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Birds of a feather? The determinants of impartiality perceptions of the IMF and the World Bank

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ABSTRACT

The International Monetary Fund and the World Bank ascribe to impartiality in their mandates. At the same time, scholarship indicates that their decisions are disproportionately influenced by powerful member states. Impartiality is seen as crucial in determining International Organizations' (IOs) effectiveness and legitimacy in the literature. However, we know little about whether key interlocutors in national governments perceive the International Financial Institutions as biased actors who do the bidding for powerful member states or as impartial executors of policy. In order to better understand these perceptions, we surveyed high-level civil servants who are chiefly responsible for four policy areas from more than 100 countries. We found substantial variations in impartiality perceptions. What explains these variations? By developing an argument of selective awareness, we extend rationalist and ideational perspectives on IO impartiality to explain domestic perceptions. Using novel survey data, we test whether staffing underrepresentation, voting underrepresentation, alignment to the major shareholders and overlapping economic policy paradigms are associated with impartiality perceptions. We find substantial evidence that shared economic policy paradigms influence impartiality perceptions. The findings imply that by diversifying their ideational culture, IOs can increase the likelihood that domestic stakeholders view them as impartial.

KEYWORDS

Impartiality; bias; International Financial Institutions; International Monetary Fund; World Bank

Introduction

> *'Our ideology is economics. We are an institution that should do those things that would help economic advancement. We should not address political issues and we don't'*
>
> *Alden W. Clausen, President of the World Bank 1981-1986* (Gauhar & Clausen, 1983, p. 4).

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Contemporary International Organizations (IOs) are faced with a challenging conundrum. While they need to demonstrate their impartiality in order to safeguard their power, performance and legitimacy (Barnett & Finnemore, 2004; Lall, 2017; Zürn, 2018), powerful states try to undermine said impartiality and secure beneficial institutional design and policy for themselves (Stone, 2002; Urpelainen, 2012). At the World's two major International Financial Institutions (IFIs), the International Monetary Fund (IMF) and the World Bank, this challenge plays out in the contradictions between their mandates and institutional design. We understand impartiality as being nonpartisan to, and thus not aligned with, the interests of certain member states. Impartiality is mandated in the IFIs founding documents. For example, the World Bank articles of agreement state unequivocally: 'the President, officers and staff of the Bank, in the discharge of their offices, owe their duty entirely to the Bank and to no other authority. Each member of the Bank shall respect the international character of this duty and shall refrain from all attempts to influence any of them in the discharge of their duties' (World Bank, 1989, p. Art. 5, sect. 5c). The IMF articles of agreement include a similar passage, using almost the same words (Art. XII, sect. 4c). At the same time, the institutional structure gives the most powerful shareholders, chief among them the United States, a bigger influence on operations than other states. The IFIs headquarters are located eerily geographically proximate to the heart of American power. Their leadership is determined by an informal power sharing agreement between Americans and Europeans, and the distribution of formal voting shares favors the powerful members. These factors present opportunities for the major shareholders to bias policy towards their objectives.

Not surprisingly, there is a substantial body of evidence in the literature on IFI decision-making that shows that their decisions are influenced by powerful member states (Dreher et al., 2009; Momani, 2004; Oatley & Yackee, 2004; Stone, 2008; Thacker, 1999; Wade, 2002). Quantitative studies have shown influences of major donors on the overall amount of money a country is allocated (Dreher & Jensen, 2007; Fleck & Kilby, 2006; Kilby, 2013), the number of projects it can obtain (Dreher et al., 2009), the number of conditions it has to fulfil (Oatley & Yackee, 2004; Stone, 2008), the stringency with which these conditions are enforced (Stone, 2011) and the optimism displayed in economic forecasts (Dreher et al., 2008). These authors have mostly focused on the U.S. as the main source of unilateral influence at IFIs (Fleck & Kilby, 2006; Stone, 2008), but evidence for special treatment of allies of the other powerful donors, like Germany, France or the United Kingdom, has also been discussed (Breßlein & Schmaljohann, 2014; Dreher & Jensen, 2007). More qualitative work has shown that the U.S. has achieved the firing of key World Bank personnel (Wade, 2002) and more lenience from the IMF to support, for example, the pro-western Egyptian regime in the late 1980s and early 1990s (Momani, 2004).

Scholars working on IOs expect that there would be grave consequences for organizations that are not seen as impartial. When national officials consider IOs as biased, it can crucially undermine their influence. First, lacking impartiality is discussed as a central reason for non-compliance. Some have argued that perceived biases can undermine the credible commitments of states (Keohane et al., 2000; Majone, 2001). For example, Stone (2002) convincingly shows that officials from geopolitically important countries are aware that the IMF has difficulties to enforce conditionality towards these important member states. Consequently, they are less prone to implement the conditions diligently (Stone, 2002). Others focus on the relevance of impartiality for the legitimacy of IOs (Scholte & Tallberg, 2018; Zürn, 2018). When domestic officials do not see the IFIs as legitimate, they will be less likely to comply voluntarily with the conditions IOs ascribe, a central argument of the compliance literature (Hurd, 1999). Second, further studies have focused on the ways in which biases can undermine soft governance mechanisms of IOs. Lacking impartiality can undermine the potency of blacklisting and rating countries (Quirk & Broome, 2015; Sharman, 2008) and can create moral hazard because certain officials believe that their countries' importance will lead to bailouts regardless whether they pursue reckless financial policy or not (Lipscy & Lee, 2019).

Given the importance ascribed to being perceived as impartial it seems paramount to explain when IOs are seen as more or less impartial. Existing rationalist perspectives focus on institutional factors like the institutional design of IOs, the selection and tenure of staff or its control over material resources to explain whether IOs *are* impartial towards the interests of member states (Keohane et al., 2000). The existing ideational literature, on the other hand, focusses on the way in which IOs present and frame their policy advice based on scientific knowledge and quantitative indicators as a means to *appear* impartial (Barnett & Finnemore, 2004; Quirk & Broome, 2015). Existing rationalist and ideational impartiality explanations, therefore, focus on innate factors in the rules and practices of the IOs themselves. If impartiality perceptions were just a function of the rules and practices of IOs, we would expect them not to vary much between different countries. However, when we surveyed important stakeholders from more than 100 countries, we found wide variations between the perceptions of similar stakeholders from different countries. What explains these variations in impartiality perceptions?

In order to answer said question, we advance on expectations from the literature. We argue that in order to account for variations in impartiality perceptions, existing perspectives need to assume what we call selective awareness, i.e. that depending on one's relationship with the inequalities in or justifications by the IFIs one perceives impartiality differently. We derive a number of hypotheses in order to explain perceptions of impartiality. Empirically, we assess the explanatory potential of these perspectives using a global survey conducted in 2016. The survey is, to our knowledge, the first attempt to measure impartiality perceptions of IFIs by national stakeholders on a global scale. It provides novel evidence on the degree to which domestic high-level civil servants perceive the IMF and World Bank respectively as impartial towards certain member state interests.

