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# **Wealth and the democratization of global economic governance**

(Marcel Hanegraaff and Arlo Poletti)

## **Introduction**

As the global governance system has become increasingly relevant in contemporary policymaking, the number and scope of organized interests mobilizing beyond national borders has also risen dramatically (Hanegraaff et al. 2015). This trend is not surprising. On the one hand, the nesting of states within increasingly influential sets of global governance systems created obvious incentives for various kinds of organized interests to mobilize on a transnational basis (Barnett and Finnemore 2004; Beckfield 2003; Meyer 1980; Tallberg et al. 2013). As some observers have noted, this process largely mirrors the growth of contentious politics during the rise of the nation state (Tarrow 2001). On the other hand, this observed expansion of transnational advocacy was further stimulated by a systematic shift towards greater involvement of civil society actors in global governance (Hanegraaff et al. 2016). While there is significant variation in how much access different International Organizations (IOs) grant to societal actors, empirical evidence confirms the existence of a far-reaching institutional transformation happening among these IOs. This process has taken place in the last few decades and has pervaded all issue areas, policy functions, and world regions (Tallberg et al. 2014).

Yet, what are the characteristics of the populations of interest groups active in these international venues? And what explains their evolution over time? This paper addresses these issues, analyzing the extent to which the organizational development of these interest groups reflects differences in economic development among countries operating within the global governance system.

Noting that the population of interest groups mobilizing on a transnational basis has steadily increased over time tells us little about the nature of these communities. Any meaningful assessment of the normative implications of this observed growth requires a systematic mapping of the structure of these communities, tracing how they evolve over time, and then identifying the potential determinants of skewed participation within them. Does this growth of transnational interest groups populations mean that global governance is becoming more representative of and accessible to world's citizens? Or, is it telling of ever-growing patterns of inequality and exclusion? And if patterns of inequality do exist, is there something we can do about it? Any sensible answer to these questions must be grounded into an investigation of how these populations of interest groups are constructed and how they develop (Hanegraaff and Poletti 2017; Lowery and Gray 1995).

Central to all existing discussions about the normative implications of the quantitative growth of transnational interest groups is the question of how the countries' level of economic development, i.e. the economic resources they dispose of, affects these countries' representation within such interest groups populations. Existing arguments about the relationship between countries' levels of economic development and patterns of transnational advocacy can be categorized into three broad views.

According to the first, non-state actors' (NSAs) participation in global governance contributes towards greater equality. For instance, world polity theorists believe that due to the growing number of international access opportunities, greater parity in the breadth of non-state actors' participation in global governance should emerge across the world (Barnett and Finnemore 2004; Boli and Thomas 1997; Beckfield 2003). From a different perspective, neopluralists believe that there are inherent balancing mechanisms within interest communities, ensuring that, over time, representational participation in such communities will become less skewed (Lowery and Gray 2004; Hanegraaff 2015).

A second view suggests that existing cross-country representational differences in globally active interest groups' communities should remain fairly constant over time, reflecting existing differences in economic development among these countries. A direct proportionality between the capacity of organized interests to be active globally and their capacity to obtain resources from the environment in which they operate is perhaps the oldest and most widely accepted assumption in interest group research (Gray and Lowery 1996; Hanegraaff et al. 2015). Thus, according to this view there is a linear relationship between the availability of resources and the amount of non-state actors representing a country in global governance organizations, with different levels of income and economic development translating into roughly proportional levels of transnationally active interest groups.

A third view posits that patterns of non-state actors' participation in global governance are characterized by systematic inequalities and, if anything, are destined to grow even more unequal over time. This view is shared by world system scholars who conceive of global governance structures as hierarchical systems established by hegemony to perpetuate and further their domination over peripheral states (Boswell and Chase-Dunn 2000; Chase-Dunn et al. 2000), but also by standard collective action arguments showing how interest groups that mobilize earlier in the development of an interest group community can institutionalize key advantages and further strengthen their position within such communities (Carpenter 2004; Brown 2012; Hanegraaff 2015).

