995 and 2015, yielding an adequate number of observations to be used in statistical analyses. The text corpus includes all data on attendance and verbatim comments from the 2,774 developing-country-specific discussions with available transcripts (Forster, Honig and Kentikelenis N.d.). These discussions—approximately 148 per year—primarily related either to lending (e.g., initial approval or review of loans) or policy surveillance (e.g., Article IV consultations—periodic assessments of the state of a country’s economy—or discussion of exceptional developments). For the purposes of the regression analysis, I only include the 1,200 discussions that pertain to lending programs; i.e., are associated with a change in conditionality at the end of the meeting (Kentikelenis, Stubbs and King 2016) The verbatim transcript contains a mix of prepared statements and impromptu comments or questions by representatives of the 24 chairs in the IMF. Often, the same speaker makes several comments in the same discussion; individual comments were coded as distinct observations and subsequently aggregated at the level of the chair.

3.2.1 Measuring deliberative quality

Based on this text corpus, I measure the three elements of deliberative negotiation—openness of a debate, level of justification, and mutual respect—using quantitative text analysis. This is consistent with the tradition of process-based approaches to measuring the deliberative quality of interactions based on speech act analysis (Bächtiger 2018).

First, to approximate the openness of a debate or the degrees of participation, I examine the distribution of comments by the 24 chairs. Specifically, I calculate the total length of all comments by each chair in a given meeting, rank them in ascending order, and then calculate the Gini coefficient—one widely used inequality measure.¹ I recode the variable

¹Formally, let w_i be the total word count per chair i . These are indexed in increasing order such that $w_i < w_{i+1}$. I then calculate the complement of the Gini coefficient: $(\frac{2 \sum_{i=1}^n n w_i}{n \sum_{i=1}^n n w_i} - \frac{n+1}{n}) \times (\frac{n}{n-1})$. The

such that my measure increases in the level of openness. It takes the value of 1 if all 24 chairs participated equally in a debate—in terms of comment length; a value of 0 indicates that only one chair debated the subject under consideration. For instance, in a meeting on Jordan in 2014, representatives from all 24 chairs were present, and 23 of those—all but the Swiss chair (represented by a delegate from Tajikistan)—submitted a statement (IMF 2014). Individual speeches during that meeting ranged between 329 and 1,244 words, yielding a measure of 0.804. By contrast, the meeting with the lowest equality of participation was a debate on El Salvador in 1998, concerning the approval of a new Stand-By Arrangement (IMF 1998). In this meeting, only three chairs participated in debate: The Spanish ED (comment length: 1,541 words), and representatives from the U.S. (371) and the Canadian constituency (71). As a result, my measure encodes a level of openness of merely 0.022. Measuring the equality of participation (or absence of strategic domination) based on the distribution of comments therefore relies on the assumptions that countries cannot strategically influence staff and organizational decisions if they exclusively rely on informal mechanisms.

The second key dimension of deliberative negotiation is its reliance on argumentation (e.g., Stromer-Galley 2007). Speakers should justify claims and draw on a shared body of knowledge in their argumentation (Habermas 1984; Thompson 2008). In texts, the level of justification can be captured by a range of linguistic expressions—‘pragmatic markers’ add meaning to sentences: they are the ‘linguistically encoded clues which signal the speaker’s potential communicative intentions’ (Fraser 1996, 168). For instance, expressions such as ‘because of this, consequently, therefore’ illustrate a cause-effect relationship. Contrastive markers, e.g., ‘all the same, however, on the other hand,’ indicate disagreement and demand further clarification from the previous speaker. I build a dictionary of 133 terms in total—linguistic expressions that are used to cause-effect, contrast, generalize, structure, or summarize information. In addition, a dictionary should define what counts as a shared body of knowledge, which depends on the domain and context of a debate or discourse. Conceptually, the shared body

multiplication of the first term by $(\frac{n}{n-1})$ corrects for small-sample bias (for a comprehensive overview of inequality measures, see Cowell 2011).

of knowledge may include background information or news coverage, but also norms and commonly held values. In the IMF, staff regularly prepare reports that are circulated to directors, and these documents are key to understanding decision-making (Kentikelenis and Seabrooke 2017). Thus, I include the terms ‘staff report; staff appraisal’ in my dictionary. see Appendix Table A1 for the full list of terms.

Mutual respect is the third constituent element of deliberative negotiation (Naurin and Reh 2018; Thompson 2008). The deliberative quality increases in the level that speakers treat each other with respect and equal concern—regardless of any asymmetric distribution of resources or expertise. As above, I use a dictionary to infer two aspects of mutual respect in texts. First, mutual respect manifests in actors listening to each other, referring to each other, including perspective-taking (Steenbergen, Bächtiger, Spörndli and Steiner 2003; Steiner, Bächtiger, Spörndli and Steenbergen 2004). Counting the number of instances that speakers refer to each other approximates respect because it indicates that actors listen to each other. Second, I draw on linguistic work on politeness and respect. ‘Negative politeness’ (Brown and Levinson 1987) or ‘mitigation factors’ (Fraser 1996) perform the function of minimizing the particular imposition of an expression on a person and thus allow the addressee to keep face. For instance, the terms ‘if I may interrupt, I am no expert but, sorry to ask you this but’ express disagreement in a polite manner. Alternatively, speakers can explicitly apologize for the intrusion and admit the impingement, e.g., ‘forgive me, excuse me, pardon me’. In total, I use a list of 97 terms to measure respect, listed in Appendix Table A2.

This approach yields continuous values for the three dimensions of deliberative quality: the recoded inequality measure of participation; the count of terms indicating justification; and the count of terms indicating mutual respect and perspective-taking in a debate. For the latter two, I take the log and normalize them to similarly range from 0 to 1. Subsequently, I take the average of all three dimensions of deliberative negotiation to approximate the level of deliberative quality in a debate.

3.2.2 Dependent variables: Count of IMF conditionality

One of the key decisions of the IMF EB is the approval or rejection of lending programs, with the conditionality attached to the financial support frequently one of the most contentious elements of a decision and debate. Following a large body of work on the evaluation of international financial institutions, I approximate the stringency of conditionality by the number of conditions (Copelovitch 2010*b*; Dreher 2006; Thacker 1999; Vreeland 2003). Ceteris paribus, the higher the count of conditionality in an IMF lending program, the more intrusive these conditions are for the borrowing government—that is, the smaller the fiscal policy space (Kentikelenis, Stubbs and King 2016). As a result, conditionality is typically seen as a burden by borrowing governments, and they tend to bargain for less conditions.

By contrast, the most powerful member-states in the IMF—the U.S., Germany, Japan, France, and the U.K.—tend to push for the inclusion of more conditionality in IMF lending programs to safeguard the resources of the Fund or to support their own economies when exposed in borrowing countries (Babb and Kentikelenis 2018; Woods 2006; Gould 2003). Thus, I assume that their preferences—on average—correspond to higher conditionality. This is warranted from my reading of hundreds of these discussions and consistent with the literature on this topic (Chwieroth 2010; Dreher, Sturm and Vreeland 2015; Gould 2003). To be sure, these states may push for less stringent conditionality if they want to reward allies with more lenient programs. As I discuss next, however, I control for such alternative explanations.

