Civil Society Voices and the International Monetary Fund

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Introduction*[1]

As a lightning rod in contemporary debates about globalization, few governance institutions have rivalled the International Monetary Fund (hereafter IMF or the Fund). Both champions and opponents of neo-liberal globalization have turned the spotlight on the IMF to advance their cases. The Fund was a small and inconspicuous multilateral agency during the Bretton Woods era (1944-71), but since the mid-1970s (and especially since the mid-1990s) it has become a major object of public policy concern.

Much of this increased attention to the IMF has come from 'civil society', the political space where voluntary associations of various kinds seek to shape the rules that govern our lives.[1] Many civic groups have identified the Fund as a key site of global economic regulation. In turn, IMF management and staff have – albeit more slowly – recognized civil society associations as important actors in contemporary world politics. As we enter the 21st century, interchanges between civil society and the Fund have reached notable proportions. Moreover, civil society is now widely perceived to make significant impacts on policy processes and outcomes at the IMF.

Yet very little systematic independent research is available on relations between civil society associations and the IMF.[2] Who in civil society has engaged the Fund? What initiatives has the IMF taken toward civil society? What aims have civil society groups and the Fund pursued in their relations with each other? How have civil society activities affected the IMF?

As a preliminary step in answering these questions, the first section of this report briefly outlines the general nature, purpose and institutional organization of the Fund. This overview indicates that the size of the IMF and the scope of its activities have both expanded very considerably in the course of contemporary globalization. It is further noted that the Fund is made of multiple institutional parts, offering civil society associations different potential points of contact with and influence on the organization.

The second part of the report provides a detailed survey of civil society actors that have directed attention to the IMF. Various sectors of civil society have come to concern themselves with the Fund, including research institutes, business forums, labour unions, NGOs, philanthropic foundations and religious bodies, as well as a range of informally organized groups. Many civil society initiatives in regard to the IMF have involved direct contacts with the Fund itself. Other civil society actions have engaged the institution indirectly, for example, with pressure on national governments or campaigns through the mass media.

The third section of the report reviews the ways that the IMF has related with civil society. Noteworthy Fund initiatives in this area date from the early 1980s and

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increased significantly in the 1990s. However, the overall extent of IMF engagement of civil society remains modest today, and the institution lacks explicit policy guidelines concerning these relations. Moreover, the Fund has generally maintained greater contacts with more sympathetic civil society quarters (such as economic research institutes and forums of big business) than with more critical circles (such as trade unions and many NGOs).

The fourth section of the report identifies the motivations that civil society associations and the IMF have had for engaging with each other. This discussion distinguishes three general types of civil society aims: namely, conformist approaches that are broadly supportive of the Fund as it is; reformist approaches that pursue incremental shifts in policy directions and operating procedures at the IMF; and radical approaches that seek wholesale change in the Fund as part of a systemic transformation of the world political economy. As for the IMF, its objectives in engaging civil society associations have included intelligence gathering, public relations to garner support and repel criticism and securing funding increases.

The final part of the report considers the impacts that civil society activities have had on the Fund. Civil society interventions have had multiple effects on policy process, policy content and policy discourse at the IMF. Regarding process, civil society involvement has encouraged the Fund to alter various institutional procedures, including measures related to public consultation, transparency and policy evaluation. In addition, civil society actions have affected various substantive policies of the IMF, for example, regarding debt relief and loan conditionalities. As for policy discourse, some parts of civil society have played an important role in creating and sustaining the so-called 'Washington Consensus' on neo-liberal economic restructuring that has figured centrally in the Fund's work. Other civil society circles have been influential in qualifying that policy paradigm in recent years.

The main conclusions just summarized are based on empirical research undertaken between October 1996 and February 2002. These investigations involved half a dozen visits to IMF headquarters, plus extended fieldwork in Argentina, the European Union (EU), Romania, Russia, Thailand, Uganda and the United States of America (USA), as well as more incidental work in Brazil, India and Mexico. Much of the material presented in this report derives from around 300 personal interviews with relevant officials and civil society participants. Since these conversations were conducted on condition of non-attribution, no sources are specified for a number of details in the analysis that follows.[3]

Finally, before proceeding to elaborate the main points introduced above, I should stress that the following account of IMF-civil society relations comes from an agnostic. In contrast to other commentators, I am neither an uncritical enthusiast nor an implacable sceptic regarding these exchanges.[4] My view is that, if relationships between civil society associations and the Fund are handled well, they can help to reduce the severe governance deficits that have marked contemporary monetary and financial globalization. On the other hand, if the links are handled poorly, they can exacerbate deficits of efficiency, stability, ecological integrity, social equity and democracy in global governance through the IMF. Hence, the challenge is to maximize the positive potentials and minimize the negative possibilities.[5]

The IMF: An Overview of a Global Governance Institution

Before mapping and assessing civil society engagement of the IMF, some contextual remarks about the nature of the institution are in order.[6] Indeed, a number of civil society initiatives regarding the Fund have suffered from insufficient understanding of the mandate, activities and institutional organization of the agency. The following pages cover these points in turn.

Mandate and activities

Founded at the Bretton Woods Conference in 1944, the International Monetary Fund (the IMF or the Fund) is an organ of global economic governance with a current membership of 183 states. It maintains headquarters in Washington, DC, regional offices in Paris and Tokyo, bureaux for liaison with the United Nations (UN) in Geneva and New York, and resident representatives in some 70 national capitals around the world.

In fiscal year 2000 the IMF had a staff contingent of 3,082 full-time equivalents and administrative expenditure of $583 million.[7] This compares with about 10,600 employees and annual operational costs of $935 million at the World Bank in the same year.[8] For its part the World Trade Organization (WTO) had a full-time staff of 552 and an organizational budget of $79 million (SF134 million) in 2001.[9]

According to its constitutional instrument, the Articles of Agreement, the IMF exists:

(i) to promote international monetary cooperation;
(ii) to facilitate the expansion and balanced growth of international trade;
(iii) to promote foreign exchange stability;
(iv) to create a multilateral system of payments between members;
(v) to assist in the correction of maladjustments in members' balance of payments;
(vi) to reduce the duration and severity of disequilibria in members' balance of payments.[10]

Although these declared official purposes have remained the same since the IMF commenced operations in 1946, the institutional arrangements and policy instruments of the organization have substantially changed over time. In the process the Washington-based Fund has become deeply involved in questions of economic and social development (particularly since the late 1970s) and in matters of financial market regulation (especially since the mid-1990s). Both of these trends indicate that, in the contemporary globalizing world, foreign exchange and balance of payments must be regulated in the context of macroeconomic policy as a whole.