In this paper we propose an alternative view about the relationship between countries' wealth and their representation within global interest communities. More specifically, we show that the relationship between countries' wealth and global advocacy is best characterized as a curvilinear u-shaped slope. We find that NSAs from both the richest *and* poorest countries' (low-income and high-income countries) are disproportionately represented at the global level, while advocates representing countries lying in the middle of the development scale, i.e. low middle and high middle income countries, are vastly underrepresented. The reason is that global advocacy and lobbying for Least Developed Countries (LDCs) is highly subsidized. Such support includes Official Development Aid (ODA), which is a big endorser of NGO and Small and Medium Enterprises (SMEs) advocacy, as well as private and corporate sponsorships. Yet, once countries become wealthier these cash flows decrease dramatically and reduce these subsidized forms of global advocacy.

To test our hypothesis, we rely on two data-sources: all interest groups that were active during WTO ministerial conferences between 1995-2012 (N=1,962) and all groups active at UN climate summits between 1997-2012 (N=6,665). All groups were coded based on the websites to see which type of interests they defend and for which country they advocate. The combination of these data-sources allows us to compare global advocacy across countries falling in different income groups, as well as to trace variations in interest representation among specific countries moving across different income categories over time. Our results suggest the plausibility of the hypothesis that development aid has a strong effect on countries' representation in global advocacy communities.

Our findings have important implications. On the other hand, our study speaks to the debate on the relationship between global economic governance and human development. Existing research suggests a strong positive correlation between domestic institutions and policy outcomes that support human development (Besley and Kumadatsu 2006), and a strong case has been made for the operation of similar dynamics linking democracy to human development at the global level. More specifically, some argue that global governance structures can be responsive to human development needs only insofar as they ensure the fair representation of the interests of the world's poorest countries (Jayadev 2010; Woodward 2010). Our findings about the composition of interest group communities at the global level suggest that transfers of resources from rich countries to support stakeholder involvement in global governance can be effective in increasing voice and participation of more vulnerable and marginalized states within existing international institutions. Of course, this does not necessarily mean that these global economic fora will actually be more responsive to human development needs. Precisely because a transfer of resources from richer to

poorer countries largely influences greater NSAs involvement in these governance systems, there is a risk that these organizations end up implementing policy agendas of the richer countries that subsidize them (Edwards and Hulme 1998). More modestly, our analysis points out that ODA can be effective in making sure that a necessary condition for a more human development friendly global economic governance is met, namely that these institutions ensure fair representation of NSAs from poorer countries. Whether greater representation actually translates in influence and more responsiveness to human development needs is another important question that remain outside the scope of our analysis.

On the one hand, we speak to the debate about the potential of a stakeholder strategy of democratization of global governance. The normative assumption underlying these alternative positions, particularly the so-called stakeholder model of global democracy, is that the actors affected by particular political decisions should be given the opportunity to meaningfully participate and make their voice heard in the making of such decisions (Scholte 2004; Macdonald 2008; Steffek et al. 2008; Macdonald and Macdonald 2006; Tallberg and Uhlin 2012). While empirical research shows that growing opportunities for stakeholder involvement have not yet generated greater democratic legitimacy of IOs, at least as perceived by the stakeholder organizations operating within them (Agné et al. 2015; Dellmuth and Tallberg 2015), our findings suggest that there is room for optimism. Top-down strategies aimed at supporting greater stakeholder involvement such as foreign aid can be effective in shaping the development of interest groups' communities at the global level, potentially bringing about greater perceived legitimacy in the longer term. As mentioned above, whether these developments will bring about greater legitimacy is also likely to critically depend on the extent to which representation then translates into influence.