3.2.3 Controlling for alternative explanations

To discern the impact of deliberative quality on decision-making in the IMF, I need to control for alternative explanations for the design of lending programs. The politics of IMF lending have received considerable academic attention (e.g., Steinwand and Stone 2008; Stone 2008; Thacker 1999; Vreeland 2003). My empirical work differs in two important aspects from this literature. First, my argument operates at the meeting level and leverages the timing of the formal EB meetings and the subsequent changes in conditionality, which may occur

in the same year or several years after a meeting. Consequently, the unit of analysis for my empirical specification is the meeting or debate-level, rather than the annual level. Second, deliberative quality is a feature of a debate, rather than a single country—as I demonstrate in my robustness checks, even excluding the contributions of powerful member-states, one at a time, does not substantively change my results. Given these two considerations, concerns about endogeneity arise from variables that are correlated both with the level of deliberative quality in a meeting and IMF conditionality. In my models, I control for four such factors: the interests of powerful member-states, bargaining power of the country-under-discussion, economic fundamentals of the country-under-discussion, and meeting-level characteristics. I discuss each of these in detail next.

First, I adjust for geopolitical and economic interests of the U.S.—the single most powerful member-state in the IMF. Quantitative analyses show that U.S. allies obtain better lending terms than other countries from international financial institutions (e.g., [Clark and Dolan 2021](#); [Dreher et al. 2022](#); [Dreher, Sturm and Vreeland 2009b,a](#)). This may impact upon the deliberative quality of a meeting if the U.S. is engaging differently on behalf of its allies. As is common in the literature, I approximate geopolitical ties with voting affinity of the U.S. and the country-under-discussion in the UN General Assembly ([Voeten 2012](#)). In addition, I measure the strength of economic ties by calculating the level of dyadic trade (log) between the U.S. and the country-under-discussion ([Barbieri and Keshk 2016](#)). In robustness checks, I compute the average level of UN voting affinity and dyadic trade of the G5 countries—the U.S., Germany, Japan, France, and the U.K.—since these may act as collective principal (e.g., [Copelovitch 2010a](#)).

Second, IMF programs are sensitive to the bargaining power and capacity of borrowing countries. Temporary membership on the UN Security Council (UNSC) may allow countries to get a sweeter deal by trading off and using their temporary geopolitical influence as a bargaining chip in international finance ([Dreher et al. 2022](#); [Dreher, Sturm and Vreeland 2009a](#); [Vreeland and Dreher 2014](#)); I therefore include a binary variable equal to 1 if a

country-under-discussion is an elected UNSC member; and 0 otherwise (Dreher, Sturm and Vreeland 2009a). In addition, domestic political institutions affect program design. IMF staff recognize that democratic and newly-elected governments face additional policymaking constraints if they need to ratify certain IMF conditions (Stone 2008). Similarly, governments in borrowing countries with upcoming elections may be careful in entering an IMF lending program with too many conditions for fear of alienating their electorate (Rickard and Caraway 2014). To approximate for these effects of political institutions, I define a binary variable based on the democracy index from Polity/Freedom House, classifying countries that score equal to or above 7 as 1; and 0 otherwise (Teorell, Dahlberg, Holmberg, Rothstein, Alvarado Pachon and Axelsson 2020). In addition, I include a dummy variable equal to 1 if a country-under-discussion has an upcoming legislative or executive election (Scartascini, Cruz and Keefer 2018). In robustness checks, I also control for colonial history and GDP per capita (log) (WDI 2020) because former colonies may benefit from more lenient treatment due to their special relationship to powerful member-states (Stone 2011) and systemically important countries may be able to resist demands by the IMF due to potential spillover effects (Woods 2006).

Third, as per IMF mandate, economic fundamentals of borrowing countries likely impact the count and scope of conditionality. I consider GDP growth (WDI 2020), current account balance (in % of GDP) (IMF 2019), and government debt (% of exports) (WDI 2020) to control for the extent of the financial crisis a borrowing country faces. These are the traditional measures considered by the IMF as they pertain to economic growth, balance-of-payments crises, and debt sustainability.

Fourth, I compute a number of variables at the meeting-level. In the baseline specification, I adjust for the total number of comments in a debate (log). This serves as a measure of contentiousness of a debate to the extent that the number of turns taken in a debate increase with the intensity—speakers tend to make repeated interactions primarily when they disagree with other state representatives or if they are dissatisfied with staff’s remarks. In

addition, I include a binary variable for EB representation which takes the value of 1 if the country-under-discussion is directly represented on the Board by a national as Executive Director or Alternate Executive Director; and 0 in case of indirect representation. Direct representation makes it easier to communicate preferences and structure the discussion because the chain of delegation is shorter. In turn, borrowers can benefit from having a seat in the boardroom of the IMF (Malan 2018), the World Bank (Kaja and Werker 2010), or the European Investment Bank (Asatryan and Havlik 2020). In robustness checks, I also control for two aspects of the length of a meeting. On the one hand, I calculate the overall length of a discussion as approximated by the total number of words spoken. On the other hand, I include the duration of a meeting in minutes (the duration is only recorded on the transcripts from 26 October 2001 onwards). Of course, while these variables—deliberative quality, contentiousness of a debate, attention or interest from state representatives—may be analytically distinct, the length of a debate is likely to pick up on all of these three things to a certain extent, but not determine them completely.

A final concern at the meeting level pertains to the composition of the EB at a given point in time. While my argument relies on individuals being deliberative and engaging with each other, I do not want the findings to be driven by individuals with different preferences for conditionality selecting in and out of meetings. For instance, the results would be spurious if individuals who prefer high conditionality engage in bargaining and only attend low-deliberative quality meetings, whereas representatives who favor less stringent conditionality attend and participate only in high-deliberative quality meetings. To address this concern, I calculate the average level of conditionality approved by all state representatives participating in a debate in all *previous* meetings. In Appendix B1, the summary statistics are displayed.

3.3 Estimation technique

Based on the discussion of my measure for deliberative quality, the dependent variable, and the control variables, I fit the following model to test my argument:

$$\begin{aligned}
\text{Conditionality}_{i,t} = & \sim \text{Poisson}(\beta_0 + \beta_1 \text{DELQ}_{i,t-k} + \beta_2' \text{StrategicInterests}_{i,t-1} \\
& + \beta_3' \text{BargainingPower}_{i,t-1} + \beta_4' \text{EconFundamentals}_{i,t-1} + \text{FixedEffects} + \epsilon) \quad (1)
\end{aligned}$$

Equation (1) describes the Poisson regression to predict the count of conditionality, mandated in a lending program of country-under-discussion i at discussion-date t (Kentikelenis, Stubbs and King 2016). The number of conditions are aggregated by source document: time t thus refers to the date when the EB approved that a condition should be entered into a lending program, and therefore reflects the circumstances in the borrowing country at time t . The count is not normally distributed but follows a Poisson distribution.

The explanatory variable of interest is the measure of deliberative quality, $DELQ$, the average of the normalized values of equality of participation, justification level, and mutual respect in a given meeting on country i . Since the dependent variable is the number of reforms mandated by the IMF, I infer deliberative quality only from meetings on lending programs. Further, to reflect the forward-looking function of the Board, and to protect against reverse causality, I measure deliberative quality at the meeting prior to the change in conditionality ($t - k$). Here, k is the number of years between a discussion on a lending program for country i and the subsequent change in conditionality. In some cases, there are several discussions per year. For example, in June 2006, the Executive Board approved a new lending program in the Poverty Reduction Growth Facility for Afghanistan. Until the completion of this program, in January 2010, the Executive Board formally met and decided on reviews an additional 7 times, totaling 9 meetings in the space of five years. By contrast, Haiti completed a lending program in 1998. The next time the Executive Board discussed a lending program was only in 2005. During this seven-year period, circumstances will have changed such that the deliberation in 1998 is unlikely to influence the program in 2005. To be sure, staff would look at previous programs and Haiti's track record of implementation.