In terms of more specific activities, the IMF has since its early days designed and monitored *stabilization* measures for short-term corrections to a member-country's balance of payments. From the 1970s onwards the Fund has in addition prepared and financed *structural adjustment* policies that involve substantial reorientation of a member-country's economy. Whereas the IMF was supporting 20 stabilization and structural adjustment programs (SAPs) to a collective total of 2.6 billion Special Drawing Rights (SDRs) in 1979,[11] that figure had risen to 56 arrangements with combined funds of 48.3 billion SDRs in 1999.[12] As of 1999, total outstanding IMF credits stood at a record SDR 67 billion ($91 billion).[13]

In addition to stabilization and structural adjustment programs, since the late 1970s the Fund has also performed comprehensive and detailed *surveillance* of economic performance. In this vein the IMF has held so-called 'Article IV consultations' with individual member-states, normally on an annual basis. The Fund has also undertaken surveillance in relation to the overall world economy as well as regional arrangements in the EU and West Africa.

The IMF has furthermore pursued *technical assistance* and *training* activities on a large scale, chiefly in order to provide poorly equipped states with staff and tools to address the policy challenges of economic globalization. On the one hand the Fund has despatched scores of technical missions to support national governments and central banks *in situ*. In addition, it has run training courses for more than 10,000 officials from all over the world at the IMF Institute in Washington (since 1964), the Joint Vienna Institute (since 1992) and the Singapore Regional Training Institute (since 1998).

More recently, the IMF has developed various initiatives in respect of the *global financial architecture*, on questions such as standards, transparency, exchange-rate regimes, capital controls and the resolution of financial market crises. Since 1996 the Fund has promoted a Special Data Dissemination Standard (SDDS) and General Data Dissemination Standard (GDDS) as guidelines for government production of economic and financial data, with a view to improving the operation of global capital markets. In recent years the IMF has also contributed to the formulation of 'codes of best practice' on fiscal and monetary policies.

With the much-enlarged agenda and scale of activities just described, the IMF has undergone considerable institutional expansion. Its current staff is four times larger than the 750 employees who worked for the Fund in 1966.[14] Meanwhile IMF quota subscriptions have grown tenfold, from the equivalent of 21 billion SDRs in 1965 to 212 billion SDRs today. Gold holdings plus several borrowing agreements with major states enable the IMF to access over $100 billion in additional funds.[15] So far the Fund has not borrowed from private capital markets, although its Articles of Agreement permit it to do so.

Institutional organization[16]

The Fund has an extensive bureaucratic apparatus to oversee its activities and resources. Its primary decision-taking bodies are the Board of Governors and the Executive Board. The staff of the IMF, led by four Managing Directors, is distributed across two dozen departments. Civil society associations therefore have a number of different points where they might communicate with the Fund. It will be seen later that civil society groups have accessed some people and offices in the IMF more than others.

The Board of Governors comprises finance ministers or central bank heads from each of the IMF member states. It holds an Annual Meeting in late September or early October and a Spring Meeting every April. Much of the Board of Governors' business is conducted through the 24-member International Monetary and Financial Committee (previously known as the Interim Committee) and a joint IMF/World Bank Development Committee. The Board of Governors is the supreme organ of the Fund and mainly concerns itself with issues of general policy and principle. Votes are allocated among states in relation to their IMF quota subscriptions, which currently range from 2.5 million SDRs for the Marshall Islands to 37,149 million SDRs for the USA.[17]

The Executive Board oversees the day-to-day operations of the IMF. It is composed of 24 Executive Directors (EDs), most of whom are senior civil servants assigned to Washington for several years from national ministries of finance or central banks. Eight EDs represent one major state each, while the other 16 each represent a constituency of between four and 23 states. The EDs have permanent offices at Fund headquarters and on average hold three lengthy meetings per week. The Executive Board reviews surveillance reports, approves and monitors stabilization and structural adjustment programs, mandates technical assistance activities and discusses issues related to the overall global financial architecture. As in the Board of Governors, votes in the Executive Board are weighted in accordance with quota contributions. Thus the ED for the USA currently counts for 17.35 per cent of any vote, while the ED for 23 Francophone African states carries only 1.17 per cent of the decision.[18]

The Managing Director (MD) of the Fund is both the Chair of the Executive Board and the head of the IMF staff. By convention a citizen of an EU country, the MD is elected to a five-year renewable term of office. Assisting the MD are a First Deputy Managing Director, by convention a US citizen, and two further Deputy Managing Directors, by tradition from Japan and the South.

The detailed work of policy formulation, implementation and review at the Fund is undertaken through staff departments. The six area departments each contain several divisions that cover several countries. The eight functional departments address policy realms such as fiscal affairs, legal issues and monetary concerns. Among the functional departments, Policy Development and Review (PDR) has particular importance and power as the office that vets all staff proposals before they are put to the Executive Board. In addition to the area and functional departments, the IMF has information and liaison offices such as the External Relations Department (EXR), plus various support services related to human resources, information technology, etc.

For the most part the IMF is highly centralized at its Washington headquarters; however, the organization also maintains resident representatives ('res reps') in the capitals of about two-fifths of its member countries. Apart from China and India, the res reps are stationed in countries with ongoing IMF-supported adjustment programs. With a few exceptions such as Indonesia and Russia, a res rep office has only one Fund staffer. Most res rep bureaus operate out of public view in the headquarters of the national central bank.

The IMF also has a periodic in-country presence through its staff missions. For example, in principle all member states host an annual Article IV mission from Fund headquarters that conducts on-site research for the country surveillance report. In addition, the IMF sends missions at regular intervals to countries where a Fund-supported program is in course. Such missions either negotiate the terms and conditions of prospective IMF financial support with a government or monitor the implementation of previously approved stabilization and adjustment packages. A number of further Fund missions deal with technical assistance matters, and from time to time EXR undertakes missions specifically to address IMF relations with the mass media, civil society and the public at large in a given country or region.

To recapitulate the main points of this brief introduction to the Fund, the IMF is a key agency of world economic governance whose size and agenda have both grown considerably with contemporary globalization. In institutional terms, the Fund has multiple points, both in Washington and in the field, where civil society actors might attempt to gain access and exert pressure. The next section surveys the associations that have sought such contacts and influence.