### **Wealth and global interest group communities**

What is the relation between countries' wealth and global advocacy? This question is central to both political science scholars interested in uncovering the conditions that promote the proliferation of global advocacy and normative scholars advancing the debate on the merits of different strategies of democratization of global governance. Political scientists interested in explaining cross-country variations in global advocacy participation have long noted, in line with classical studies on interest group communities at the domestic level, that a country's socio-economic condition is a crucial factor in influencing its societal groups' ability to mobilize politically and make their voice heard in

global governance fora (Ron et al. 2005; Smith and Weist 2005; Hanefraaff et al. 2015; Lee 2010; Nordang Uhre 2014).

Normative scholars questioning how global governance can be made more democratically legitimate are also crucially interested in understanding whether, and eventually in what ways, a country's wealth influences its ability to be effectively represented in global advocacy. Given the assumption of much of this literature that a move towards a more democratic global governance requires ensuring that all relevant stakeholders are given the opportunity to meaningfully participate and make their voice heard in global policymaking (Scholte 2004; Macdonald 2008; Steffek et al. 2008; Macdonald and Macdonald 2006; Tallberg and Uhlin 2012), investigating whether differentials in countries' levels of socio-economic development promote or hinder in systematic ways different countries' representation in global advocacy is critical to assess the long-term viability of, and the potential correctives for, a stakeholder strategy of democratization of global governance.

Many authors have looked into the mechanisms linking the wealth of different countries with their representation in global interest groups, eventually suggesting three possible types of relationship. The first suggests that a number of mechanisms contribute to ensuring that differentials in countries' levels of socioeconomic development do not reflect in how countries are represented in global advocacy. Two such arguments suggest that the population of interest groups active at the global level should have a more equitable character than the distribution of global wealth would suggest. The so-called world polity theory, for instance, argues that both governmental and nongovernmental organizations embedded in the world polity receive and transmit global models of legitimate state action. According to this view, membership in international organizations has increasingly become a social imperative transmitted to other relevant actors, feeding back into the political process and leading to even greater world polity ties (Boli et al. 1999). The dynamics of integration in the world polity thus generate a positive dynamic further strengthening such processes of integration. This means that world polity ties have the potential to even out existing differentials in countries' levels of socio-economic development and, ultimately, that the growing number of international access opportunities can be expected to lead to greater parity in non-state actors' participation in global governance among countries (Barnett and Finnemore 2004; Boli and Thomas 1997, Beckfield 2003).

From a different angle, scholars in the so-called neopluralist tradition reach similar conclusions. Neopluralism shares with the classical collective action perspective (Olson 1965) the view that some interests can mobilize more easily than others. Yet, this strand of literature highlights a number of balancing mechanisms that are inherent to the development of interest

communities which ensure that, over time, representational participation in such communities become less skewed (Lowery and Gray 2004). For instance, initially disadvantaged groups may find ways to overcome collective action problems thanks to creative leadership, selective incentives, wealthy patrons or sponsors, public subsidies etc. (Hanegraaff 2015). A second balancing mechanism is the “density dependency effect”, which dampens the mobilization potential of individual interests as interest communities grow denser (Lowery and Gray 1996; Halpin and Thomas 2012). In the context of the study of transnational advocacy, this means that interest groups from wealthier countries may have dominated global interest communities at the early stages of their development, but the balancing mechanisms outlined above have subsequently contributed to evening out skewed patterns of representational participation in favor of less wealthy countries.

A second view suggests that existing cross-country differences in terms of their representation in globally active interest groups’ communities should remain fairly constant over time. The connection between organized interests’ capacity to be active globally and their capacity to obtain resources from the direct environment in which they operate is perhaps the oldest and most widely accepted assumption in interest group research (Gray and Lowery 1996; Hanegraaff et al. 2015). In exploring the dynamics of evolution of interest group communities at the domestic level, scholars have pointed out how their density and diversity are crucially affected by the nature of state economies (Lowery and Gray 1995). Because this relationship holds true in the national context, it can reasonably be assumed to equally hold in the international context (Nordang Uhre 2014: 63). If it is true that more economically and socially developed states will have more extensive and diversified interest group communities at the domestic level, this should be particularly true in international contexts where costs of collective action are even higher than in the national context. Thus, according to this view there is a roughly linear relationship between the availability of resources and the amount of non-state actors representing a country in global governance, with different levels of income and economic development among countries translating roughly proportionally into different levels of transnationally active interest groups.