Nonetheless, to avoid these long periods between meetings and changes in conditionality I restrict my sample to those observations where $k < 5$, i.e., where the debate and change in conditionality is not more than five years apart.

The control variables discussed above are measured at time $t - 1$, that is, in the year prior to the change of conditionality. This is consistent with extant scholarship on the politics of IMF programs and their consequences (e.g., see discussion in [Stubbs, Kentikelenis, Reinsberg and King 2020](#)).

I present the baseline estimates using country-under-discussion fixed effects which absorb variation from time-invariant confounders, such as the institutional history or colonial past of a country-under-discussion. I do not include year fixed effects in my specifications because of the emerging methodological concerns that the two-way fixed effects estimator does not represent a design-based, nonparametric estimation strategy for causal inference' ([Imai and Kim 2021](#), 405). However, in robustness checks I do include fixed effects for the month and day of a discussion because the formal EB meetings are not evenly distributed: a disproportionate number of meetings takes place in June and July, and the EB typically meets on Monday, Wednesday, and Friday. Throughout, I cluster standard errors at the level of the country-under-discussion. To correct for overdispersion, I estimate quasi-Poisson models.

4 Statistical evidence on deliberation in the IMF

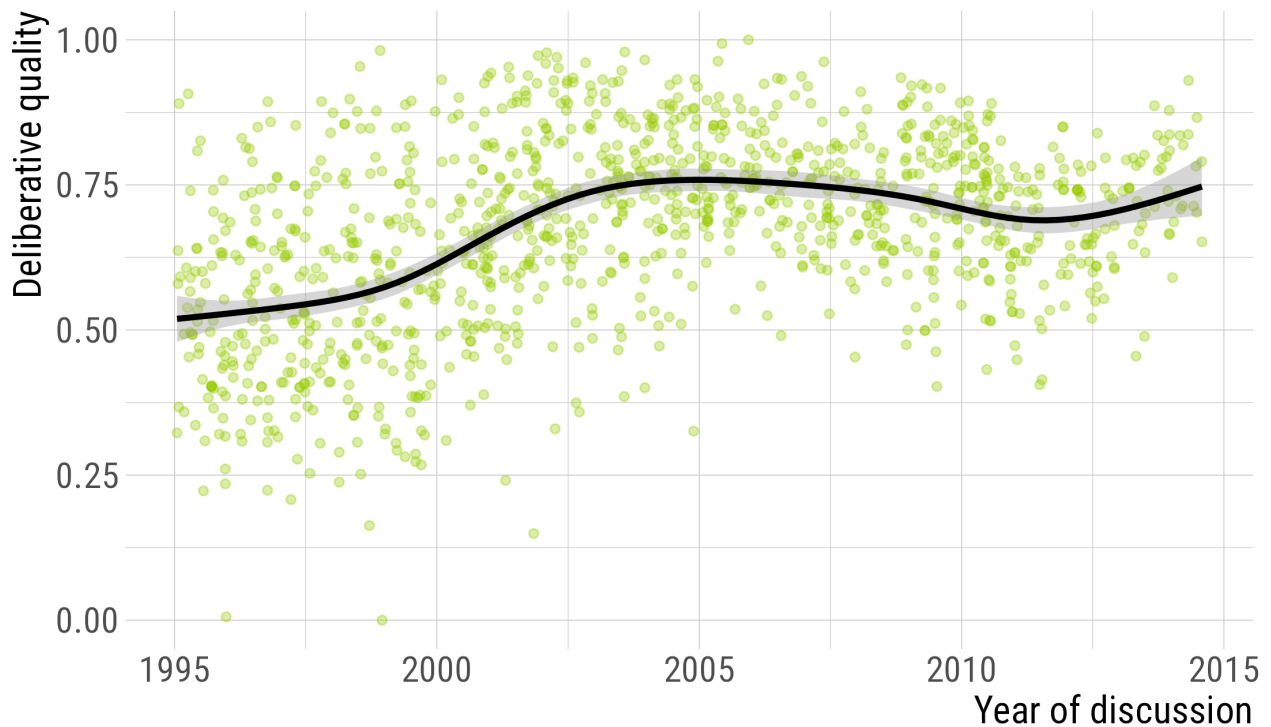
4.1 Descriptive statistics

Before discussing the results from the regression analysis, I present descriptive statistics on the deliberative quality in meetings of the IMF's Executive Board. In [Figure 1](#), I plot deliberative quality over time. Two points emerge from this visualization. First, deliberative quality in the Executive Board increases slightly over time, which maps onto larger trends of Fund policy and behavior. Following extensive criticism after their handling of the

Asian financial crisis in the late 1990s (Babb and Carruthers 2008), the IMF claimed to have transformed the modus operandi towards ‘pro-poor’ orientation and borrowing-country ‘ownership’ (IMF 2009)—these trends would likely manifest in higher deliberative quality. For example, One interviewee highlighted how Horst Köhler, Managing Director between 2000 and 2004, was particularly keen on hearing anyone’s perspective:²

“Horst Köhler had very strong views about governance, representation, voice, and how the voices need to be amplified and heard. And he lived that as the Managing Director. From the perspective of developing countries, he was the model of ‘We do need to hear the voices of others, we cannot just come and prescribe as an institution.’ It meant that in chairing the Board, he made a special point to ensure that every voice was heard.”

Figure 1: Deliberative quality over time



Notes: Deliberative quality estimated using dictionary methods as described above. Each point represents the deliberative quality of a meeting pertaining to lending programs of low- and middle-income countries.

²Interview #2

Second, in any given year, there is considerable variation in deliberative quality. As discussed above, this variation in actual decision-making practices is neglected by extant scholarship on the political economy of international organizations. However, I have argued that it shapes organizational decisions.