Civil Society Initiatives toward the IMF

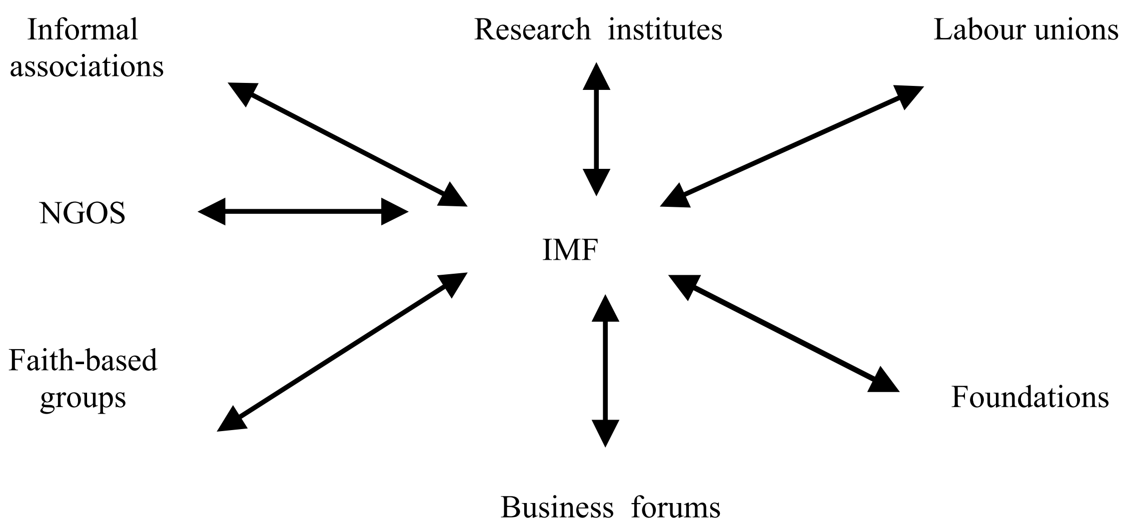
Between the 1940s and the 1970s, the Fund was not an object of noteworthy civil society mobilization. This neglect is hardly surprising, given the institution's narrow agenda and limited resources during that period. More substantial civil society interest in the IMF emerged in the 1980s, chiefly in response to the agency's involvement in the Third World debt crisis and the expansion of Fund-sponsored structural adjustment programs. The 1990s brought further growth of civil society activities concerning the IMF, particularly in the context of SAPs, multilateral debt problems and financial market crises in Asia, Latin America and Russia. More recently the high-profile 'anti-globalization movement' has brought civil society initiatives *vis-à-vis* the Fund to public attention as never before. In addition, a continuing succession of crises – most lately in Turkey and Argentina – has ensured that the IMF stays on civil society radar screens.

Civil society groups have engaged with the IMF both directly and indirectly. Direct contact has ranged from formal cross-table dialogues in business suits to shouts and slingshots over police barricades outside Fund offices. At other times civil society associations have sought to influence the IMF through third parties. For example, advocates have sometimes lobbied national governments, ministries and legislatures to take one or the other position toward the Fund. Alternatively, civil society organizations have sought to influence the IMF via the mass media or through other multilateral venues such as Group of Seven (G7) summits and the UN Initiative on Financing for Development.

Civil society interest in the Fund has varied in intensity. For example, these activities have tended to be most concerted at moments of IMF crisis intervention and during major conferences like the Annual and Spring Meetings. Some associations have pursued long-running and highly sophisticated advocacy programs on the Fund, while others have shown more incidental and fairly amateur interest. Of the countries surveyed in this report, the USA and the EU show generally the largest and best resourced examples of civil society engagement of the Fund, with more moderate levels in Argentina and Thailand, low intensity in Russia and Uganda and extremely limited activity (apart from trade union mobilization) in Romania. In all of the countries surveyed, civil society attention to IMF policies has been heavily concentrated in major urban centres, especially the national capital.

The aims and impacts of these civil society activities are considered at greater length in later sections of this report. As a preliminary step, the following pages survey the types of civil society associations that have directed attention to the IMF. These actors include research institutes, business forums, labour unions, NGOs, philanthropic foundations, faith-based groups, and informal associations. Such categories sometimes overlap in practice, of course. For example, many religious orders have spawned a number of NGOs, and many labour organizations have undertaken research. However, for analytical convenience the various associations are considered under neatly separated headings in the remainder of this section.

Figure 1: Civil Society and the IMF



Research institutes

Research bodies have taken some of the longest and closest civil society interest in the IMF. This field of actors can be further subdivided into universities, policy think tanks and consultancy firms. In addition, many business associations, NGOs and trade unions include research departments or research officers who have examined the Fund; however, the following paragraphs only address civil society bodies that specialize in knowledge production.

University-based research on the IMF and its programs is undertaken – to one degree or another – in almost all member-countries of the Fund. This work has been primarily concentrated in the discipline of Economics, although occasional academic political studies have appeared as well. In the focal countries of the present report, prominent university centres of concern with the IMF have included the *Universidad del CEMA* in Argentina, Oxford University in Britain, the Academy of Economic Studies in Romania, the Higher Economic School in Russia, Makerere University in Uganda and Princeton University in the USA. In addition, academics in Bangkok produced a slew of commentaries on IMF intervention in Thailand during the financial crisis of 1997-98.

Alongside universities, much policy commentary in contemporary civil society has emanated from think tanks. Certain bodies of this kind have investigated the IMF for several decades. Examples of these 'veterans' include the *Fundación de Investigaciones Económicas Latinoamericanas* (FIEL – the Latin American Economic Research Foundation) in Buenos Aires, the Overseas Development Institute (ODI) in London and the Institute for International Economics (IIE) in Washington. Like these three capitals, Moscow has in post-communist times acquired multiple economic policy institutes that give the Fund considerable attention. In contrast, the think tank sector has been less developed in Bangkok and Kampala, where only the occasional body, like the Thailand Development Research Institute (TDRI) and the Economic Policy Research Centre (EPRC) in Uganda, has addressed the IMF. Meanwhile, think tanks with interests in the Fund have been absent altogether in Romania. Mirroring the pattern in universities, work on the IMF in policy institutes has mainly involved economists. However, some social and political research on the Fund has come from bodies like the *Facultad Latinoamericana de Ciencias Sociales* (FLACSO – the Latin America Faculty of Social Sciences) in Argentina, Focus on the Global South in Thailand and the Institute for Policy Studies in the USA. In addition, a few think tanks like the World Resources Institute have pursued an ecological angle in their research related to the Fund. In some cases (particularly in Argentina, Russia and the United States), think tanks have been more or less explicitly linked to a political party or faction, and their leading figures have moved in and out of government with the electoral tides.

Finally, it is important to mention consultancy firms under the heading of research institutes that address the IMF. Admittedly, consultants belong in the private sector more than civil society, but their research on the IMF has often complemented the work of universities and think tanks. Moreover, in Argentina, economic consultants like Ricardo Arriazu and Miguel Broda rank among the main non-official contacts for the Fund. In Bangkok the IMF has called on the research department of Merrill Lynch Phatra Securities as an important source of statistical data. In Britain consultancy firms such as Oxford International Associates and External Finance for Africa have contributed to discussions of IMF policies on debt relief. In Amsterdam, researchers at AIDEnvironment have conducted private consultancy work on the ecological consequences of Fund-sponsored structural adjustment.

Business forums

Along with research institutes, business forums have pursued some of the most intense civil society engagement of the IMF. As a category, 'business associations' is taken here to encompass umbrella organizations like chambers of commerce and employers federations as well as sectoral groups that represent particular fields of industry. A fine – and admittedly debatable – line is therefore drawn here between business associations (as non-profit bodies in civil society) and individual enterprises (as profit-seeking entities in the market). Thus, the present analysis does not consider the frequent approaches that company executives have made to the IMF on behalf of their own firms. Instead, the discussion here is limited to financial, industrial and agricultural lobbies.