The remainder of the article is organized in four parts. First, we clarify our reasoning behind choosing one domestic stakeholder group for our analysis: domestic high-level civil servants. Second, we draw upon the literature on impartiality of IFIs and IOs in order to derive a number of hypotheses to explain variations in impartiality perceptions. Third, we discuss our empirical strategy and results. Finally, we conclude by discussing the implications of our findings for the broader theoretical debate on IOs and IO impartiality.

Perceptions of interlocutors

Before deriving explanations for the variation in impartiality perceptions, we explain the focus on national high-level civil servants in our study. There are a number of possible national actors whose perceptions of the IFIs might be relevant. These include citizens, public officials, the media and interest groups. We decided to focus on one group of actors to allow for better inference to a larger population of similar actors. However, this also means that we needed to choose a single group. We decided to focus on national civil servants. We did so for three reasons: the important role they play in national implementation, the relevance of impartiality perceptions for their assessment of evidence and their likely expertise in the areas IFIs are active in. First, as Broome and Seabrooke (2015, p. 957) argue, national civil servants are 'the 'foot soldiers' of national economic bureaucracies who are charged with most of the implementation work'. They are often experts with years of experience in the specific policy areas IFIs deal with and play a key role as 'gate-keepers of policy research and analysis' at the national level, where they brief government officials (Doberstein, 2017, p. 398). Consequently, many authors have pointed to their crucial importance in decision-making on the implementation of IFI conditionality and policy recommendations in a variety of country contexts, ranging from Turkey (Arpac & Bird, 2009) over Chile (Chwieroth, 2013) and Indonesia (Chwieroth, 2010b) to Argentina (Nelson, 2017). Indeed, a plethora of studies in public administration have demonstrated that civil servants can have substantial influence on policy implementation (Carpenter, 2001; May & Winter, 2009). Whether domestic high-level civil servants 'own' IFI policy advice crucially impacts its influence. Given that both rationalist and ideational perspectives on compliance highlight the importance of impartiality, the importance of domestic high-level civil servants in policy implementation renders assessing their perceptions very relevant for debates on compliance with IO conditionality and policy advice.

Second, the preferences of national civil servants towards credible sources increase the importance for IFIs to be seen as impartial by these stakeholders. There is evidence that impartiality concerns influence whether civil servants draw upon a source when designing policy. Lachapelle et al. (2014) show that consideration of expertise in national policy processes depends on the ascribed credibility to the source of said expertise. Building on this, Doberstein (2017) convincingly demonstrates that civil servants in particular prefer unpartisan sources over partisan ones. Crucially, national civil servants draw their influence from their mandate of neutrality (Carpenter, 2001). In order to foster the acceptance of their preferences, policy experts often take great care to frame their advice in ways that do not make them seem like foreign stooges that implement the demands of other countries (Chwieroth, 2010b). Therefore, whether they see IFIs as an instrument of foreign countries or an impartial source generating policy knowledge is likely relevant to national civil servants' decision on whether they draw on the IFIs work.

Third, national civil servants are likely aware of the policy advice specificities given by IOs. They are the experts within their respective ministries on the particular policy areas we focused on. Therefore, they can provide more informed evaluations on the content of the IFIs' work than other stakeholders. This is relevant because there are some concerns regarding the use of surveys to evaluate IOs, as citizens are often unaware of the specific work conducted by IOs (Anderson et al., 2018; Schlipphak, 2015; Voeten, 2013). National civil servants, on the other hand, often interact with IFIs on a regular basis. Many survey respondents highlighted the importance of IFIs' lending and knowledge production in their daily work.

Our sample is representative for all countries across income groups and regions. Therefore, we can infer something about the determinants of impartiality perceptions for the larger population of domestic high-level civil servants across countries. However, it is not representative for all civil servants in a given country as the survey targeted only the most senior person chiefly responsible for a policy area in a national administration. Our arguments on the relationship between our explanations and impartiality perceptions could also extend to other stakeholders, but due to our focus on one specific group we cannot provide evidence to that effect. The next section will develop potential explanations for variations in impartiality perceptions of national civil servants based on the rationalist and ideational perspectives on impartiality referenced above.

(Boundedly) rational perspectives on impartiality perceptions: institutional biases

As discussed, conventional perspectives on both the determinants and consequences of impartiality are not concerned with variations in the degree to which stakeholders perceive them as impartial. Therefore, they have troubles explaining variations in impartiality perceptions. In these views, impartiality is a function of the processes of the IO itself and should not vary between stakeholders in different countries. Consequently, we need to extend these perspectives to include the selective awareness of impartiality.

In order to incorporate selective awareness into explanations focusing on those features of IOs that can be perceived variably by national stakeholders, we draw upon bounded rationality (Simon, 1957). Bounded rationality implies that actors are bound in their perceptions and decisions by certain predictable heuristics and biases. We argue that actors that benefit from biases at the IFIs are less aware that these biases exist. Psychologists have presented evidence to this effect, regarding the bias of privileged racial groups (Knowles & Lowery, 2012; Phillips & Lowery, 2018). As discussed, the IFIs have formal and informal processes that can create biases privileging powerful member states. Selective awareness would imply that national civil servants from countries that are privileged by differences in IO rules and practices would be less inclined to perceive the IFIs as biased. There are three sources of biases primarily discussed in the literature: inequalities through institutional design, inequalities through staff representation and inequalities in geopolitical importance.

The first, inequalities through institutional design, is the formal power sharing engrained in IOs at their creation (Hanrieder, 2015). At the IFIs, power is preserved through weighted voting in the Executive Board. Powerful donors have long supported their primacy in the decision-making process of IFIs, so that reform efforts had only modest effects on voting shares (Vestergaard & Wade, 2013). The result is the strong underrepresentation, measured in relation to the share of world economic output, of certain emerging economies in the executive board. Selective awareness based on voting share implies that officials from countries that are underrepresented are more likely to perceive the decisions of the executive board as biased.

H1: The less domestic civil servants' home country is underrepresented in the executive board of the IFIs, the more impartial will domestic civil servants perceive the IFIs to be

The second source of institutional bias discussed in the literature is the composition of staff (McKeown, 2009; Wade, 2002). The power sharing arrangement between the Europeans and the U.S. to name the head of the IFIs is the starkest example of institutional bias towards the interests of certain members. Parízek (2017) illustrates, utilizing data on nineteen IOs, that the smallest and largest states tend to be overrepresented at these organizations. He argues that 'if the secretariat of an IO is not representative of the underlying population of states, the under-represented states will hardly perceive the staff as acting on their behalf or at least neutrally' (Parízek, 2017, p. 563). Selective awareness indicates for staffing representation that actors from countries that are underrepresented might perceive the decisions of the secretariat as biased. They would do so either because they feel less represented in the organization or because they are less able to influence decisions in their favor.