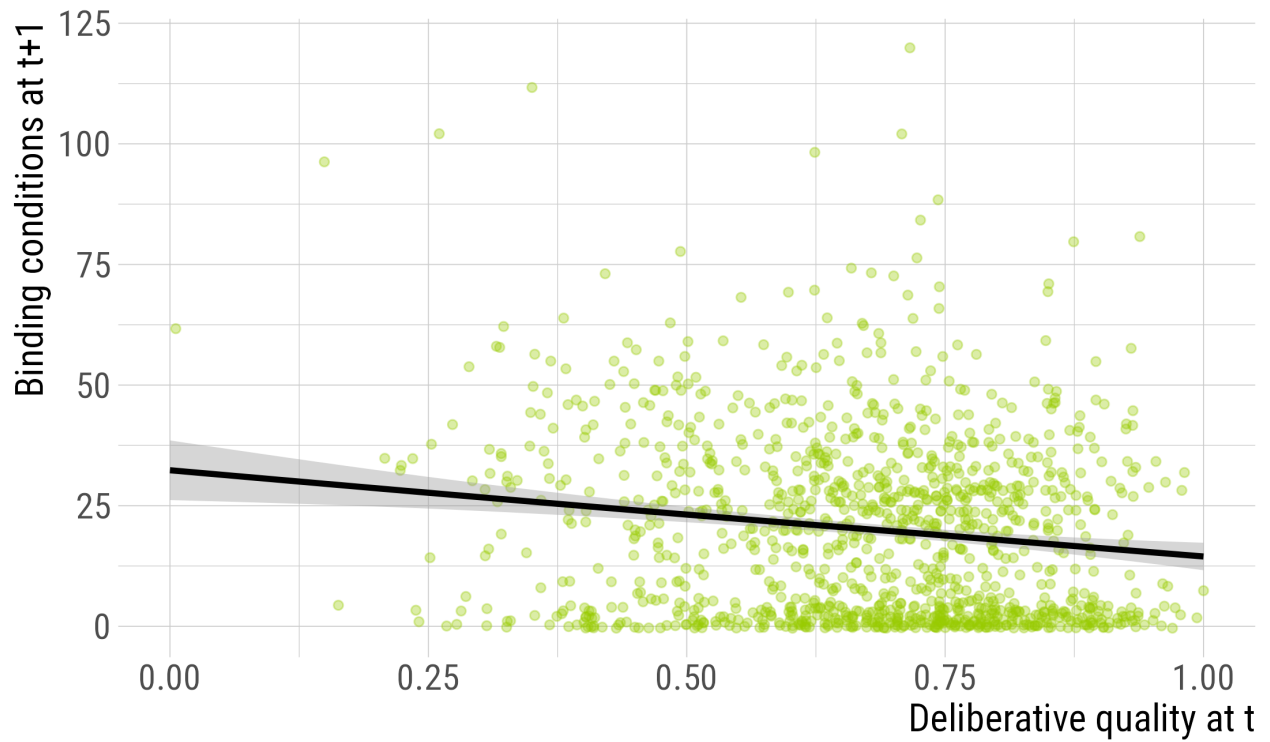
To illustrate this, I integrate information on the dependent variable: In Figure 2, I plot the normalized values of deliberative quality against my dependent variable, the number of binding conditions. The association between these two variables is negative, suggesting that higher arguing is indeed associated with less stringent lending programs. While most observations cluster between 0.5 and 0.95, the downward slope extends over the entire data, and individual segments, and is fitted using a smooth locally weighted linear regression (LOESS).

Of course, this is simply a bivariate relationship. Both deliberative quality and conditionality are determined by manifold factors discussed above. Some of these factors are confounders and influence both treatment and outcome, thereby biasing the bivariate relationship (which suffers from omitted variable bias). For instance, there could be a concern that powerful member-states reward their allies with less stringent conditionality by arguing strategically, potentially lowering the deliberative quality of debates. As I show next however, the statistical evidence paints a clear picture: Deliberative quality is associated with an easing of conditionality across a host of specifications, and the bivariate relationship displayed in Figure 2 captures this rather well.

4.2 Regression analysis

In Table 2, I present the estimates from the regression analysis predicting the number of binding conditions. Model 1 corresponds to the bivariate relationship depicted in Figure 2, with additional country-under-discussion fixed effects. Essentially, I am comparing a given borrowing country with itself over time. That is, these estimates absorb all time-invariant country-characteristics—such as systemic relevance or institutional history. The

Figure 2: Deliberative quality and IMF conditionality



Notes: Deliberative quality estimated using dictionary methods as described above. Each point represents the deliberative quality of a meeting and the associated outcome in the subsequent debate. Sample as defined in text.

point estimate of the coefficient on deliberative quality is negative and significant ($p < 0.01$). An increase in deliberative quality by one standard deviation (0.161) corresponds to a decrease in conditionality by 18.5%, holding all other variables at the mean.

In Models 2-5, I separately include additional controls that approximate for the four alternative explanations for changes in conditionality. First, I capture the geopolitical interests for the U.S., by approximating for political and economic interests with voting similarity in the UN General Assembly and the level of dyadic trade, respectively. Second, I control for bargaining power and different characteristics of the country-under-discussion. Third, I include technocratic explanations for the design of lending programs. Fourth, I control for meeting-level confounders of the relationship between deliberative quality and the number of conditions—the number of comments (log) and a dummy variable for the representation on the Executive Board as ED or AED. In Model 6—my preferred specification and the baseline model—I include all of these control variables. The association between deliberative quality and conditionality continues to be statistically significant ($p < 0.01$), although it is slightly smaller in magnitude compared to the bivariate specification. At the mean, an increase of deliberative quality by one standard deviation is associated with 16.6% fewer conditions. Alternatively, a shift from the first quartile (0.583) to the third quartile (0.789) translates to 20.8% fewer conditions.

As to the estimates of the coefficients on the control variables, I do not discuss them in detail. In the full specification (Model 6), only the point estimates of the coefficients on the indicator for upcoming elections ($p < 0.10$) and government debt ($p < 0.05$) are statistically significant at conventional thresholds. Consistent with previous scholarship, government debt is associated with more stringent conditionality; unlike conventional wisdom, countries with upcoming elections also tend to receive more demanding lending programs (although the point estimate is only marginally significant). In any case, the estimates of the coefficients on the control variables may, or may not, be consistent with previous studies on the politics of IMF lending. Due to differences in the sample (low- and middle-income countries), period (1995 to

Table 2: Deliberative quality and binding IMF conditions

	<i>Dependent variable:</i>					
	Count of binding conditions (t+1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Deliberative quality	-1.272*** (0.232)	-1.062*** (0.276)	-1.238*** (0.216)	-1.109*** (0.233)	-1.436*** (0.293)	-1.130*** (0.302)
U.S. UNGA voting affinity		0.051 (0.511)				-0.290 (0.458)
U.S. dyadic trade (log)		-0.093* (0.056)				-0.091 (0.059)
UNSC membership			0.034 (0.201)			0.048 (0.228)
Democracy			-0.031 (0.067)			-0.001 (0.083)
Upcoming elections			0.073 (0.059)			0.102* (0.061)
GDP growth				0.007 (0.007)		0.009 (0.007)
Current account balance				0.001 (0.006)		0.006 (0.006)
Govt. debt (in % of exports)				0.007*** (0.003)		0.006** (0.002)
Number of comments (log)					0.098 (0.130)	0.011 (0.139)
Executive Board representation					-0.048 (0.128)	-0.040 (0.114)
Country FEs	Yes	Yes	Yes	Yes	Yes	Yes
Pseudo R^2	0.110	0.151	0.165	0.265	0.111	0.298
Observations	1,177	1,134	1,127	987	1,177	953

Notes: Standard errors in parentheses, clustered on the country-under-discussion. Deliberative quality is measured at the meeting on lending programs prior to the change in conditionality. Control variables are measured in the year prior to the change in conditionality. Constant suppressed. Pseudo R^2 manually calculated following McFadden's R^2 . *p<0.1; **p<0.05; ***p<0.01

2014), or unit of analysis (the country-meeting, rather than typically a country-year), they are not directly comparable. Most importantly, however, I have chosen the model specification not to replicate earlier studies but to study the effect of deliberative quality on conditionality, while controlling for alternative explanations that account for both deliberative negotiation and the outcome variables. The point estimates of coefficients on the control variables do not have any causal meaning—these are conditional correlations—and I therefore refrain from discussing and interpreting these (Keele, Stevenson and Elwert 2020). The Pseudo R^2 nevertheless give some indication about the importance of these variables in predicting IMF conditionality.³ Specifically, the variation in the count of binding conditions explained ranges from 0.11 in the bivariate model to 0.30 in the full specification. This suggests that deliberative quality is also an economically important predictor of the number of conditions, even after controlling for alternative explanations.

4.3 Robustness checks

The core result—deliberative quality is associated with less conditionality—is robust to four sets of additional analyses: different dependent variable; excluding powerful member-states from the analysis, one at a time; additional controls; and different fixed effects estimations. All these results are displayed in detail in Appendix B. Here, I focus on discussing the rationale behind them and highlight any important discrepancies with regard to the point estimate of the coefficient on deliberative quality.