A third view posits that patterns of non-state actors’ participation in global governance are characterized by systematic inequalities and, if anything, are going to grow even more unequal over time. Again, two different theoretical perspectives can substantiate this view. On the one hand, such a view is shared by scholars who conceive of the world system as a hierarchical network of nation states bound by competitive and unequal relations (Boswell and Chase-Dunn 2000; Chase-Dunn et al. 2000). This tradition sees the world system and global governance structures as hierarchical systems established by hegemony who, having a material interest in maintaining a capitalist order, create and diffuse policy scripts which are ultimately instrumental to perpetuating and furthering

their domination over peripheral states. Because IOs should be conceived as “boards of directors for ruling states” (Chase-Dunn 2000: 238), the world system theory highlights the power and inequality in non-state actors’ participation among core and periphery states (Beckfield 2003; Nordang Uhre 2014).

Scholars analyzing patterns of transnational advocacy through the lenses of standard collective action theory reach similar conclusions (Carpertner 2004; Brown 2012). Focusing on the incentives and constraints that interest groups face when deciding to mobilize politically, these scholars also suggest that patterns of interest representation at the international level should be characterized by growing inequalities. Indeed, the collective action perspective holds that not only some interest groups can more easily mobilize as the interest community starts developing, but also that these groups will continue to profit from these advantages throughout time. This is so because interest groups that mobilize earlier can institutionalize key advantages, i.e. achieve control over resources, gain experience, and create contacts with key policy makers and other stakeholders, and further strengthen their position within such communities (Heinz et al. 1993; Hanegraaff 2015).

While these three broad perspectives all provide plausible accounts of the relationship between countries’ wealth and their representation within global interest communities, we contend they overlook the extent to which a country’s representation in global advocacy communities is affected by foreign, in addition to domestic, flows of resources. Existing accounts largely overlook the extent to which poor countries’ global advocacy and lobbying is highly subsidized. Foreign aid represents an important element in determining low-income countries’ ability to develop economically and politically (Goldsmith 2001). Foreign aid, particularly from political entities such as the EU and the US, explicitly aims to promote the development of civil society and civic organizations, leading to the creation of thousands of interest groups with a global scope of action (Lee 2010; Ottaway and Cartohers 2001). This means that foreign actors, be they international organizations, single donor governments, civil society organizations, or any other type of actor engaging in such activities, can significantly modify the material resources that non-state actors operating in LDCs (and low-income?) countries can rely on to organize politically and to make their voices heard at the global level. By increasing the amount of available resources, these foreign actors can significantly expand poor countries’ opportunities to be represented in global advocacy fora. To be sure, we are not the first to consider foreign aid as a potential determinant of countries’ representation in global advocacy communities. Existing research points to mixed results, suggesting the need to explore further and in more systematic ways these causal links. For instance, Smith and Wiest (2005), consider ODA as a possible determinant of cross-country differences in their representation in global interest communities, considering ODA inflows as a measure of a



country's ties to the global economy, and finding that aid has a limited positive effect on proliferation of global advocacy. However, Lee (2010) who equally investigates how foreign aid affects the proliferation of global advocacy, does not find any significant statistical effect. In addition to being characterized by mixed results, existing research misses a significant amount of potentially relevant observations because of the way in which the dependent variable, i.e. global advocacy, is operationalized. Indeed, by relying on the Yearbook of International Organizations database these studies only considers "transnational or global" groups, overlooking a large number of national groups that are active at the global level (Beyers and Hanegraaff 2014). This selection bias is particularly important when it comes to the analysis of how foreign resources affect the character of global interest communities, since these resources can affect both national and international groups operating in poor countries.