H2: The less domestic civil servants' home country is underrepresented in the secretariats of the IFIs, the more impartial will domestic civil servants perceive the IFIs to be

In addition to the organizational factors of voting share and staff composition, informal sources of inequality at the IMF and World Bank have been identified. Authors have long suspected that U.S. allies get a better deal from the IFIs than other countries (Oatley & Yackee, 2004; Stone, 2011). As Wade (2002, p. 217) has argued: 'The (World) Bank is a source of funds to be offered to US friends or denied to US enemies'. Selective awareness suggests that actors from countries that are aligned with the United States are more likely to perceive the IFIs as impartial. Therefore, officials from countries that are politically opposed to the United States would be less likely to perceive the organizations as impartial, when faced with unequal treatment.

H3: The more domestic civil servants' home country is aligned with the United States, the more impartial will domestic civil servants perceive the IFIs to be

Ideational perspectives on impartiality perceptions: shared policy paradigms

Similar to rationalist arguments on impartiality discussed in the section above, existing ideational arguments emphasize factors constant to IFIs through which they aim to establish impartiality. However, they have a different focus. Ideational perspectives emphasize the use of quantitative knowledge and seemingly objective analysis as an important means to present the IFIs as impartial. Again, assuming selective awareness allows for extending these arguments to variations in impartiality perceptions. In ideational frameworks, this selective awareness is likely to come from variations in shared beliefs.

The IFIs conceive of the economy in particular ways (Barnett & Finnemore, 2004; Broome & Seabrooke, 2012). This shared view translates into the ways in which they conceptualize problems, collect data and justify solutions. However, these organizations do not have a monopoly on economic analysis and, indeed, many commentators have criticized their approach to policymaking (Stiglitz, 2002; Wade, 2002). Their knowledge is used to justify decisions that can also be influenced by political considerations. Considering the importance ascribed to the presentation of objectifying analysis in the literature on International Bureaucracies (Barnett & Finnemore, 2004; Quirk & Broome, 2015), it is likely that agreement over policy problems and solutions influences the degree to which one sees the decisions of IFIs as impartial.

This agreement hinges crucially on the fit between national policy paradigms and the policy paradigms of the IFIs. Policy paradigms are commonly understood as a 'framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing' (Hall, 1993, p. 279). They are institutionalized in bureaucracies and specify 'what the economic world was like, how it was to be observed, which goals were attainable through policy, and what instruments should be used to attain them' (ibid.). Originally developed to explain domestic policy, the concept has since been applied to the IFIs. Babb (2013) has illustrated how the Washington Consensus functioned as a transnational policy paradigm that was institutionalized both in IFIs and in the national bureaucracies that implemented IFI-mandated reforms. We argue that when national policy paradigms fit with the policy paradigms of the IMF and World Bank, national actors will be less likely to think that the IFIs' work is influenced by their most powerful member states.

The link between the impartiality perceptions of national bureaucrats and shared economic paradigms stems from the insight that actors who operate under similar paradigms will agree more on their analysis of the economic problems of a given country and the plethora of policy options that could be usefully applied to those problems. This is because sharing similar policy paradigms can create a common framework through which actors 'see' the world (Broome & Seabrooke, 2012). While IFIs technocratic rationalizations often portray their policy recommendations as necessary to solve economic problems, scholars have long pointed to alternative models for economic development (Blyth, 2013; Chang, 2002; Wade, 1990). There are varieties of economic policy paradigms between different countries (Hall & Soskice, 2001) and variation in the fit of these national policy paradigms with the policy paradigms of the IFIs. Even when IFIs provide them with similar evidence, two actors operating under dissimilar policy paradigms will likely come to different conclusions about economic problems and instruments to address them.

These dissimilar conclusions can shape the way in which the decision-making process of IFIs is perceived. Hall (1993, p. 279) stresses that a policy paradigm is 'embedded in the very terminology through which policymakers communicate about their work, and it is influential because much of it is taken for granted and unamenable to scrutiny as a whole'. The particular way of 'seeing' the economy (Broome & Seabrooke, 2007) under a specific policy paradigm can often seem like the only legitimate way to conceive of and address the identified problems. Given the 'taken for grantedness' it can seem puzzling for domestic high-level civil servants how IFIs could make policy recommendations that differ fundamentally from the ways in which people in the national bureaucracy discuss a given problem. When faced with this mismatch, positive and negative reactions are conceivable. National bureaucrats could update their beliefs to fit with the IFIs. However, policy paradigms are seen as notoriously difficult to change (Hall, 1993). Therefore, several negative reactions are also possible. Domestic civil servants can deem the IFIs to be incompetent and, therefore, not able to derive the appropriate policy recommendations for the problem at hand. Alternatively, they could consider the IFIs to be ideologically blinded and, therefore, possibly ignoring some important unaccounted factor. Finally, they can conclude that the IFIs were not impartial in their analysis, that someone is pushing them to come to a certain conclusion, and that some ulterior motive is at play that inhibits them from seeing the problem in the 'right' way.

Faced with such dissimilar ways of conceptualizing economic problems and solutions between their own bureaucracy and that of IFIs, national actors have ample opportunity to perceive these differences as being the result of the above-mentioned inequalities, i.e. the uneven influence member states exert on them. Consequently, we assume that domestic stakeholders are more likely to perceive IFI decisions as biased when they do not share the IFI's economic paradigms.

H4: The more the national economic policy paradigms overlap with the IFIs' policy paradigms, the more impartial will domestic civil servants perceive the IFIs to be.

Research design

We test the four hypotheses using data from a global survey we conducted in 2016. Respondents were asked to answer the questions focusing on the twenty-four months before receiving the survey. We use survey data because our interest is in the perception of impartiality by national actors and because survey data is the most appropriate data collection method to evaluate theories that focus on perceptions (Bartlett, 2005). Furthermore, survey data allows for comparing our dependent variable across units (Gray & Slapin, 2012).