First, I examined the relationship between deliberative quality and conditionality including all conditions, rather than simply focusing on binding conditions—those that IMF staff place most weight on. As shown in Appendix Table C1, the level of statistical significance is unchanged, but the magnitude of the coefficients is slightly smaller. Accordingly, the effect of deliberative negotiation on IMF conditionality is stronger for decisions on binding conditions,

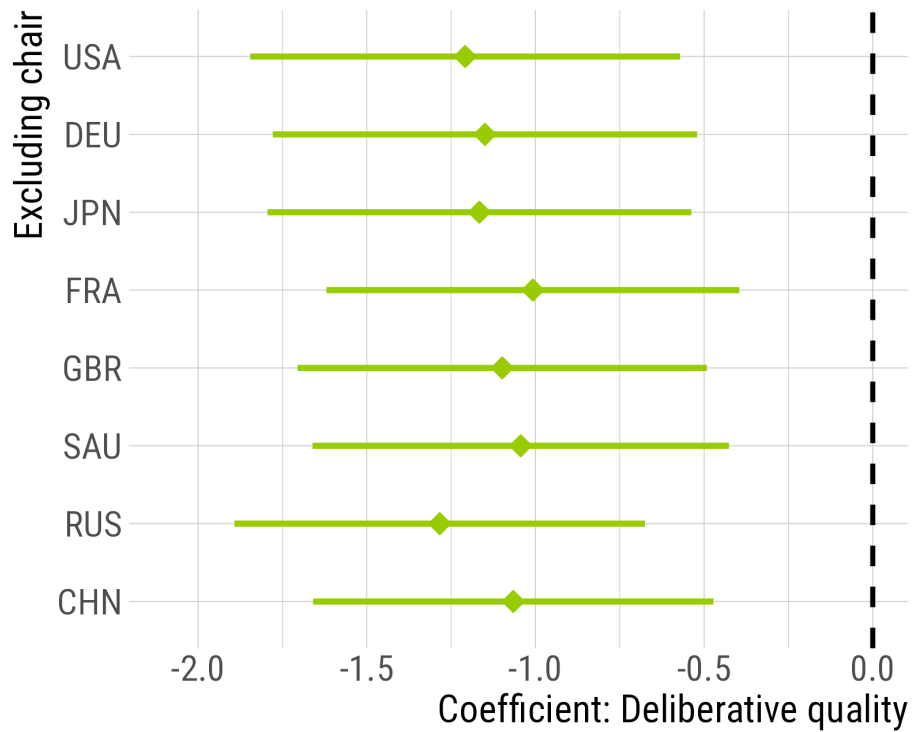
³I have calculated the Pseudo R^2 using McFadden’s definition as the complement to 1 of the variation explained, i.e., deviance of the Poisson models, by the model of interest relative to a model without any controls.

but is similarly observed for conditions with less weight.

Second, in an alternative measure of deliberative quality, I compute all three constituent elements—equality of participation, justification, and respect—by excluding one single-country constituency at a time. This should address the concern that the results may be driven by the interests and strategies of the U.S.—or any other single-country constituency with considerable formal voting power. In Figure 3, I depict the point estimate of the coefficient on deliberative quality and the 95% confidence interval, with the label designating which single-country constituency is excluded from the analysis. The precise estimates of these regressions are displayed in Appendix Table C2. Throughout, the estimates remain statistically significant and support my argument that deliberative quality leads to decisions more favorable to relatively weak countries.

Third, the results are robust to different fixed effects specifications. In Appendix Table C3, I present estimates of models including additional fixed effects for the month and the weekday of EB discussions. EB meetings are not evenly or randomly distributed across the calendar year: There tend to be disproportionately more meetings in June and July before the summer holidays. Similarly, the formal EB meetings cluster on certain weekdays—Mondays, Wednesdays, and Fridays. If the deliberative quality and conditionality are both a function of these circumstances, i.e., pertaining to the scheduling of debates, my results would be biased. For example, suppose the easiest programs—e.g., small lending programs where management and staff expect little discussion, translating into lower deliberative quality—are scheduled on the same day or month. As a result, my models would underestimate the true effect of deliberative quality (it would be biased towards zero). Of course, this is just one scenario and alternative interpretations are possible. Suffice it to say that the scheduling of debates could affect my results and to guard against this potential source of bias, I include the additional fixed effects that absorb any variation constant across all meetings with regard to these two factors. As shown in the Appendix, the estimates are robust to these fixed effects and remain substantively the same, thereby suggesting this is of little concern in practice.

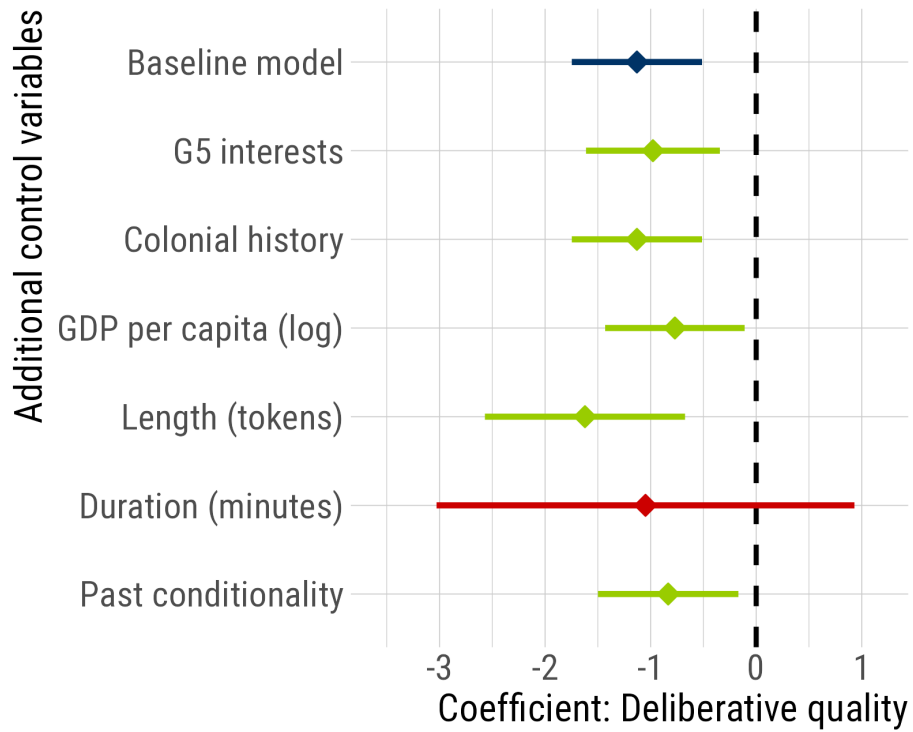
Figure 3: Single-country constituencies: leaving one out



Notes: Point estimates of deliberative quality depicted with 95% confidence interval based on the full specification discussed above (Model 6). The labels indicate which constituency is excluded from the analysis, i.e., calculating deliberative quality after removing the comments of a given single-country constituency from all meetings.