Taking into account foreign aid as a potential support to the proliferation of global advocacy groups in poor countries allows us to develop a fourth alternative characterization of the relationship between countries' wealth and their representation in global advocacy. Such a relationship could be described as one in which poorer countries, i.e. the recipients of the largest ODA flows, are vastly overrepresented relative to their socio-economic weight, and richer countries are also overrepresented in global interest communities, while countries in the middle of the development scale are underrepresented because of the twofold effect of decreasing ODA flows and a relatively low level of socio-economic development to sustain the emergence of a vibrant community of interest groups active at the global level.

## **Research design**

The data is drawn from a large-scale project (see Hanegraaff 2014) that maps all interest group participation at two international venues: the World Trade Organizations (WTO) Ministerial Conferences (between 1995-2012) and the United Nations Climate Summits (1997-2011). Both IOs play key roles in how the international economic system is structured. While multilateral negotiations in the so-called Doha Round have not lived up to the initial ambitions, decisions at this level are still being made, such as on Government Procurement, Telecommunication, etc. Moreover, the judicial system of the WTO is one of the cornerstones in global economic politics. Moreover, while not directly an economic institution, the United Nations Framework Convention on Climate Change (UNFCCC) is crucial for economic development. That is, decisions made at this venue have enormous ramifications for economies in all shapes and forms. To illustrate the

economic importance of this conference, most organizations active at this venue are not NGOs, but business organizations.

How is the data gathered? About the first, the interest population of the *WTO MCs*, we coded all interest organizations that were registered by the WTO-secretariat as eligible to attend and/or attended in one of the seven ministerial conferences the WTO organized since 1996 (see Hanegraaff et al. 2011). In total we identified 1962 different organizations that were eligible and/or attended at least one of the seven Ministerial Conferences. All these organizations were coded on the basis of a limited number of variables which were identified by systematically coding all the websites. For 1409 organizations we could identify a website which offers more elaborate data on the organization; for 360 organizations we were not able to find a website, but information stored on other websites enabled us to code at least some basic features of these organizations. Only 24 organizations could not be traced. This dataset with web-based information gives us a comprehensive insight into the type of organizations interested in WTO policies, the regions or the countries where they come from, their respective areas of interest, how they are organized and so on. Moreover, because we rely on all Ministerial Conferences between 1995 (Singapore) and 2012 (Geneva), we can account for density, diversity and stability changes over time.

The second data source is the *UN climate summits* interest group population (see Hanegraaff 2015). To assess the development of the COP interest group community we mapped all interest organizations that attended COPs between 1997 and 2011. The dataset includes 6,655 organizations which all attended one or more of the COPs since 1995. Note that this number substantially differs from some earlier accounts of the COP interest group community (see Munoz-Cabre 2011; Nordang-Uhre 2014). The reason is that previous studies included only organizations which had official UNFCCC observers. One important accreditation requirement to become an observer at a climate conference is that the organization is a non-profit establishment, which excludes for profit firms from registering. This, however, does not mean that firms do not attend these conferences. Quite the contrary, firms, and other ineligible organizations for that matter, often cope with these official requirements by registering as a member of an official observer delegation. For instance, Shell and the Dow Chemical Company attend as members of the World Business Council for Sustainable Development, while Siemens and Google attend as part of the Alliance to Save Energy. As the UNFCCC lists each individual participant and its affiliated organization on its website, we were able to identify all the organizations that attended the COP's meetings. This makes our overview of attendance much more encompassing than those provided in earlier accounts (e.g. Munoz-Cabre 2011; Nordang-Uhre 2014). That is, where the former analysis identifies 1,322 organizational entities attending COPs, this dataset consists of 6,655 unique organizations.

Moreover, it is also one of the main reasons that the interest group population of the UN climate summits is considerable larger than the dataset of the WTO.