Given its particular concern with monetary and financial affairs, the IMF has understandably attracted most business-related civil society attention from banking associations. The Institute of International Finance (IIF), a global organization with more than 320 member firms based in over 60 countries, has regularly trained its focus on the

IMF. (It also does so literally, as IIF offices lie across the street from Fund headquarters.) Similarly, the Tokyo-based Japan Center for International Finance (JCIF) engages with the IMF in a global context, including through its office in Washington, DC. Indeed, the IIF and the JCIF both owe their establishment in 1983 in good part to the perceived need for associations that would represent the collective interests of banks *vis-à-vis* the Fund in the Third World debt crisis of that day. Since 1998 both institutions have contributed actively to discussions about the global financial architecture.

At a national level, each of the countries surveyed for this report (with the exception of Romania) has a bankers association that has given attention to policy questions that involve the IMF. These bodies include the American Bankers Association, the *Asociación de Bancos de la Argentina*, the Association of Romanian Bankers, the Association of Russian Banks, the Uganda Bankers Association and the 18 national organizations that are assembled in the European Banking Federation. In Bangkok a Thai Bankers Association (TBA) has represented a cartel of domestically based banks, while a rival Foreign Banks Association (FBA) has grouped transborder financial enterprises that operate in Thailand. Both the TBA and the FBA have had regular contacts with IMF staff.

Among business associations with a wider constituency, the Fund has – against what one might anticipate – *not* been a major subject of concern for prominent global bodies like the International Chamber of Commerce in Paris or the International Organisation of Employers and the World Economic Forum in Geneva. However, at a national level much attention to IMF-supported programs has come in Argentina from the *Consejo Empresario Argentino* (CEA – Argentine Business Council), the *Unión Industrial Argentina* (UIA – Industrial Union of Argentina) and the *Cámara Argentina de Comercio* (CAC – Argentine Chamber of Commerce). In Kampala the Uganda Manufacturers Association (UMA) has concertedly lobbied the Fund over a number of years, while the Uganda Import and Export Traders Association sponsored a one-off strike in 1996 against an IMF-mandated introduction of value-added tax. A dense network of chambers of commerce and industry exists in Thailand, but these bodies have given the Fund relatively little attention. In both Romania and Russia, indigenous business associations have remained generally weak in the post-communist era. On the other hand, the IMF has received much attention from Moscow-based organizations of transborder companies like the American Chamber of Commerce in Russia, the European Business Council and the Foreign Investment Advisory Council. In addition, the Washington-based US-Russia Business Council has developed some contacts with the IMF. Domestic business groups in the United States like the National Association of Manufacturers and the US Chamber of Commerce have also concerned themselves with the Fund from time to time. However, the most focused and sustained attention on the IMF from business circles in the USA has come through the Washington-based Bretton Woods Committee, formed in 1984 and now numbering some 600 individual and corporate members. In contrast to the United States, trade and industry groups in the EU have taken no initiatives of note regarding the IMF.

For their part, farmers associations have shown little interest in the IMF in any of the countries surveyed for this report. On the odd occasion, the Fund has been the target of lobbying by, say, apple growers in Washington State (who were concerned in the mid-1990s about the repercussions of an IMF program on their exports to Mexico). However, no farmers group in the EU or the USA has given the Fund sustained attention. Nor have any of the four national farmers organizations in Argentina sought specific contacts with the IMF. Romania and Russia lack effective civil society associations of cultivators, while peasant groups in Thailand have mobilized mainly as informal networks and are thus discussed below under another heading. In Kampala the leadership of the Uganda National Farmers Association (the UNFA has the largest membership of any formal civil society organization in that country) has held definite views about the IMF, but it has not sponsored any campaigns that were specifically directed at the Fund. On the other hand, albeit outside the focal countries of this study, the example of the Commercial Farmers Association in Zimbabwe shows that business organizations of farmers can have quite substantial relations with the IMF.

Labour unions

Like business associations, trade unions have addressed the IMF through both global and national organizations. Among the world labour associations, most attention to the IMF has come from the International Confederation of Free Trade Unions (ICFTU) and its regional branches for Africa (ICFTU-AFRO), Asia-Pacific (ICFTU-APRO) and Latin America (ICFTU-ORIT). The Brussels-based ICFTU began to invite Fund representatives to its regional meetings in the early 1980s, and it has submitted a lengthy policy statement to each of the Annual Meetings since 1988. Among the focal countries of this report, Russia has been the object of specific ICFTU interventions regarding Fund-sponsored policies during the past decade. In 1994 the ICFTU and its partner, the International Trade Secretariats (ITS), opened an office in Washington, DC specifically for relations with the Bretton Woods Institutions. The World Confederation of Labour (WCL) has given the IMF limited attention, though it has matained a representative in Washington since the mid-1990s.

Labour activism at the national level *vis-à-vis* the Fund has varied considerably between the countries examined for this report. In Romania, for example, trade union resistance to post-communist economic restructuring (especially privatization) has constituted the principal channel of civil society engagement of IMF-sponsored policies. The labour movement has also figured prominently in Argentina, where unions affiliated to both the mainstream *Confederación General del Trabajo* (CGT – General Confederation of Labour) and the rival *Central de Trabajadores Argentinos* (CTA – Argentine Workers Central) have made Fund-supported structural adjustment one of their principal concerns. In Russia, older labour organizations like the Federation of Independent Trade Unions of Russia (FNPR) have been largely paralyzed in the post-communist period and unable effectively to tackle IMF-backed policies. Alternative unions like those grouped in the All-Russian Confederation of Labour (VKT) have proved somewhat more dynamic in addressing questions of economic restructuring, but their memberships have remained comparatively small. In Uganda the small National

Organization of Trade Unions (NOTU) has done little besides incidental research on Fund-related policies. Organized labour has also been weak in Thailand, where multiple congresses with low memberships have found it impossible to collaborate with one another. Of these associations only the State Enterprise Workers Relations Confederation (SERC) has given the IMF any attention of note.

Outside IMF program countries, trade unions in the EU and the USA have – rather surprisingly – shown no particular interest in Fund activities related to their national economies, such as the annual Article IV consultations. However, the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) has flown some internationalist colours with its concerns for the fate of workers under IMF-supported policies in other parts of the world. Among other things, the AFL-CIO has sponsored the American Center for International Labor Solidarity (ACILS), whose office in Bangkok organized a trip to Washington for Thai labour activists *inter alia* to visit the IMF. The ACILS office in Thailand was also instrumental in promoting the creation in 1998 of an Asian Labor Network on the International Financial Institutions (ALNI), with participation by unions from four countries in Southeast Asia.