Finally, I include a number of additional control variables. In Figure 4, I visualize the point estimate and 95% confidence interval of the coefficient on deliberative quality as I include additional variables (labeled on the y-axis) to the baseline controls (for the full output, see Appendix Table C4). In my preferred specification, I account for the interests of the U.S.—geopolitical and financial. As a robustness check, I also include the average UNGA voting affinity of the country-under-discussion with the G5 as well as the mean dyadic trade with the G5. Further, I include a binary variable equal to 1 if the country-under-discussion has been a colony since 1900. For example, in an African context, Stone argues that ‘France and Britain intervened on behalf of some of their former colonies with which they maintained close political ties’ (Stone 2008, 528). Yet as I show below, this does not affect my results. Next, I control for the level of income of the country-under-discussion (as approximated by the log of GDP per capita). Here, the point estimate of the coefficient on deliberative quality drops from -1.130 (baseline model, $p < 0.01$) to -0.770 ($p < 0.05$). As discussed, I also include additional variables at the meeting-level. Controlling for the meeting length (in terms of words spoken) does not affect my results. By contrast, once I adjust my models for the duration of a meeting (in minutes), the point estimates of the coefficients of interest turn insignificant. Yet this is likely due to the reduced number of observations: the EB transcripts only include data on the duration of a meeting after October 2001, which decreases my sample size by more than one third. Finally, I include the variable with the average level of past conditionality approved by the individuals participating in a meeting; this reduces the magnitude of the estimated effect of deliberative quality to -0.834 ($p < 0.05$).

Figure 4: Additional controls



Notes: Point estimates of deliberative quality depicted with 95% confidence interval based on the full specification discussed above (Model 6). The labels indicate additional controls included.

5 A view from the Executive Board

The statistical evidence presented strongly support my argument that as the deliberative quality in a meeting approaches pure arguing (away from pure bargaining), decisions become increasingly favorable to relatively weak countries. To understand how this plays out in practice, I have conducted 25 semi-structured interviews with former IMF Executive Board members.⁴ As displayed in Table 3, my respondents vary by formal rank, constituency, and experience. State representatives served at the Board from as early as the late 1980s and until as recently as 2021. The interviewees represented both single-country constituencies—such as the U.S., Japan, France, or the U.K.—but also multi-country constituencies from Europe, Latin America, Southeast-Asia, Sub-Saharan Africa, or the Middle East (Russia and China are notable exceptions). My sample therefore represented both creditor and borrower countries. Some of these individuals went on to positions on governing bodies of intergovernmental organizations in finance, trade, or health. Thus, I believe the interviewees—though a convenience sample—to be representative of IMF Executive Board members specifically, and governing bodies of international organizations more broadly.

As discussed in Section 2, the IMF, like other international financial institutions, takes decisions in the shadow of hierarchy. Executive Directors acknowledged as much in a recent survey by the Fund’s IEO (2018). Similarly, my interviewees—both from single- and multi-country constituencies highlighted the importance of the U.S. and voting shares for certain decisions:⁵

“The voting shares are very important. The U.S. is the only country with more than 15 percent, with a veto right. So if important decisions are made [e.g., quota reform], it is the only country with veto power. And we would therefore always be curious, and also cautious, about the U.S., even in informal meetings.”

⁴After creating a list of more than 300 delegates who served on the Board between 1995 and 2020 as well as hundreds of names from the attendance sheets of the official Executive Board Minutes, I searched their contact details online (e.g., from LinkedIn profiles, current employers, or personal websites). I was able to contact 69 of them; 29 replied, and 25 accepted my request. Interviews lasted between 35 and 80 minutes. They were all conducted virtually and on condition of anonymity. Interviews were recorded—subject to permission by the speakers—and transcribed afterwards using software and manual coding.

⁵Interview #9

Table 3: Summary statistics of interviewees

Rank (highest position)	
Executive Director	13
Alternate Executive Director	8
Temporary Alternate Executive Director (Senior Advisor or Advisor)	4
Constituency	
Single-country constituency	6
Multi-country constituency	19
Years with IMF	
< 5 years	10
5 – 10 years	5
> 10 years	10
Total	25

Notes: Years with the IMF refers to the total number of years working in the Fund, including stints on the Executive Board, staff, management, or the IMF’s Independent Evaluation Office.

The position of the U.S. in the institution and the voting power of selected European states thus creates the shadow of hierarchy implied by structural accounts of international organizations. Yet one should also be cautious not to overestimate the influence of the U.S. and other powerful member-states, especially on discussions of lending programs, due to Fund principles and precedents and the organizational culture informing the actions of staff.

First, the Fund’s long-standing principle of consensus-based decision-making ensures that staff would regularly reach out to most chairs of the Executive Board and circulate staff reports and proposals prior to formal decisions:⁶

“There’s a tradition to seek consensus. And so that’s why they [Management and staff] approach all chairs and try to bring as many people on board as possible. And this gives us some leverage, to the countries that are minority, that are not Europeans or Americans. We can try to modify decisions: ‘Look, we will join the consensus, but we feel very strongly about points, A, B, C.’ for example.”

Second, the Fund prides itself on being a technocratic institution. Just as other international organizations ‘hate politics’ (Louis and Maertens 2021), IMF staff derive their

⁶Interview #6

legitimacy from being perceived as ‘technocratic’ (Heinzel, Richter, Busch, Feil, Herold and Liese 2021), which in turn gives them expert authority (Barnett and Finnemore 2004). Several interviewees drew attention to the technical nature of the work of staff and the IMF:⁷

“... the IMF is a technical institution. So you have lots of technical discussions ... you have different types of discussions at the Board. (...) Program design has a lot to do with the house view on how the macroeconomy works: What’s the role of the financial sector? And how do you see the economic or financial relationship of the country with the rest of the world, like balance of payments? There are many doctrines that are being built over time by the IMF, by the staff, by the leadership, the lack of leadership. So the discussion at the Board level has to consider that. So it’s also an academic discussion in the sense that you’re not going to say something which is not sound from a macroeconomic perspective, in the prevailing view of the institution.”

Within this context, however, there is room for argumentation in the IMF Executive Board. For deliberation to be consequential it needs to be consistent with Fund principles and precedents, but it also needs to be analytically sound—as seen through the IMF staff’s lens on macroeconomics. In the words of one former Executive Director who appreciated arguing in the boardroom⁸

“The power of argumentation is actually, I would say, strong ... It does not go the whole way, it’s only one ingredient ... but it is one, and it is an important one because wherever there is a discussion, that discussion will really only be exercised in the judgement of each Board member based on the weight of the analytical argument and evidence that someone presents. And there is an argument to be made for the longevity of the Board members where they are representing borrowing countries, because they build up a rapport, and build up a credibility.”

6 Conclusion

Decisions of international organizations are frequently explained without taking seriously the individuals involved in the everyday decision-making. Instead, rationalist scholarship devotes disproportionate attention to the resources, preferences, and strategies of powerful member-states. This is best reflected in (Stone 2011, 210)’s assessment that the ‘most serious concern posed by delegating powers to international organizations is not that they will pursue

⁷Interview #19

⁸Interview #2

autonomous agendas, but that they will be captured by the most powerful state in the system.’ Indeed, an extensive literature on the political economy of international organizations shows that selected member-states can exert influence through both formal and informal means in exceptional cases (Vreeland 2019; Kentikelenis and Babb 2019; Clark and Dolan 2021; Stone 2011). Yet these studies tend to arrive at their conclusions by neglecting the actual decision-making practices.

To address this concern, I have introduced the concept of deliberative negotiation (Warren and Mansbridge 2013; Naurin and Reh 2018), drawing on work from deliberative democracy, which takes seriously the communicative action that is ubiquitous in international organizations’ decision-making. Using mixed methods, I have demonstrated that—consistent with my argument—arguing in the IMF favors relatively weak states: higher deliberative quality is associated with less stringent conditionality. Yet there are also limits to deliberation, as my interviews have made explicit. These limits concern chiefly the power of the U.S. and other Western states, but also the organizational culture of the Fund which is geared to a particular understanding of macroeconomics.