Many of our variables, like shared beliefs, conditionality, and our dependent variable, impartiality, likely vary between different policy areas. This is due to the differing treatment of certain countries and the differences in adherence to market-friendly ideology depending on certain policy areas (Breßlein & Schmaljohann, 2014; Chwieroth, 2010a). The IMF, for example, acknowledges that the use of capital controls can be beneficial in certain cases and, therefore, increasingly deviates on the neoliberal formula on this specific policy area (Chwieroth, 2010a). On the other hand, it has remained quite consistently neoliberal in the case of prescribing VAT taxation policies (Kentikelenis & Seabrooke, 2017). In addition, there are differences in the degree to which the powerful shareholders are involved (Kentikelenis & Seabrooke, 2017). While they have strong interests in some areas, they might be less interested in intervening in others. To capture that variation, we decided to focus on four different financial policy areas. To allow for comparison between the IFIs, we identified areas where both IMF and World Bank are active. These are monetary policy, banking regulation, tax policy and debt management. All of these are relevant for both of the IFIs. The World Bank uses its assessment of these national policies in their aid allocation formula and the IMF continues to prescribe conditions in all of these areas (Babb & Kentikelenis, 2018; Kentikelenis et al., 2016). The survey questionnaire was designed in English and it was professionally translated into French, German and Spanish. It was then pretested with bureaucrats active in other policy areas, scholars working on political science and public administration and public officials at the subnational level.

Our population is all member states of the United Nations (UN).[1] To address concerns regarding selection bias, we used a stratified random sampling process. We built eighteen groups of countries based on the UN region and World Bank income group classifications. We randomly selected a representative number of countries in each of these eighteen groups. To address the potential of low response rates in expert surveys (Gray & Slapin, 2012), we selected 121 countries.[2] Within the four policy areas, we targeted the 454 senior civil servants chiefly responsible for these policy areas to evaluate both IOs.[3] When designing the survey, we had to make a number of decisions. First, we chose to opt for a self-administered survey based on postal mail and (optional) online responses. We did so because social desirability effects are less pronounced when no interviewer is present, like it would be in the case of telephone surveys (Dillman et al., 2014; Fowler, 2009). Second, survey research with public officials has shown that they are commonly concerned about confidentiality issues (Cycyota & Harrison, 2006). Therefore, we ensured the confidentiality of respondents in the use of the survey answers. Furthermore, we chose to target respondents by sending out paper-based questionnaires by mail, because questionnaires received in postal form are generally seen as more professional and public administration research has shown that they are more adequate when surveying members of national bureaucracies (Bach, 2014). Respondents were presented with a link to report their answers online on the printed questionnaire as well as options to return the questionnaire by post, fax or email. Using these procedures, we were able to receive 169 responses from civil servants active in the four policy areas, which amounts to a response rate of roughly 38 percent. Excluding missing answers, we end up with a maximum of 290 data points.[4]

Dependent variable

In order to measure our dependent variable, impartiality perceptions, we asked the civil servants to evaluate the following question: '*To what extent does your unit agree or disagree with the following statement: 'The following secretariats' work on* [name of respective policy area] *is biased towards the interests of specific countries'*. Responses were recorded in an ordinal scale from 1 (completely disagree) to 7 (completely agree). Because the responses include a middle category (neither agree nor disagree), only values 5, 6 and 7 indicate that respondents judge the IFIs to be impartial. Therefore, we built a binary indicator that denotes whether respondents judged the IFIs to be impartial and coded these three responses as 1 and the other responses as 0.

Figure 1 illustrates the distribution of our impartiality indicator for each of the two organizations and by policy areas. The two organizations are judged quite similarly. More respondents regard both IFIs to be impartial than not. 35 percent of senior national civil servants judge the World Bank to be biased and 30 percent the IMF. Overall, the IMF is perceived as slightly more impartial than the World Bank. In the same policy areas both IFIs are evaluated broadly similar as well. There are, however, interesting differences between policy areas. In banking regulation both organizations are judged as impartial by substantially less respondents than in any other policy area. The largest share of respondents perceived the IFIs as impartial on monetary policy.

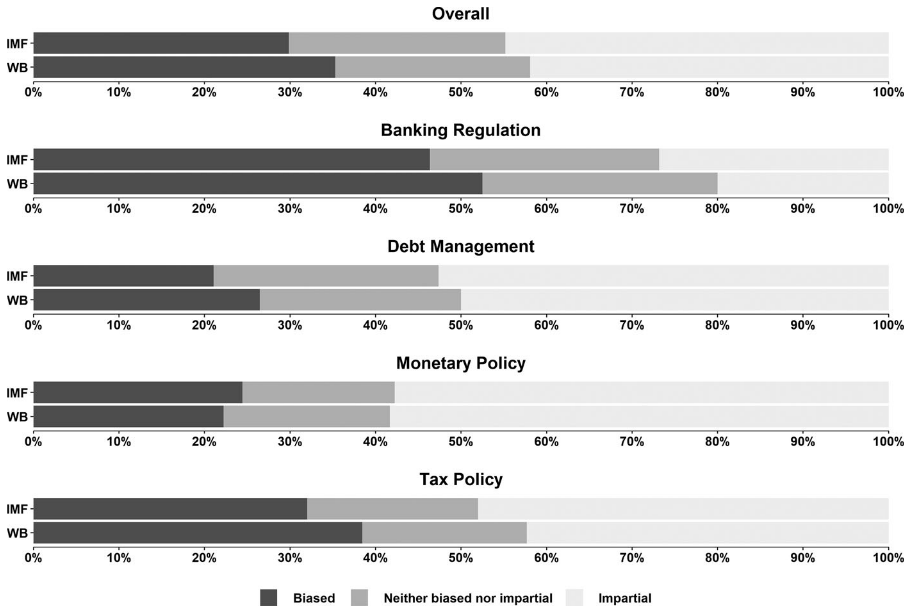

Figure 1. Distribution of impartiality perceptions across IFIs and policy areas.

Independent variables

We identified three (bounded) rationalist explanations for variations in impartiality perceptions. These were voting share (H1), staff share (H2) and alignment with the United States (H3). To operationalize the first hypothesis, we include the voting share of a given country at the IMF and World Bank. We include 2013 voting share data from the annual reports of both IFIs (IMF, 2019; World Bank, 2019). In the case of the World Bank we include voting shares from the International Bank for Reconstruction and Development. One could argue that absolute voting share is a poor measure because member states might expect to have a different share based on how big their economies are. Therefore, we construct an indicator that measures the difference between the share of World GDP in 2013 and the voting share in each organization. For the second hypothesis, staff composition, we employ an indicator measuring the difference between the share of a country's population on world population and the share of staff members from each country. Data for the IMF comes from the IMF diversity report 2013 (IMF, 2014). Data for the World Bank is taken from Das et al. (2017).[5] In addition to these two biases, we test the possibility that certain countries that have advantages due to their alliances with the U.S. perceive the impartiality of the IFI secretariats differently (H3). We use the absolute difference between the ideal points of voting in the United Nations' General Assembly (UNGA) (Bailey et al., 2017). UNGA voting is widely employed in the literature to operationalize geopolitical alignment between two countries (e.g. Dreher & Jensen, 2007; Koenig-Archibugi, 2004).

For the ideational explanation regarding the fit between domestic and IFI policy paradigms (H4), we use three different measures in the main body of the article. First, we operationalize the variable of interest directly through a survey question.