The preceding paragraphs have discussed the labour movement in terms of traditional bureaucratic trade union organizations. This is not to deny the recent emergence of alternative forms of labour associations, such as horizontal networks of female workers in the informal sector. However, apart from passing interest in the Fund on the part of the Women Workers Unity Group in Thailand, the present study found no evidence of initiatives related to the IMF in these circles.

NGOs

Nongovernmental organizations (NGOs) comprise a fourth sector of civil society that has acquired considerable interest in the IMF.[19] The category NGOs is taken in the present context to comprise formally organized, officially registered, and professionally staffed non-profit associations that direct their energies to some question of public interest. These issues include children's welfare, conflict management, consumer protection, cultural promotion, democracy, development, ecological sustainability, human rights, humanitarian relief, indigenous peoples, status of women, and much more.

When considering civil society engagement of the Fund, many observers think in the first place of NGOs. Certainly some of these associations like Oxfam and the Ruckus Society have attracted considerable media attention, especially in recent years. Moreover, NGOs have succeeded in mobilizing wider publics on issues concerning the IMF to considerably greater extents than research bodies and commercial lobbies have done. Since 1989 these advocacy groups have convened teach-ins and other public events in parallel with the IMF/World Bank Annual Meetings. On the other hand, the scale of NGO activity in respect of the Fund must not be exaggerated. In fact, relatively few NGOs have given major priority specifically to the IMF over a sustained period of time.

The exceptions to this rule include several NGOs created during the past decade with a specific mandate to examine the Bretton Woods Institutions. In the USA, for example, the Fifty Years Is Enough coalition was launched in 1994 to coordinate opposition to the IMF and the World Bank. With an office in Washington, Fifty Years Is Enough now counts over 200 affiliated associations across the United States and some 185 partner groups abroad.[20] Also in 1994, NGOs in Canada launched the Halifax Initiative "to contribute to the fundamental transformation of the international financial system and its institutions."[21] The following year a network of UK-based NGOs established a Bretton Woods Project in London to scrutinize and influence the Bank and the Fund. Since 1998 NGOs in France, now 30 in number, have pursued a campaign 'For a Reform of the International Financial Institutions' that has repeatedly targeted the Fund.[22]

The IMF has also been a primary concern for NGOs that promote debt relief for poor countries. For instance, since 1993 the Brussels-based European Network on Debt and Development (EURODAD) has campaigned to reduce the burdens of multilateral (including IMF) debts in the South. Similar pressure groups have appeared in many debtor countries and regions, including (among the countries surveyed in this study) the Uganda Debt Network, formed in 1996. Likewise, the Jubilee 2000 Campaign for "the cancellation of the unpayable debt of the world's poorest countries" directed much of its energies at the Fund. Launched in Britain in 1996, Jubilee 2000 had affiliates in over 65 countries when the initiative ended at the new millennium. Several successor movements (including Drop the Debt, Jubilee Plus, and Jubilee South) have subsequently taken forward the campaign.

More recently, the Association for the Taxation of Financial Transactions for the Aid of Citizens (ATTAC) has highlighted the IMF in relation to reform of global finance more generally. Created in France in 1998, the ATTAC network now spans 26 countries, including 13 of the 15 EU members, Argentina and Brazil.[23] Like Fifty Years is Enough and Jubilee 2000, ATTAC has been notable for substantial levels of mobilization among ordinary citizens. For example, the movement currently includes some 200 local groups in France.

Many other NGOs have taken interest in the IMF as part of a broader concern with struggles against poverty in the South. Prominent associations of this kind in the USA have included Bread for the World, the Development Group for Alternative Policies (D-GAP), the Globalization Initiative, Oxfam America and RESULTS. Since 1995 the Development GAP has spearheaded a Structural Adjustment Participatory Review International Network (SAPRIN) that has grown to encompass 2,000 civil society associations from the South and the North. In addition to EURODAD, prominent examples of West European anti-poverty NGOs that have long directed substantial efforts at the Fund include Oxfam UK & Ireland and the Swiss Coalition of Development Organisations. Some Northern-based development NGOs have also engaged the Fund in the South itself. In Uganda, for example, the country offices of ActionAid, CARE, Oxfam and World Vision have all concerned themselves with a succession of Fund-supported structural adjustment programs. Certain Uganda-based associations such as the Community Development Resource Network (CDRN) and the Development Network of Indigenous Voluntary Associations (DENIVA) have also followed IMF involvement in the country. In Thailand the Asian financial crisis of 1997-98 spurred NGOs such as the Local Development Institute (LDI) and the Thai Development Support Committee (TDSC) to become interested in the IMF. In contrast, several decades of high-profile Fund interventions in Argentina have not provoked any social welfare NGOs in that country to give the institution any attention of note. Likewise, the IMF has almost completely escaped scrutiny from anti-poverty NGOs in Romania and Russia, associations that are in any case relatively small in number and generally weak.

Other NGOs have examined the Fund from a primarily ecological angle. Environmentalists in the USA testified at congressional hearings on the IMF as early as 1983, but their advocacy work on the Fund intensified after 1989, when Friends of the Earth-US (FOE-US) launched its IMF Reform Campaign. Many other environmental NGOs from the United States have congregated around the Annual Meetings. Some like the Sierra Club have done so since the mid-1980s. However, the day-to-day advocacy work of US environmentalists has generally focused much more on the World Bank than the Fund. In the EU, the Amsterdam-based multilateral financial institutions project of BothENDS has often focused on the IMF, as has World Economy, Environment and Development (WEED), a Bonn-based NGO. In the South, however, only an incidental environmental association like the Project for Ecological Recovery (PER) in Bangkok has given the IMF any attention. In any case, environmental NGOs have been scarce and weak in countries like Argentina, Romania, Russia and Uganda.

A few women's NGOs have examined the Fund in the context of concerns with gender and development, especially the repercussions of SAPs on women. Among the countries surveyed for this report, such interest has been most pronounced in Uganda, through NGOs such as Action for Development (ACFODE), the Forum for Women in Democracy (FOWODE) and the Uganda Women's Network (UWONET), as well as Ugandan connections to the regional African Women's Economic Policy Network (AWEPON). Similarly, several Thai NGOs like the Friends of Women Foundation in Bangkok have taken some interest in the gender consequences of IMF-sponsored structural adjustment in the Asia crisis. In the EU, the network Women in Development Europe (WIDE) has directed some research and advocacy work at the Fund. On the whole, however, women's NGOs across the world have concentrated most of their work concerning global economic governance on multilateral development banks and trade agreements rather than the IMF.