In crafting the argument on the role of deliberative negotiation in the IMF, this paper seeks to add greater theoretical depth to distinct academic debates. First, it speaks to discussions of the political economy of international organizations (e.g., Vreeland 2019). The results cast new light on the long-standing issue of who (really) controls these institutions and how power is distributed in the global economy. While not denying that powerful member-states may be able to achieve their preferences within international organizations—indeed, the U.S. remains the single most powerful member-state in the IMF and repeatedly pushed, successfully, for its priorities to be reflected in the Fund’s output—my work shows that decision-making is the result of state representatives’ interaction with each other, management, and staff. Thus, the research questions the widely used approach of deriving preferences exogenously to the decision-making process. Further, the fact that powerful states’ preferences are not always satisfied within international organizations grants more legitimacy to the multilateral system

(Stone 2011)—and deliberative negotiation is one reason for this.

Second, my analysis contributes to the literature of deliberative democracy by showing that deliberation does matter in international organizations. Such scholarship has developed scope conditions which facilitate negotiations (e.g., Bächtiger et al. 2018; Risse 2000, 2018), but these institutional characteristics are relatively constant within institutions. By introducing the concept of deliberative negotiation and developing measures of deliberative quality that are scalable, I show how to address this shortcoming. I extend scholarship that demonstrates the importance of deliberation in international organizations, including the European Union (e.g., Lewis 1998; Schimmelfennig 2001), the International Criminal Court (Deitelhoff 2009), or the UN Security Council (Johnstone 2003, 2011). In many ways, these studies have paved the way for my research: by showing that deliberation can make a difference. My contribution is to take these arguments, build a theoretical framework for everyday decision-making of international organizations, and test the observable implications empirically. To my knowledge, this is the first study to present evidence on the consequences of deliberation in a cross-country context.

The findings have also important implications for practitioners, especially for ongoing discussions about how to reform international organizations and increase the voice of relatively weak states. My findings suggest that the IMF can increase the ownership of programs if staff incorporate the views of the whole membership in their decision-making. By listening more to persuasive and respectful representatives from borrowing countries, lending programs entail less conditionality, and are thus more likely to be implemented (Reinsberg, Stubbs and Kentikelenis 2022). Equally, member-states—whether representing creditor or borrowing countries—should take representation and negotiations in the Executive Board seriously and carefully consider who they send to the Fund. The individuals at the Board can make a difference both for individual countries, but also the institution as a whole.

My results show that if actors in international organizations interact respectfully with each other and justify their demands, it may increase the voice of relatively weak states in

decision-making. In turn, this could improve the legitimacy (and potentially effectiveness) of decision-making in international organizations—when the international liberal order is under as severe pressure as it is now ([Börzel and Zürn 2021](#)), there has rarely been a better time for institutions to deliberate.

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A Measuring deliberative quality

In Table A1, I list the linguistic terms capturing these two dimensions of justification—133 terms in total. The total number of times that any term of these two dimensions occurs in a text yields a continuous measure of mutual justification. Since distributions of words are highly skewed, I log-transform these counts—which is standard in natural language processing.⁹

Table A1: Measuring justification level

Heading	Linguistic marker	Terms
Linguistic expressions for argumentation	Inferential markets, giving causes and results	accordingly; after all; all thing consider; as a consequence; as a logical conclusion; as a result; base on; because of; consequently; for this reason; for that reason; hence; in this case; in that case; it can be conclude that; it stand to reason that; of course; on this condition; on that condition; so; then; therefore; thus
	Contrastive markers	all the same; anyway; but; contrariwise; conversely; despite; however; in any case; in any event; in spite of; in comparison with; in contrast; instead of; nevertheless; nonetheless; notwithstanding; on the one hand; on the other hand; on the contrary; rather than; regardless of; still; though; yet
	Introducing examples	e.g.; for example; for instance; illustrate; including; namely; notably; specifically; such as
	Generalizing	by and large; generally; in general; on the whole
	Structuring information	above all; additionally; alternatively; analogously; besides; by the same token; correspondingly; equally; further; furthermore; in addition; in fact; in other word; in particular; in short; indeed; likewise; more accurately; more importantly; more precisely; more specifically; more to the point; moreover; on that basis; on top of it all; otherwise; similarly; to cap it all off; too; what be more
Summarizing information	at the risk of repeat; by way of clarification; finally; first; firstly; if I may clarify; lastly; next; once again; overall	
Arguing	reason; reiterate; assess; clarify; classify; compare; deduce; differentiate; distinguish; evaluate; explain; explanation; interpret; justify; propose; recommend; recount	
Shared body of knowledge	Reference to topics	staff report; report by staff; staff document; document by staff; staff paper; paper by staff; staff appraisal

Notes: Adapted and expanded from [Fraser \(1996\)](#). All terms refer to the lemmatized version of an expression. For simplicity, only expressions written in American English are displayed.

⁹ $\log(0)$ is not defined, I therefore use the $\text{sign}(x_i) \times \log(\text{abs}(x_i) + 1)$ -transformation to ensure that observations with zero counts are not discarded. x_i denotes the respective word counts by chair i . I use the signum function and absolute values of the word counts to allow for negative values as well—as is permissible for the measurement of respect.

In Table A2, I present the full dictionary including the lemmatized terms. As with mutual justification, I log-transform and normalize the total counts of this dimension for each meeting.

Table A2: Measuring respect

Heading	Linguistic marker	Terms
Linguistic expressions for mitigation	Markers	if I may interrupt; if it be not too much trouble; if you do not mind; unless I misunderstand you; unless I be hear it incorrectly; I do not mean to pressure you but; I see your point but; I be no expert but; sorry to have to ask you this but; may be true but; have a point but; be entitled to your opinion but; pardon me
	Apologize	forgive me; forgive my; excuse me; excuse my; apologize
	Hedges	allow me; all I know; presumably; as far as I; actually; almost; as it be; basically; can be view as; for the most part; in a real sense; in a sense; in a way; kind of; loosely speak; more or less; pretty much; principally; quintessentially; sort of; strictly speak; typically
	Impersonal verbs and indefinites	be necessary that; appear; seem; look to me; one might; one would; one should; one could
	Viewpoint distancing	I have be wonder; I be wonder; I wonder whether
	Praise	thank; respect colleague; respect friend; esteem; grateful; glad; thankful; appreciate; commend; congratulation; congratulate; honor; honorable; applaud; praise; admirable; compliment
	Lack of respect (subtracted from the count)	it be ridiculous; disgrace; fail to understand; fail to deliver; fail to recognize; fail to accept; fail to recognize; not live up to; rubbish; scandalous; indecent; dishonest; scandal; !; abuse; dismiss; dismissive; disappoint; unacceptable; offensive; distasteful; disgraceful; humiliation; disrespectful; humiliate; belittle; unwelcome; not welcome; shameful
Perspective-taking	List of speakers	List of all state representatives participating in Executive Board meetings between 1995 and 2015 on low- and middle-income countries

Notes: Adapted and expanded from Fraser (1996). All terms refer to the lemmatized version of an expression. For simplicity, only expressions written in American English are displayed.