We asked respondents to evaluate the congruence of a given IFI with national policy paradigms. For these purposes we asked: '*In the view of your unit, to what extent has the policy advice of the following secretariat on* [name of respective policy area] *been in line with your country's current underlying national policy paradigms in this area? Please give a rough estimate for the last 24 months.* '

This question is a direct measure of perceived ideational fit between policy advice of the IFIs and a country's underlying policy paradigm (*Paradigm fit*). It makes no assumption about the content of the policy advice or policy paradigm. Therefore, it accounts for potential arguments about the change of the IFIs ideology (Park & Vetterlein, 2010).

One could argue that our survey-based approach is open for criticisms regarding endogeneity, because there could be potential problems with using perception data for both the dependent and the independent variable, gathered from the same survey (Fordham & Kleinberg, 2012). We cannot exclude that the causal relationship goes in both directions. Respondents who perceive the IFIs work as more neutral could assume that the IFIs advice is congruent with their country's policy paradigm. Unfortunately, we do not have an instrument to address endogeneity through instrumental-variable regression.[6] Therefore, we follow Fordham and Kleinberg (2012) suggestion to employ additional indicators that are less prone to reverse causality based on alternative data sources.

For the national level, we argue that national economic policy is a proxy for institutionalized policy paradigms. Hall (1993) claims that the policy paradigms institutionalized in national bureaucracies are crucially shaped by the ways in which economic policy is conducted in respective countries. Bureaucrats are often wedded to established policy paradigms which renders these paradigms resistant to change. One could argue that this does not need to be the case. If policies have been imposed from outside, for example through conditionality by IFIs, national policies would not be a good proxy for the policy paradigms of domestic officials. However, several studies on the IFIs show that conditionality imposed by IFIs serves to empower national actors that share their paradigms by allowing them to assume more powerful positions (Arpac & Bird, 2009) or lengthening their tenure (Nelson, 2017). Therefore, national economic policies are likely to translate into bureaucratic economic policy paradigms even when they have been externally imposed by IFIs. We choose national free-market policies as a proxy for shared policy paradigms based on longstanding debates on the IFIs ideology. Authors have long argued that IFIs largely base their analysis of economic problems on neoclassical economic theory, which translates into so-called neoliberal ideology (Barnett & Finnemore, 2004; Best, 2004; Chwieroth, 2010a; Weaver, 2008). While IFIs have changed their rhetoric and incorporated elements of good governance, human development, poverty reduction or sustainability in their rhetoric and policies (Vetterlein, 2012; Weaver, 2010), the core recipes of economic policies have remained remarkably similar over the years (Kentikelenis et al., 2016). As Babb and Kentikelenis (2018, p. 21) argue: 'the evidence suggests that behind the IFIs' post-neoliberal rhetoric and well-advertised reforms, a great deal of neoliberal substance remains'. Free-market policies are mostly operationalized by two separate indicators: the country rankings from the Heritage Foundation's Index of Economic Freedom (Heritage Foundation, 2019) and the Fraser Institute's

Economic Freedom Index (Fraser Institute, 2019).[7] We employ the Heritage Foundation's index, as it covers more countries than the Fraser Institute's.

On the level of the individual respondent, we collected data on the educational background of a number of respondents (about 35%). Scholars on ideational fit of the IFIs have long argued that US-trained economists are more likely to prefer neoliberal economic policies (Chwieroth, 2007; Nelson, 2014). In line with this literature on educational backgrounds influence on economic policy paradigms, we identified whether a respondent has a graduate degree from an economics department of a university in the United States. The rationale is that economics in US-based economics department is strongly influenced by neoclassical economics which emphasizes government intervention in the economy as a central problem inhibiting economic growth (Chwieroth, 2010a; Nelson, 2017).[8]

The three employed indicators have their respective shortcomings. Specifically, the survey-based indicator potentially has endogeneity issues. These are much less likely in the case of the economic policy indicator and the educational background indicator. However, the free market policy indicator is measured at the country level and has been criticized for certain biases. The educational background indicator has certain limitations in data availability, because we have only data for about 35% of our respondents. In addition, recent research shows that there is more diversity in socialization through economics departments than just US based versus non-US based (Ban & Patenaude, 2019). While the three indicators have some shortcomings individually, they do measure related but distinct aspects of Hypothesis 4. The survey-based indicator measures the perceived fit between the policy paradigms of the IFIs and the national bureaucratic units. The economic policy indicators measure the degree to which a given country's policies are free-market oriented. Finally, the educational background variable measures whether a given respondent is more prone to support free market ideology. Therefore, they operate at different units of analysis, the bureaucratic unit (paradigm fit), the country (free market policies) and the individual respondent (educational background). The ideational fit variable has implications for all three levels the analysis. If we were to receive robust results for these three different ways of measuring paradigm fit, this would substantially increase our confidence in the explanation.

Control variables

In addition to the four hypotheses and the related variables, we employ a number of control variables. First, we test variations in the relationship between the IFIs and a given country. There are big differences between countries that are getting some kind of loan from the IFIs and countries that do not. Being a debtor to the IFIs creates different kinds of dependencies than just being a member of the organization. The higher the stakes for the country in question, the more domestic civil servants might be inclined to scrutinize the decisions of IFIs, compare themselves to others and be suspicious towards possible political interference into the decision-making process. We include an indicator measuring the average amount of money a given country has received from IFIs in the last five years before the survey period. We normalize by a country's GDP (in constant 2010 US$) in 2013. Data on lending come from Aiddata (Tierney et al., 2011), data on GDP from the World Bank (World Bank, 2018a).

Second, having the capability to pressure national governments into adopting certain policies could be relevant. Being pressured to implement certain policies might lead domestic civil servants to question the decision-making process that led to those conditions in the first place. Furthermore, conditionality can influence the high-level civil servants directly through the hollowing out of bureaucratic quality through austerity politics (Reinsberg et al., 2019). They might fear for their jobs or have previously lost valued colleagues through IFI-mandated cuts and they might be influenced more indirectly through the negative impact IFI-mandated policies can have on social factors like inequality (Forster et al., 2019) or health (Forster et al., 2019). Faced with these transformations, and given the fact that these burdens are almost always placed upon the societies of the weaker members of the organization, domestic civil servants from these countries might be more inclined to see inequalities as lacking impartiality when their country has recent experience with IFI conditionality. We include conditionality as a binary indicator that denotes whether a country has had a condition in the respective policy area in the five years before conducting the survey. We use binding conditionality that needs to be fulfilled in order to trigger further disbursements (Stone, 2008). Data for the IMF stems from Kentikelenis et al. (2016) and data for the World Bank is taken from the World Bank Development Policy Action Database (World Bank, 2018b).[9] Finally, we control for respondent characteristics. We asked respondents to indicate their level of seniority in their national bureaucracy and the number of years they have worked in their respective policy areas. We include both variables in the regression models.