Similar as for the WTO research strategy, the next step included a website-search for all these organizations. For most organizations a website was identified, providing more elaborate data on the organization. For about 20 percent we were not able to find a website, but information stored on other websites (for instance, from other interest groups who refer to the organization in question) enabled us to code some basic features of these organizations. Only for a small number of organizations no information at all could be found (less than five per cent). This dataset with web-based information gives a comprehensive insight into the types of organizations attending COP meetings, the region or countries from which they stem from, the issue areas in which they are active, their constituency base, and how they are organized. In addition, because there is data on almost all COPs from 1995 (COP3-Japan) to 2011 (COP17-Durban), we can account for density, diversity and stability changes over a substantial period of time.

In analyzing whether or not certain countries are over- or underrepresented in global governance, we first need to establish some sort of a *benchmark* for proportional representation. We follow Gray and Lowery (1996) who argue that the number of active non-state actors coming from a geographical area is roughly proportional to the size of the economy of that area. Gray and Lowery developed this argument based on the US context, in which they find that the number of groups active at the federal level from a given state is highly correlated with the size of the economy of that state. To put it differently, California has a GDP roughly five times as high as Virginia and therefore the number of active groups from California can also be expected to be around five times over the number of active groups from Virginia. The logic underlying this principle is straightforward and rather similar for different types of non-state actors. Both business groups and NGOs are funded by private and public funds, hence, all things being equal, the more of these funds available, the more groups can be funded and survive. Over time, this leads to a strong correlation between the GDP of a state and the number of NSAs active within and outside these states. This mechanism has since been confirmed outside the US as well, including in the EU, and in many other countries worldwide (see Berkhout et al. 2017 for an overview). We build on these findings and start from the assumption that the number of groups from a certain country active at the UNFCCC or the WTO should bear a rough proportionality, other things being equal, with the size of that country's GDP. To give an example, Sweden has a GDP twice that of Finland; hence we would expect roughly twice as many NSAs active from Sweden at the UNFCCC and WTO than from Finland. If we, however, see more NSAs from a certain country than their GDP would predict, we label this "overrepresentation". Likewise, if observe less groups from a country than their GDP

would predict, we label this "underrepresentation" as their potential has apparently not been reached. This provides us a list of countries at both venues whereby some are better represented than we should expect, while others are not in line with their GDP.

To test whether or not *wealth* is a strong predictor for NSA representation in global governance we link the proportional representation to the wealth of countries. We hereby make a distinction between four income groups, as defined by the World Bank. As of 1 July 2016, low-income economies (or least developed countries – LDCs) are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of \$1,025 or less in 2015; lower middle-income economies are those with a GNI per capita between \$1,026 and \$4,035; upper middle-income economies are those with a GNI per capita between \$4,036 and \$12,475; high-income economies are those with a GNI per capita of \$12,476 or more. We subsequently analyze how each of these income groups are represented at the UNFCCC and the WTO compared to their projected attendance based on their GDP (e.g. overrepresented, proportionally represented, or underrepresented). We discuss these trends and provide some explanation for observed variations, including development aid and other types of financial assistance to LDCs and low income countries.

### **Empirical illustration**

Many scholars have pointed to the fact that wealthy countries have profited most from the opening up of IOs. To see whether our data is in line with these observations we first plotted the number of NSAs per income group. Figure 1 portrays the number of non-state actors per income group at the WTO (white bars) and the UNFCCC (dotted bars). The data confirm that wealth has a strong and positive effect on the number of NSA active in global governance. Almost 80 percent of the organizations represented in both venues come from a developed country (79 percent at WTO and 77 percent at UNFCCC). On the other end, only 3 percent at the WTO and 4 percent at the UNFCCC come from LDCs. The middle income countries fall in the middle, whereby NSAs from middle-high income countries are somewhat more active than NSAs from lower-middle income countries. Looking at these numbers, it is little surprising that so many observers cast doubts as to the equal opportunities that IOs would allegedly provide to non-state participation from countries lying in the lower income echelons. Rather, one would be tempted to conclude that wealthy countries are much better represented.