Finally, a few democracy and human rights NGOs have turned some attention to the IMF. For example, several such associations in Thailand harboured a temporary interest in the Fund during the Asia crisis. The Director of Forum-Asia in Bangkok went so far as to publish a book on the institution. In addition, certain NGOs that engage UN agencies in Geneva have levied passing charges that Fund-sponsored SAPs have violated norms of human rights. The Berlin-based NGO, Transparency International (TI), has encouraged the IMF to combat corruption in program countries. In Buenos Aires *Poder Ciudadano* (Citizen Power), the Argentine national chapter of TI, has also had incidental contact with the IMF. For their part, democracy and human rights associations in Romania, Russia, Uganda and the USA have pursued no activities related to the Fund.

In sum, NGOs have undertaken important initiatives concerning the IMF, but the numbers involved have remained quite small. The activity has mainly come from a handful of specialized bureaux, the debt campaigns and certain development and environment NGOs. Large parts of the NGO sector like children and youth advocates, consumer associations, peace and disarmament groups, and relief agencies have effectively ignored the Fund altogether. Certain NGOs in Geneva have argued that IMF-sponsored adjustment programmes should incorporate cuts in excessive military expenditure, but these occasional urgings have never consolidated into anything approaching a sustained campaign.

Philanthropic foundations

Initiatives on the Fund by NGOs – as well as by research institutes and trade unions – have often received financial support and/or moral encouragement from philanthropic foundations. Prominent backers of civil society initiatives concerning the IMF have included the Charles Mott Foundation, the Ford Foundation and the Wallace Foundation. In Bangkok, the resident representative of the Friedrich Ebert Stiftung has sought to improve the capacities of Thai trade unions to undertake analysis of IMF-sponsored structural adjustment.

Foundations have also pursued some in-house research on the IMF, as well as certain direct contacts with the institution. In Moscow, for example, both the local office of the Carnegie Endowment and the Globalization Project of the Gorbachev Foundation have subjected Fund-supported economic reforms to considerable scrutiny. In Bangkok staff of the Asia Foundation closely monitored the course of the late-1990s crisis. In 1999 the New York office of the Friedrich Ebert Stiftung undertook a systematic examination of the IMF. In April 2001 the Director of Governance and Civil Society at the Ford Foundation, Michael Edwards, spoke to EDs and staff at IMF headquarters about their relations with civil society.

Faith-based groups

A sixth sector of civil society, religious associations, overlaps with NGOs inasmuch as some of the latter had origins in faith-based organizations. Examples of religious NGOs that have concerned themselves with the IMF include KAIROS: Canadian Ecumenical Justice Initiatives, Christian Aid in Britain, *Global Ekonomi*, a project of the Church of Sweden and the Uganda Joint Christian Council (UJCC). The Jesuit order has overseen the *Centro de Investigacion y Acción Social* (CIAS) – which has monitored Fund activities in Argentina – and the Center of Concern, a Washington-based NGO that has housed a Rethinking Bretton Woods Project since 1994. In addition, the Jubilee 2000 campaign had a large faith-based following.

Further religious civil society activism regarding the IMF has come from church hierarchies themselves. For instance, the Papacy has since 1995 made several interventions with the Fund regarding the question of debt relief. At a national level the Roman Catholic Church has addressed IMF activities (especially regarding debt and structural adjustment) through the Economic and Social Council of Bishops in Argentina, the Catholic Council of Thailand for Development (CCTD) and the US Catholic Conference. In contrast, Eastern Orthodox churches in Romania and Russia have paid no attention to the IMF apart from hosting brief visits by the former Managing Director, Michel Camdessus (1987-2000).

Protestant churches in the EU and the USA have mainly engaged the Fund in the context of campaigns for debt relief. The Anglican movement has been more active than most in this regard. In Geneva the Quaker United Nations Office has maintained occasional communications with the local office of the Fund, but the World Council of Churches (WCC) has not given the IMF any attention of substance. A rare case of broader and more detailed church advocacy is the Washington-based Religious Working Group on the World Bank and the IMF, which has assembled clergy and lay activists from various Catholic orders and Protestant faiths in periodic initiatives since 1994.

Meanwhile, institutions representing non-Christian faiths have largely ignored the Fund in all of the countries covered for this report. Thus, neither Hindu temples nor Islamic associations in Uganda have engaged with the IMF at any time. Several Buddhist temples in Thailand (such as Wat Phai Lom in Trat Province and Wat Suan Kaew in Nonthaburi Province) launched social welfare initiatives to combat material hardships in the Asian financial crisis, but in doing so they made no specific reference to the Fund. Sulak Sivaraksa, a prominent Bangkok-based Buddhist social critic, has often directed his ire at the IMF, but his is the isolated voice of a maverick.

Informal associations

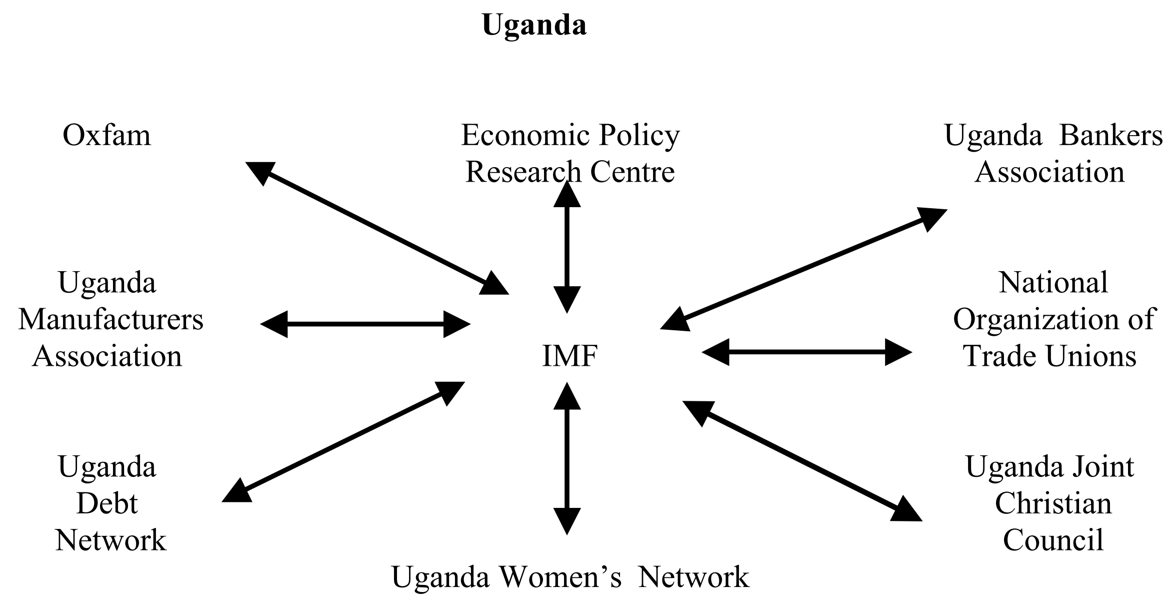
As already intimated at several junctures in the discussion so far, civil society initiatives regarding the IMF have not always emanated from officially registered organizations with formalized decision-taking procedures. For example, the Fund has corresponded with many private citizens who are not members of any named association and yet add their voices to one or the other public debate regarding IMF activities.