Models

We run logistic regressions using the discussed binary indicator, which measures impartiality perceptions. We include IO-in-policy-area fixed effects because there is systematic variation between the IMF and World Bank in certain policy areas. This is due to their different work, mandate and resources in different policy areas. We are, however, interested in explaining the influence of particular variables on the dependent variable - impartiality perceptions. Both the IMF and the World Bank have policy instruments that target only one or some of the policy areas. For example, the IMF targets banking regulation through its Financial Sector Assessment Program and the World Bank runs projects that are focused only on certain policy areas. Therefore, we exclude said variation by employing IO-in-policy-area (e.g. IMF in monetary policy) fixed effects. Furthermore, each national civil servant evaluated both organizations in our survey. The errors of these responses are possibly not independent from each other, as they have been given by the same respondents. Therefore, we control for correlations within a respondent's evaluations and respondent-specific influences by clustering standard errors on the respondent level (Primo et al., 2007). Clustered standard errors are also crucial, because authors using surveys to evaluate IOs have argued that respondents might use heuristics based on their experiences with national institutions when evaluating IOs (Schlipphak, 2015; Voeten, 2013). While important insights, they focus on surveys with citizens rather than high-level civil servants. We assume that the IMF and World Bank should be very well-known IOs in the four policy areas we evaluated as they are within their core functions. However, we also accounted

Table 1. Descriptive statistics.

Variable	Observations	Mean	Standard deviation	Minimum	Maximum
Impartiality	290	0.434	0.497	0	1
Paradigm fit	256	4.699	1.191	1	7
Economic freedom	279	2.581	1.003	1	5
U.S. Economics Department	103	0.204	0.405	0	1
Staff (under-) representation	290	−0.058	0.704	−3.285	1.914
Voting (under-) representation	284	−0.071	0.188	−1.111	0.609
Alignment to U.S.	284	2.243	0.755	0.302	3.627
Conditionality	290	0.259	0.439	0	1
IFI aid dependency	290	0.466	1.062	0	6.812
Seniority of respondent	288	0.642	0.480	0	1
Experience of respondent	284	4.320	0.943	1	5

for the possibility of not knowing the work of the IMF and World Bank by including answers in the questionnaire that allowed the respondents to indicate that they are not aware of the IFIs work.[10]

Analysis

We run logistic regressions using our dependent variable in the binary measure (see discussion above). The coefficients are odds ratios, describing how a one unit change in our independent variables influences the odds that a given respondent indicated the IMF or the World Bank as impartial. A coefficient greater than one indicates a positive relationship, a coefficient smaller than one points to a negative relationship. First, we report descriptive statistics regarding our measures (Table 1) and the results of the fully specified models using the three different indicators to measure overlapping policy paradigms (Table 2). The first model uses the survey-based variable, the second the de-facto economic policies of a given country and the third the educational background of the respondent.

Overlapping policy paradigms are associated with perceiving IFIs as more impartial. The coefficients are significant for each of the three different indicators discussed above. In model 1, the variable measuring the perceived overlap between national policy paradigms and IFIs policy paradigms is significant at the 95% level and positive. A one unit increase in overlapping policy paradigms increases the odds that a respondent judged the IFIs as impartial on average by 42%. In model 2, we use the measure for national economic policy. A one unit increase in free market policies increases the odds that a respondent judged the IFIs as impartial on average by 80%. The coefficient is significant at the 99% level. Finally, in model 3 we use the measure on the level of the individual respondent based on the respondent's educational background. These results should be treated with some caution, due to the relatively low number of respondents we have data on educational backgrounds for. When a respondent has a graduate degree from a US-based economics department the odds that that respondent judged the IFIs to be impartial increase by 273% and the coefficient is significant at the 90% level. None of the alternative explanations are significant in all of the models. Voting under-representation is not significant in any of the models. Staffing under-representation is significant in model 1, but not in models 2 and 3. U.S. alignment is significant in model 2, but not in the other two models. Regarding control variables, there is also

Table 2. Regression output of logistic regression with dependent variable 'impartiality perceptions'.

Dependent variable	(1) Impartiality perceptions	(2) Impartiality perceptions	(3) Impartiality perceptions
Paradigm fit	1.4189** (0.2524)		
Economic freedom		1.8044*** (0.3935)	
U.S. Economics Department			3.7301* (2.7185)
Voting (under-) representation	0.8337 (1.0078)	0.6787 (0.5903)	0.6003 (0.7536)
Staff (under-) representation	0.4173** (0.1689)	0.7839 (0.2835)	0.5198 (0.2860)
Alignment to U.S.	1.4722 (0.3995)	1.7469* (0.5236)	1.1288 (0.5401)
Conditionality	1.2863 (0.3805)	1.5668 (0.4651)	4.5163** (3.1686)
IFI aid dependency	0.8957 (0.1354)	1.0215 (0.1375)	1.1692 (0.3915)
Seniority of respondent	1.8770 (0.7945)	2.4833** (1.0329)	2.3124 (1.7822)
Experience of respondent	1.5396** (0.3311)	1.6110** (0.3130)	1.2674 (0.5229)
IO-policy fixed effects	Yes	Yes	Yes
N	241	263	99
Pseudo R^2	0.143	0.165	0.210

Logit models, coefficients are odds-ratios, standard errors in parentheses, standard errors clustered at the respondent level.
*$p < 0.10$.
**$p < 0.05$.
***$p < 0.01$.

no consistent pattern. Conditionality is only significant in model 3 and aid dependency is not significant in any of the models. The respondent control variables operationalizing their seniority in their departments and their experience in the policy area are positive but only significant in models 2 (seniority) and models 1 and 2 (experience). Therefore, we can say that we find support for hypothesis 4 that shared policy paradigms increase impartiality perceptions but that there is no consistent support for the other three hypotheses.

In a second step, we try to disentangle the relationship between the impartiality perceptions and shared policy paradigms further, by looking into different sub-samples (Table 3). First, we disaggregate by IFI. Models 4 and 5 analyze only the IMF, models 6 and 7 only the World Bank. Then we focus on the respondents and disaggregate by ministry the respective respondents work for. Models 8 and 9 focus on respondents working in the finance ministry of their country and models 10 and 11 on respondents working at the central bank. We employ only the survey-based paradigm fit indicator and the economic policy indicator because the low number of cases we have for educational background renders disaggregation problematic.

We discuss the two sub-samples in turn. First, on the level of the IOs, we find that paradigm fit increases the odds that respondent judged the IMF as impartial significantly (at the 95% level). A one-unit increase in paradigm fit increases the odds that a respondent judged the IMF as impartial on average by 52%. In regards to the World Bank, we find a positive association but the coefficient is not significant. When looking at the free market policies of the countries where the respondents are working, the coefficient is significant for both the World Bank and the IMF. A one unit increase in free-market policies, increases the odds that a respondent judged the IMF as impartial on average by 91% (99% level) and the odds that a respondent judged the World Bank as impartial by 71% (95% level).