Figure 1 about here

However, we argue that this is not a ‘fair’ comparison because wealth as a single indicator does not take into account the size of a country. To circumvent this problem, we compare the share of groups stemming from the four income groups with the share of the world economy these countries represent (see Lowery and Gray 1996). In other words, LDCs combined have a one percent share in the world economy, while three percent of the groups active at the WTO represent LDCs. We consider this an overrepresentation of two percent, etc. Figure 2 includes the variable GDP per income group (black bar), which changes the picture considerably. Observe, for instance, the share of NSAs active at the two IOs of LDCs and their share in the economy: while there are indeed few groups active from these countries (3 and 4 percent respectively), the share of these countries in the world economy is substantially lower (1 percent). This means that the share of NSAs active at the WTO and the UNFCCC coming from LDCs exceeds the expected number from these countries. The same goes for high income groups: while three-quarters (75 percent) of the representation comes from these regions, they collectively account for only two-thirds (66 percent) of the world economy. These countries are thus also overrepresented. For middle-low income groups, the share of NSAs representation is equal to their share in the world economy (about percent). Yet, for middle income groups, the share of NSAs is considerably lower than the share these groups have in the world economy. While, based on their GDP, we would predict that one quarter of the groups active at the WTO and UNFCCC would come from these countries, their share is much lower (10 percent at the WTO and 11 percent at the UNFCCC).

Figure 2 about here

Figure 3 provides a clearer illustration of this trend. In this figure we subtracted the share of the income groups in the world economy from the share of NSAs active at either the WTO (white bars) or the UNFCCC (dotted bars). A positive score thus means that more NSAs attend the conferences (either WTO or UNFCCC) than the size of the economy of these countries would predict. In contrast, a negative score indicates that countries in a certain income group are underrepresented compared to their share in the world economy, or, in other words, that the share of representation at the conferences is lower than their share in the world economy. This figure clearly illustrates the *curvilinear relation* we hypothesized between wealth and representation of NSAs at the WTO and UNFCCC conferences. Low and high income groups are overrepresented compared

to our benchmark, while high-middle income groups are underrepresented compared to the expected number of groups we hypothesized based on their GDP share in the world economy.

Figure 3 about here

Overall, there is a clear curvilinear relation between wealth and advocacy when controlling for the size of the economy. To see how robust these findings are, we dissect the results further in the next sections. We first make a distinction over time in three time periods (1997-2001; 2002-2006; 2007-2012) to see whether this relationship is consistent over time. Thereafter, we make a distinction between different types of NSAs. We begin with providing figures over time. Figures 4 and 5 are the same as figure 3, i.e. highlighting over- or underrepresentation per income group countries, but now for three time periods. For clarity we provide separate figures for both venues: one for the UNFCCC (Figure 4) and one for the WTO (Figure 5). Both figures confirm figure 3 whereby low income and high income groups are overrepresented, while middle income groups are underrepresented. We do see some variation, i.e. over time the differences become somewhat smaller, but overall the curvilinear trend remains firmly intact over the entire 15 year period.

Figure 4 about here

Figure 5 about here

Furthermore, we make a distinction between different types of NSAs, namely business groups and NGOs (figure 6 for UNFCCC; figure 7 for WTO). Again, we plotted over time whether these group types are over- or underrepresented at the UNFCCC and the WTO. Here something interesting can be noted. While for business groups the curvilinear relation between representation by NSAs and wealth is confirmed (see polynomial trend line added), for citizen groups we see a negative linear relation indicating that wealth has a *negative* effect on the number of citizen groups active at the conferences (see also polynomial trend line added). This means that the wealthier a country becomes, the more NGOs are underrepresented compared to the size of a country. For instance, low income groups score 22 percent higher in the share of NSAs active at the UNFCCC than the size of their economy would predict. High income groups, in contrast, score 33 percent lower. We observe similar trends at both conferences.