B Summary statistics

Table B1: Summary statistics

Variable	Mean	SD	Min	Median	Max
Binding conditions	20.15	18.94	0.00	18.00	120.00
All conditions [R]	32.04	26.24	1.00	30.00	171.00
Deliberative quality	0.67	0.16	0.00	0.69	1.00
U.S. UNGA voting affinity	0.36	0.13	0.00	0.35	0.81
U.S. dyadic trade (log)	5.60	2.10	0.63	5.23	12.33
UNSC membership	0.04	0.20	0.00	0.00	1.00
Democracy	0.39	0.49	0.00	0.00	1.00
Upcoming elections	0.29	0.45	0.00	0.00	1.00
GDP growth	3.86	5.36	-28.10	4.40	54.16
Current account balance	-5.15	9.45	-84.11	-5.01	84.85
Govt. debt (in % of exports)	11.69	11.83	0.31	8.66	134.72
Number of comments	34.00	13.68	8.00	32.00	133.00
EB representation	1.11	0.32	1.00	1.00	2.00
G5 UNGA voting affinity [R]	0.65	0.10	0.18	0.63	0.90
G5 dyadic trade (log) [R]	5.34	1.78	0.95	5.11	10.79
Colonial history [R]	0.77	0.42	0.00	1.00	1.00
GDP per capita (log) [R]	7.29	1.05	5.27	7.13	9.66
Length (tokens) [R]	10367.83	4708.13	552.00	9800.00	31255.00
Duration (minutes) [R]	63.16	38.89	8.00	54.00	360.00
Past conditionality [R]	22.86	3.78	13.50	23.18	47.59

C Robustness checks

Table C1: Deliberative quality and all IMF conditions

	<i>Dependent variable:</i>					
	Count of total conditions (t+1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Deliberative quality	-1.108*** (0.204)	-0.879*** (0.255)	-1.085*** (0.201)	-1.037*** (0.211)	-1.320*** (0.244)	-1.048*** (0.285)
U.S. UNGA voting affinity		0.402 (0.414)				0.184 (0.409)
U.S. dyadic trade (log)		-0.048 (0.049)				-0.036 (0.058)
UNSC membership			0.047 (0.161)			0.071 (0.184)
Democracy			-0.048 (0.060)			-0.009 (0.065)
Upcoming elections			0.046 (0.051)			0.073 (0.053)
GDP growth				0.003 (0.005)		0.006 (0.005)
Current account balance				-0.0001 (0.005)		0.007 (0.005)
Govt. debt (in % of exports)				0.004* (0.002)		0.003 (0.002)
Number of comments (log)					0.130 (0.112)	0.061 (0.119)
Executive Board representation					-0.123 (0.141)	-0.131 (0.135)
Country FEs	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,177	1,134	1,127	987	1,177	953

Notes: Standard errors in parentheses, clustered on the country-under-discussion. Deliberative quality is measured at the meeting on lending programs prior to the change in conditionality. Control variables are measured in the year prior to the change in conditionality. Constant suppressed. *p<0.1; **p<0.05; ***p<0.01

Table C2: Excluding single-country constituencies

<i>Dependent variable:</i>								
Count of conditions (t+1)								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
U.S.	-1.208*** (0.311)							
Germany		-1.150*** (0.307)						
Japan			-1.166*** (0.308)					
France				-1.008*** (0.300)				
U.K.					-1.098*** (0.297)			
Saudi Arabia						-1.044*** (0.302)		
Russia							-1.284*** (0.297)	
China								-1.066*** (0.291)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FEs								
Obs.	953	953	953	953	953	953	953	953

Notes: Standard errors in parentheses, clustered on the country-under-discussion. Only the estimate of the coefficient on deliberative quality is displayed. Controls and constant suppressed. Label indicates which single-country constituency is excluded from the analysis. *p<0.1; **p<0.05; ***p<0.01

Table C3: Additional fixed effects

	<i>Dependent variable:</i>					
	Count of total conditions (t+1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Deliberative quality	-1.307*** (0.241)	-1.086*** (0.278)	-1.247*** (0.218)	-1.122*** (0.241)	-1.477*** (0.314)	-1.160*** (0.315)
U.S. UNGA voting affinity		0.057 (0.509)				-0.263 (0.452)
U.S. dyadic trade (log)		-0.091 (0.057)				-0.093 (0.060)
UNSC membership			0.026 (0.201)			0.033 (0.227)
Emerging markets country			0.096 (0.088)			0.356 (0.299)
Democracy			-0.038 (0.066)			-0.001 (0.081)
Upcoming elections			0.068 (0.062)			0.097 (0.064)
GDP growth				0.007 (0.007)		0.010 (0.007)
Current account balance				0.001 (0.005)		0.006 (0.006)
Govt. debt (in % of exports)				0.007*** (0.003)		0.006** (0.003)
Number of comments (log)					0.103 (0.135)	0.027 (0.145)
Executive Board representation					-0.054 (0.134)	-0.039 (0.122)
Country FEs	Yes	Yes	Yes	Yes	Yes	Yes
Month FEs	Yes	Yes	Yes	Yes	Yes	Yes
Weekday FEs	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,177	1,134	1,127	987	1,177	953

Notes: Standard errors in parentheses, clustered on the country-under-discussion. Deliberative quality is measured at the meeting on lending programs prior to the change in conditionality. Control variables are measured in the year prior to the change in conditionality. Constant suppressed. *p<0.1; **p<0.05; ***p<0.01

Table C4: Additional controls

	<i>Dependent variable:</i>					
	Count of conditions (t+1)					
	(1)	(2)	(3)	(4)	(5)	(6)
Deliberative quality	-0.978*** (0.310)	-1.130*** (0.302)	-0.770** (0.323)	-1.622*** (0.465)	-1.049 (0.947)	-0.834** (0.361)
G5 UNGA voting affinity	0.161 (0.820)					
G5 dyadic trade (log)	-0.369*** (0.142)					
Colonial history		-0.358 (0.279)				
GDP per capita (log)			-0.745*** (0.241)			
Length (tokens)				0.00002 (0.00002)		
Duration (minutes)					0.002 (0.001)	
Past conditionality						0.035** (0.012)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Country FEs	Yes	Yes	Yes	Yes	Yes	Yes
Observations	953	953	953	953	595	952

Notes: Standard errors in parentheses, clustered on the country-under-discussion. Deliberative quality is measured at the meeting on lending programs prior to the change in conditionality. Control variables are measured in the year prior to the change in conditionality. Baseline controls and constant suppressed. *p<0.1; **p<0.05; ***p<0.01

D Interview guide

The semi-structured interviews typically covered three aspects of IMF governance and decision-making: representation; formal and informal decision-making; and the formal Executive Board negotiations and individuals. Questions are listed in Table D1.

Table D1: Guide for semi-structured interviews

Topic	Question
Representation	Who do you represent at the Board? What are the primary interests that Executive Directors represent in the Board? How would you deal with potentially competing interests within your constituency? How are Executive Directors elected/appointed in your constituency?
Decision-making	How important are the formal Executive Board meetings in decision-making of the Fund? Do people change their views during these meetings? What strategies do you use to pursue your preferences? How do Executive Directors interact with other Directors? Do you coordinate your behavior? How do Executive Directors approach staff, and to what end?
Negotiations & individuals	How important are voting shares in everyday decision-making of the Fund? How important are individual characteristics in IMF negotiations? What makes an Executive Board member effective? Do countries try to bargain down their conditionality? What does this look like?

Notes: While I discussed each of the three topics with every interviewee, not all questions were asked.

If time allowed, I occasionally also presented my preliminary findings to assess the plausibility of my argument and empirics: ‘In a typical case, I find that when Executive Directors participate relatively equally in a debate, are respectful with each other (e.g., refer to each other), and justify their demands, there is a subsequent easing of conditionality in a given country-under-discussion. Do you have a sense of why this might be the case?’