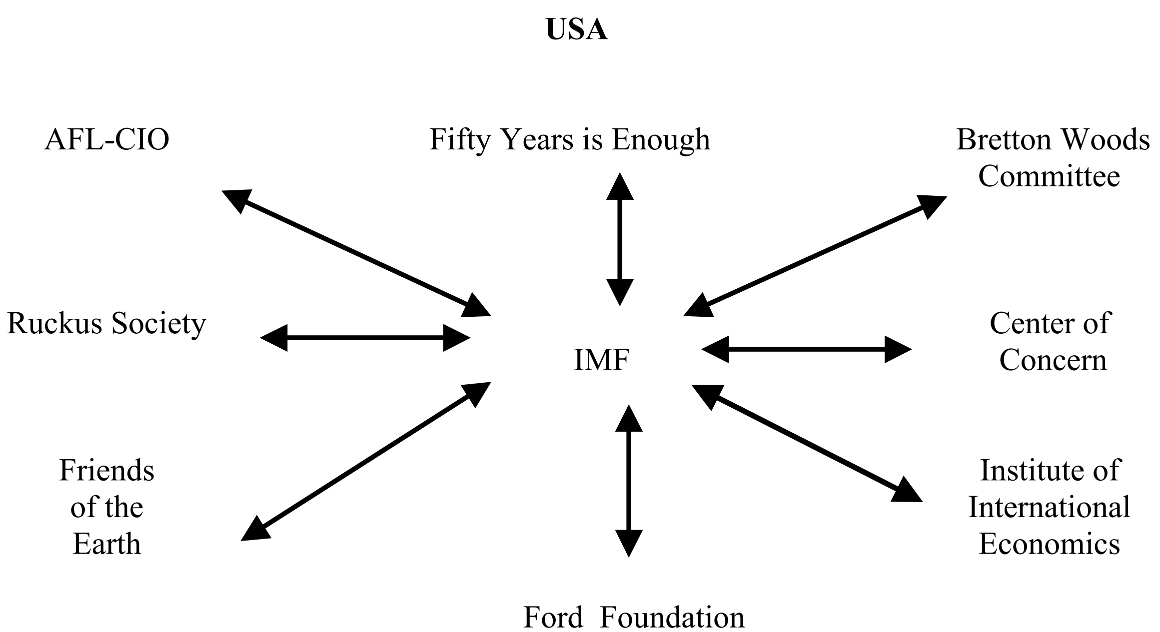
Likewise, many street demonstrations against the Fund have had a largely informal character. In Thailand, for example, the Assembly of the Poor for several years before and during the crisis of 1997-98 maintained constant vigil outside the parliament building in Bangkok. The camp of farmers, fisherfolk, slum dwellers and unprotected workers from different regions of the country was draped in anti-IMF slogans. The Urban Poor Consortium (UPC) in Jakarta similarly loosely linked hundreds of people in protests against the alleged inadequacy of social safety nets associated with the IMF/World Bank rescue plan in Indonesia. In Argentina street demonstrations against Fund-sponsored policies have attracted not only trade unionists and organized small farmers, but also many otherwise unconnected individuals. Many participants in recent 'anti-globalization' protests at IMF meetings in Washington and Prague have also drifted in and out of the events without any direct affiliation to a formal civil society organization (CSO).

It is widely maintained that clandestine anarchist cells have orchestrated much of the violence in street demonstrations around recent IMF/World Bank meetings. Although very limited in number, these *agents provocateurs* have attracted television cameras and instilled anxiety among policy-makers to degrees unheard of for formal civil society.

Another recent trend in informal associations that could have long-term significance for civil society mobilization on global economic governance is web-mediated activism. With the expansion of the public Internet since the mid-1980s and the World Wide Web since the early 1990s, many citizens have become involved in discussions about and pressure on the IMF through e-mails, listservs, chat rooms and websites. Much of this Internet communication has been instigated by and transpired between formal civil society associations. However, other ‘online associations’ have had a more informal and in many cases ephemeral character, such as the Initiative Against Economic Globalization – Prague 2000 (INPEG).[24] Electronic activism has proved particularly attractive to youth, who may be devising substantially different modes of civil society organization for the future.[25]

Figure 2: Illustrative Civil Society-IMF Exchanges





IMF Engagement of Civil Society

Formally – by its Articles of Agreement – the IMF deals only with governments. In practice, it is indeed the case that the Fund has conducted the great majority of its relations with member states, most particularly their ministries of finance and central banks. Moreover, the IMF has in general been slower and more reluctant to engage with interested civil society associations than vice versa. However, the Fund has gradually developed a substantial liaison with civic organizations. These links remain much less extensive than those of the World Bank, but they have been notably greater than the outreach initiatives of the WTO, the Bank for International Settlements (BIS) and the Organisation for Economic Co-operation and Development (OECD).[26]

The following pages survey IMF contacts with civil society first with a brief overview of their historical development. A second subsection then highlights several general features of Fund initiatives toward civil society. The rest of the section details the IMF's overtures toward various sectors of civil society. Once again, evidence and examples are taken largely from the seven focal countries of this research.

Historical overview

The Fund began to make noteworthy overtures toward civil society in the 1980s. During most of that decade, outreach activities were restricted almost entirely to publications, press releases and the organization of academic seminars. Not until 1989 did the IMF establish a Public Affairs Division (PAD) within EXR and assign it the specific task, among other responsibilities, of maintaining relations with civil society associations.

Greater expansion of IMF liaison with civil society occurred in the 1990s. During this decade the Managing Director and his deputies considerably increased their meetings with civil society associations, both in Washington and on their frequent travels. Meanwhile most Executive Directors developed the habit of holding interviews with civil society actors, especially during the Annual Meetings. A number of EDs also met with civil society bodies on journeys abroad, including in the context of specially arranged group tours (e.g., to the Middle East and to Eastern Europe). Likewise, senior operational staff of the Fund increased their exchanges with civil society associations at IMF headquarters. As for work in the field, Fund management on several occasions during the 1990s urged staff missions and resident representatives to broaden their discussions with local CSOs. Indeed, in 1999 when the IMF together with the World Bank redefined its approach to structural adjustment in low-income countries, the new Poverty Reduction Strategy Papers (PRSPs) were designed to integrate consultation with civil society into the policy process to an unprecedented degree. At EXR, meanwhile, the 1990s saw PAD double its staff contingent from six to 12 people, including the appointment of a formally designated NGO liaison officer in 1998. During this decade the department also organized around half a dozen external relations missions, where Fund staff met with civil society associations in selected countries such as China, India, South Africa and Ukraine.