Figure 6 about here

Figure 7 about here

What could explain these trends? As discussed, we expected LDC to be overrepresented because donor countries fund NSAs in these countries. This means that NSAs in these countries are not only dependent on domestic funding and can therefore expect financial support from foreign donors. To see whether this could be a viable hypothesis, we plotted the relative share of Official Development Aid (ODA) across the three recipient income groups. More precisely, we calculate how much more development aid countries in the income groups receive compared to the average. In numbers, low-income countries get 8 percent *more* ODA than the average across all ODA recipient countries; middle-low income countries receive 3 percent more than the average ODA distributed across developing countries; high middle income countries receive 11 percent *less* ODA compared to the average ODA per country (See World Bank statistical division). This measure serves as a relative share of development aid across the income groups. If countries score a plus this means they get more ODA than average, while a negative score means they get less ODA than average. Also, by calculating average scores, we can compare the data to NSA attendance at the UNFCCC and the WTO (see Figure 8). The results mirror the attendance rates by NSAs: low-income groups receive most ODA, and have the highest overrepresentation. Middle-low income economies receive average ODA levels and are fairly proportionally represented. The real drop off starts with the middle-high income countries, which receive much less ODA and are, to a similar extent, underrepresented at the conferences. While tentative given the descriptive nature of the data, these figures do confirm that the ‘development aid hypothesis’ is at least plausible and deserves further attention.

Figure 8 about here

## **Conclusion**

In this chapter we problematize the notion that wealthier countries have profited the most from the opening up of IOs to civil society actors participation at these venues. This might seem true at first glance, particularly if we exclusively focus on absolute numbers. However, if we compare their attendance rates to expected values, a somewhat different story emerges. Our paper shows that both poorer and wealthier countries are overrepresented relative to their socio-economic weight in global interest group communities, while countries in the middle of the development scale tend to be

underrepresented. In addition, we make a plausible case that resource transfers from richer to poorer countries in the form of ODA might be critical in shaping the composition of these global interest group communities.

Our empirical findings suggesting that the relationship between countries' wealth and their representation within global interest group communities should be characterized as curvilinear has important normative implications. For one, we contribute to the debate on the potential of a stakeholder strategy of democratization to generate greater democratic legitimacy in global governance. Many believe that global governance structures can be made more democratic only if poorer countries can meaningfully participate and make their voice heard within these institutional fora (Scholte 2004; Macdonald 2008; Steffek et al. 2008; Macdonald and Macdonald 2006). If it is true that foreign aid can be effective in fostering a greater involvement of stakeholders representing the interest of societies and governments of poorer countries, then perhaps there are good reasons to expect that global governance will be perceived as more democratically legitimate than it currently is.

Second, and perhaps more importantly, our findings have important implications for the debate on how effective global governance structures can be in addressing human development needs. Amartya Sen (1999: 153) had first put forward the idea that democracy is key to defining developmental goals because it is only through discussion, exchange and public deliberation that a proper understanding of the economic needs, their content, and their force can be achieved. Extending this argument to policymaking processes at the global level, many argue that, in the absence of mechanisms fostering the participation of stakeholders from poorer countries, global governance may end up dealing inadequately with the challenges of poverty and sustainability faced by poorer countries (Woodward 2010). As Jayadev (2010: 9-10) nicely puts it, "democracy is key to defining specific developmental goals [...] there must be reform of existing global arrangements to better serve the needs of representativeness and accountability [...] Roughly speaking, this requires increasing voice and participation of more vulnerable and marginalized states in setting the global rules and in deliberation about those rules and their effect on capabilities". Again, our findings seem to suggest that there is some room for optimism. Foreign aid, by contributing to increase the representation of poorer countries' in global interest communities, may end up contributing to making such institutional fora more responsive to the priorities of human development.



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