Second, we disaggregate by the offices a given respondent worked in. We sent our survey to officials from finance ministries and central banks. Again, we find interesting differences. The economic policies a given country has in place are

Table 3. Sub-samples by International Organization (IMF and World Bank) and by ministry of respondent (Finance Ministry and Central Bank).

Dependent variable	(4) Impartiality perceptions (IMF)	(5) Impartiality perceptions (IMF)	(6) Impartiality perceptions (WB)	(7) Impartiality perceptions (WB)	(8) Impartiality perceptions (FM)	(9) Impartiality perceptions (FM)	(10) Impartiality perceptions (CB)	(11) Impartiality perceptions (CB)
Paradigm fit	1.5253** (0.2770)		1.3535 (0.2704)		2.5662*** (0.9287)		1.0545 (0.2289)	
Economic freedom		1.9113*** (0.4613)		1.7192** (0.4136)		2.0307* (0.7904)		1.7847* (0.5483)
Voting (under-) representation	0.3971 (0.4991)	0.4958 (0.5238)	6.6232 (11.0591)	1.8402 (2.6763)	0.4833 (0.9814)	0.6693 (0.7372)	0.5309 (0.8804)	0.5038 (0.7755)
Staff (under-) representation	0.5148 (0.2231)	0.9533 (0.3612)	0.3469** (0.1500)	0.6692 (0.2590)	0.3012 (0.2231)	1.3391 (0.9467)	0.3292** (0.1776)	0.4384* (0.1991)
Alignment to U.S.	1.2466 (0.3373)	1.4945 (0.5144)	1.9722* (0.7274)	2.1250** (0.7305)	2.0874 (1.0456)	1.4382 (0.6582)	1.3178 (0.4489)	2.0056* (0.8483)
Conditionality	1.7356 (0.8636)	2.0361 (0.9599)	0.8671 (0.4541)	1.1308 (0.5818)	1.1713 (0.5326)	1.1719 (0.5347)	1.5728 (0.6194)	1.9742* (0.7587)
IFI aid dependency	0.8273 (0.1523)	0.9634 (0.1524)	0.7973 (0.5321)	0.8473 (0.5928)	0.8890 (0.1830)	0.8931 (0.1530)	0.9062 (0.1684)	1.1266 (0.2094)
Seniority of respondent	1.9074 (0.8517)	2.5032** (1.0749)	2.0236 (0.9969)	2.5726** (1.2043)	1.1470 (0.8755)	4.3688* (3.5767)	2.4835 (1.4967)	2.7009* (1.6192)
Experience of respondent	1.5329* (0.3342)	1.6106** (0.3061)	1.6021* (0.4064)	1.6968** (0.4220)	1.4708 (0.5505)	1.5443 (0.4518)	1.6511* (0.4678)	1.5902* (0.4452)
Policy fixed effects	Yes	Yes	Yes	Yes	No	No	No	No
IO-policy fixed effects	No	No	No	No	Yes	Yes	Yes	Yes
N	135	140	106	123	107	119	134	144
Pseudo R^2	0.147	0.156	0.160	0.184	0.206	0.149	0.156	0.206

Logit models, coefficients are odds-ratios, standard errors in parentheses, standard errors clustered at the respondent level.
$^{*}p < 0.10$.
$^{**}p < 0.05$.
$^{***}p < 0.01$.

significantly correlated with perceiving the IFIs as more impartial for both the central bank and the finance ministry. However, when employing our survey variable, the correlations differ substantially. They are significant at the 99% level for finance ministries. A one unit increase in paradigm fit increases the odds that a finance ministry official judged the IFIs to be impartial by 157%. However, the coefficient is not significant for central bankers. This implies that the explanation works differently depending on officials from which national ministry are asked to evaluate the IFIs impartiality. We discuss potential reasons for these differences in the conclusion.

Robustness checks

We run a number of robustness checks. First, we re-estimate the models using an alternative dependent variable which excludes the middle category of the survey answer ('neither agree nor disagree'). Second, we control for using alternative indicators of staffing representation, voting representation and conditionality. Regarding staffing and voting representation, we test the robustness to including the share rather than variables normalized by GDP or population. Regarding conditionality, we include two further measures. We use a count of binding conditions and we asked survey respondents to indicate whether they think that IFIs can pressure their country into implementing policy through conditionality. Furthermore, we control for a host of further possible confounders. We test for the possibility that specificities of the policy areas confound the effect of shared policy paradigms on impartiality perceptions. It is possible that high-level civil servants perceive IFIs as less impartial in particularly important policy areas, because they scrutinize their decisions more. In addition, it could be that they are better able to hide politicization in highly complex or uncertain policy areas. We test for these possibilities by using data from our survey. Furthermore, we control for the effects of several country factors that might influence economic freedom and impartiality perceptions. These include political rights and civil liberties, press freedom, government ideology, DAC-recipient status, economic development (log GDP) and size of the population (log population). Besides, we re-run the models using linear-probability models to account for potential attenuation bias in logistic regression. Finally, we re-run models using alternative coding of our dependent variable, excluding the middle response category and using the full scale of the variable. The direction of the coefficients of paradigm fit and free market policy are independent of specification choice and significant in all models. The correlation of the educational background variable is always positive but significance depends on specification choice, which is likely due to the relatively low number of observations we have for that indicator. Overall, the results are in line with the results presented in the main body of this article.

Discussion and conclusion

This article started from the established insight in the literature that the two major International Financial Institutions, the IMF and the World Bank, are designed to allow the most powerful member states to exert more influence than the less powerful ones. This institutionalized inequality invites the perception of lacking impartiality towards key stakeholders. The literature on IO effectiveness and legitimacy expects grave consequences for those IOs that are not able to convey to stakeholders that they are sufficiently impartial. Consequently, it is relevant to understand what determines impartiality perceptions of key interlocutors.

We presented the first large-scale effort to measure how a key group of national stakeholders across the globe perceive the impartiality of IFIs. To do so, we surveyed domestic civil servants. Empirically, we found considerable variation in their impartiality perceptions. Not only did respondents from different countries evaluate the impartiality of the IMF and the World Bank differently, but the perceptions also varied across different policy areas. In banking regulation, the IFIs are perceived as least impartial, in monetary policy as most. Finally, the overall perceptions varied between the IMF and World Bank, with the World Bank being evaluated as slightly less impartial than the IMF.

Based on the argument of selective awareness, we hypothesized four explanations for the observed variation of impartiality perceptions. We find considerable support for the ideational explanation (H4) that shared policy paradigms influence perceptions of impartiality, but little support for explanations based on voting share, staffing representation or alignment with the major shareholder of IFIs. To increase the robustness of our findings on the ideational explanation, we use three different indicators for shared policy paradigms. First, an indicator measuring the perceived fit of the policy paradigms between national ministries and the IFIs. Second, an indicator measuring the de-facto policies a given country has in place. Third, an indicator that measures whether the respondents have studied at an economics department in the United States. All three indicators have a positive and significant association with impartiality perceptions. Taken together, our findings imply that in order to understand impartiality perceptions it is not enough to focus on the rules and practices of IOs. Rather the proximity of the policy paradigms of respondents and the IFIs seem to matter.

The explanatory potential of the paradigm fit argument seems to vary between the World Bank and the IMF and seems to vary depending on the groups of respondents we surveyed. First, the explanation appears to work better for the IMF. This is in line with insights from the literature that the World Bank is the organization with a more heterogeneous culture and approach to economic policy (e.g. Stiglitz, 2002). Second, when comparing our two respondent groups, we find that shared policy paradigms go a long way in explaining the perceptions of finance ministry officials, but explain less of the perceptions of central bankers. While these results need further exploration due to the relatively low number of observations in our disaggregated models, the results resonate with the literature on the intellectual culture of central banks. Central banks tend to conceptualize economic policy as more depoliticized and based on market neutrality (Best, 2016; van 't Klooster & Fontan, 2019). Therefore, disagreements over economic policy could be understood by central bankers as academic differences rather than motivated by political biases. These within-country variations in the relationships with IOs could be a fruitful avenue for future research. The finding of varying explanatory power of the explanation for different groups of respondents further lends support to the argument this paper started with: perceptions of impartiality are more than simple functions of rules and practices.

The findings also have important implications for the larger literature on IOs. The variations we found both in the data on impartiality perceptions and the explanations for it imply a major take-away: while some characteristics or indicators may suggest that the IFIs are biased, this does not mean that they are also perceived this way by relevant national stakeholders. This take-away is applicable to the larger debates on impartiality. At the beginning of the paper, we outlined how IOs have an interest in maintaining the appearance of impartiality because otherwise their influence can be undermined. Considering the findings in this article, we can revisit these debates and add something to them. Both rationalist and ideational compliance perspectives have implied that political biases can undermine compliance. For rationalists, lacking impartiality undermines the compliance of the beneficiaries of IO biases. This is because being biased impedes IOs' credibility in enforcing conditionality (Stone, 2002). Our findings imply that this mechanism might not always work frictionless. The biases of IOs can be underestimated by recipients that share the IFIs outlook on policy in general. This might lead to more compliance even in settings where rationalists would expect compliance to be low. At the same time, policy paradigm differences can lead to overestimation of biases and a harsh awakening when IFIs that were thought to be toothless actually enforce their conditions. The interpretation of cultural differences between finance ministries and central bankers implies that the effect might be dampened in settings where national actors perceive of policy problems in technocratic ways and amplified in cases where policy debates are seen as political. Ideational perspectives, on the other hand, expect lacking impartiality to undermine the compliance of all member states due to diminishing legitimacy. The findings of this article potentially add nuance here as well, because depending on the beliefs national actors hold, the degree to which these legitimacy losses materialize can vary. Sharing the IFIs policy paradigms can make their choices seem more legitimate. Disagreeing can render them more illegitimate. Again, processes of legitimation through impartiality might be easier in more technocratic domestic settings like central banks. The differences in perceptions between central banks and finance ministries imply that there is much to explore regarding within-country variations of IO-domestic relationships.

Much of the existing literature on impartiality recommends that in order for IOs not to suffer effectiveness and legitimacy losses due to lacking impartiality, they need to change their institutional design or frame their policies in more objective and rational ways. Changes in institutional design to better represent the whole membership and increase participation of smaller member states are undoubtedly paramount for a number of reasons. However, in order to be perceived as more impartial, IOs should also more seriously consider diversifying their intellectual approaches. Technocratic economic framing fits better with some policy paradigms than others. The findings of this article imply that it might pay for IOs to diversify perspectives and analyses in their bureaucratic cultures and policy advice.

Notes

1. Due to missing data for the sampling process, we excluded Nauru and San Marino.
2. The survey was conducted involving a larger number of IOs and policy areas. For this paper we built a subsample of responses regarding the IMF and World Bank in the

four financial policy areas discussed. The following response statistics are based on that sub-sample.

3. Some countries did not have bureaucratic units in some of the policy areas and in some countries one civil servant was chiefly responsible for multiple policy areas. Therefore, the total number of targeted civil servants was 454 and not 484.
4. We received 338 data points. 48 respondents indicated that they did not know or preferred not to say whether they perceive the IFIs as impartial. Excluding these, we arrive at 290 data points.
5. Since the World Bank does not publish reports on the national composition of its staff, we had to draw on a World Bank working paper looking at diversity and inclusion (Das et al., 2017). That working paper reports data from 2016. All other independent variables are drawn from the year 2013, to minimise simultaneity with the survey. However, staff composition is likely a slow-moving variable. Therefore, we find the use of the 2016 data justified.
6. There are two possible candidates for an instrument: socialization by IOs (Ban & Patenaude, 2019; Checkel, 2001) and socialization through education in neoclassical economics departments (Chwieroth, 2007; Nelson, 2014). In addition to being notoriously difficult to measure quantitatively, socialization clearly violates the exclusion criterion, as it also possibly impacts impartiality perceptions directly. The decision to enroll in a certain graduate program is likely not influenced by the perception of IFI impartiality. However, research has shown that policymakers with neoclassical economics degrees have better career prospects under IMF programs (Nelson, 2017). Therefore, it is possible that policymakers are more likely to be in lead positions in national bureaucracies due to IFI-related reasons. We cannot control for these career benefits because we do not know the exact career history of each respondent. Consequently, we lack a good instrument to address endogeneity.
7. Both indices have been criticised for their methodology (Doucouliagos, 2005), assumptions (Sachs, 2005) and libertarian biases due to the fact that they are published by right-wing think tanks. Therefore, results should be interpreted with caution. However, they are the only large-scale measures available (Doucouliagos, 2005) and we employ them together with two alternative indicators (survey question and educational background).
8. Chwieroth and Nelson identify only certain US economics departments as predominantly neoclassical. However, they differ in their selection of which departments to choose. Due to the relatively low number of observations, we decided to focus on all US economics departments. We think this is a plausible approximation because survey evidence has shown that on average US economists are more neoclassical than economists from other countries (Frey & Eichenberger, 1993; Fuller & Geide-Stevenson, 2003)
9. See Supplementary Online Appendix for coding of variables in policy areas.
10. 48 responses indicated that the respondent does not know the work of the IFIs or prefers not to answer the question.

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