In spite of this noteworthy scale of activities, the overall extent of IMF engagement of civil society remains modest at the start of the 21st century. If anything, the current MD, Horst Köhler, has thus far shown less inclination to meet with civil society actors than his predecessor. A few EDs still refuse all requests for interviews from civil society associations. Many staff missions and resident representatives give only passing if any attention to civil society liaison. The Fund has not copied the practice started in the mid-1990s by the World Bank and the United Nations Development Programme (UNDP) of adding an official specifically designated for civil society liaison to many of their resident missions. PRSP consultations are at an early stage of development. PAD remains fairly peripheral within the institutional structure of the IMF. In short, contacts with civil society are on the whole a secondary priority in today's Fund.

To this day, the IMF lacks an explicit general policy on relations with civil society, and management has only rarely issued a staff directive on these matters. Moreover, in contrast to the International Labour Organization (ILO), the World Bank and the WTO, the Fund has no juridical basis for links with civil society built into its constitutional document. Suggestions emerged in the late 1990s that the Articles of Agreement should be amended to legalize the Fund's exchanges with civil society, but this proposal has not gone further. In general, IMF engagement of civil society continues to unfold in a largely improvised fashion.

General patterns

Given this absence of detailed policy guidelines, we might not expect to find much consistency in IMF approaches toward civil society. After all, the Fund has several thousand staff facing a multitude of civil society associations across scores of member countries. Nevertheless, IMF activities regarding civil society have shown certain general patterns.

This informally generated regularity is less surprising given the considerable homogeneity of the Fund's personnel. Global financial regulators form a fairly tight community, with broadly similar educational backgrounds, worldviews and etiquettes. They have graduated from many of the same universities, read the same press, enlist the same tailors, etc. In addition, the institutional culture of the Fund as an organization has been one of substantial hierarchy, conformity, insularity and caution. Hence IMF officials have tended to eschew radical initiatives, particularly on a matter like civil society where few staff have had much experience or training and where the stakes are often overtly political.

Contacts between the IMF and civil society have taken a variety of forms. None of these interchanges has involved formally institutionalized meetings at prescribed regular intervals. However, many direct encounters have occurred on an *ad hoc* basis, in the context of interviews, briefings, seminars, conferences and social events.

Furthermore, the Fund has pursued a host of indirect contacts with civil society associations through third parties such as national governmental institutions, other suprastate agencies, and the mass media.

Regarding the location of direct contacts, the seven-country investigation conducted for this study suggests that the heaviest concentration of IMF meetings with civil society actors are in and around its headquarters in Washington, DC. In addition, the Fund has held fairly regular direct exchanges with civil society associations in the national capitals of program countries, although the scale has varied between, for example, considerable intensity in Buenos Aires and low incidence in Bucharest. Occasional further IMF-civil society contacts have transpired in the national capitals of other member states like Britain and France. However, Fund personnel have rarely met civil society groups outside of capital cities, be it in other urban centres or in rural areas.

As for types of associations, although the pattern has varied somewhat between one country and the next, on the whole the IMF has maintained the greatest number and intensity of direct civil society contacts with economic research bodies. In contrast, the Fund has generally sought far fewer and more superficial exchanges with researchers in other fields of knowledge. Next to university departments, think tanks and consultants in the area of economics, the IMF has pursued its most substantial contacts in civil society with business forums, especially those related to the financial industry and to foreign direct investment (FDI).

The IMF's initiatives toward other sectors of civil society have tended to be more sporadic. Thus, for example, while Fund officials have regularly attended conferences of bankers and academic economists, they have rarely appeared at trade union or NGO meetings. That said, the IMF has periodically sought contact with labour organizations, particularly after Michel Camdessus issued urgings to this effect in 1995. Since the mid-1990s the Fund has also embarked on more sustained direct dialogue with certain NGOs, particularly development groups based in the North. On the other hand, the Fund has taken few steps to engage directly with faith-based associations, especially outside Christian circles in the North, or with more informally organized civil society circles.

Indeed, when it comes to bodies other than economic research institutes and business forums, the Fund has often preferred to keep its links with civil society associations at some distance. Thus, for example, IMF staff have frequently directed NGOs who wish to discuss macroeconomic policy programs to the relevant national government departments. Such diversionary moves have been deployed partly to evade potentially difficult encounters, but also in some cases to avoid offence to those governments (particularly in the South) who object to civil society contacts with multilateral institutions that bypass the state. Certain governments have pointedly asked the IMF res rep to keep a low profile, and one regime has specifically demanded that the res rep have no contacts with NGOs. In dealing with civil society, IMF officials have generally felt substantially constrained by sovereignty concerns, to a noticeably greater degree than World Bank staff. Moreover, the Fund has regarded dialogue between civil society and state as an important way to foster local ‘ownership’ of IMF-supported policies.

In addition, many Fund officials have regarded liaison with civil society as a matter that other multilateral agencies can handle better. In particular, they have cited the greater expertise in these matters at the World Bank, with its substantial cohort of specially designated civil society personnel. IMF staff have also made occasional use of United Nations agencies to obtain information about civil society actors, for example, the ILO regarding trade unions and the UNDP regarding NGOs.

During the 1990s the Fund also put greater emphasis on the mass media as an indirect way to reach civil society associations (as well as the general public). Indeed, the Information Division of EXR is larger than PAD. The flow of IMF press releases has burgeoned over the past decade, and the Fund has devoted considerable efforts to maintaining its widely praised website, launched in 1995. EXR has conducted media training courses for several hundred IMF staff since 1993, and most mission chiefs and resident representatives now readily make themselves available for radio, television and newspaper interviews. EXR has also run several sponsored seminars for journalists, including sessions in Moscow and Singapore.

Finally, before proceeding to review specific Fund initiatives *vis-à-vis* civil society, we should note the influence of the individual in these matters. In the absence of strong policy directives, IMF staff have been able to exercise considerable personal discretion in their approaches to civil society. Certain Fund officials have shown a strong personal inclination to engage with civil society associations, while others have been highly averse to such interactions. For instance, Michel Camdessus revelled in meetings with nonofficial groups, whereas other Managing Directors have been more circumspect. Some mission chiefs and resident representatives have gone to considerable lengths to develop links with civil society groups, while others have been indifferent or have deliberately evaded them.

Research institutes

As already noted, the IMF has on the whole maintained its longest and closest civil society links with economic research bodies, especially in the USA and the UK. This focus in many ways reflects the institutional culture of the Fund. Professional staff at the IMF have generally come with a high degree of academic training (usually in Economics), and the Research Department is one of the largest sections of the organization. Quite a number of Fund officials have held posts in universities and think tanks before and/or after they worked for the Fund. To take one prominent example, Stanley Fischer, First Deputy MD from 1994 to 2001, is a professor at MIT, while his successor, Anne Krueger, heralds from Stanford. In general, then, Fund staff have tended to feel most ‘at home’ in civil society when they are in academic circles. Indeed, IMF visits to research institutes are often visits to fellow alumni, former colleagues and old friends.

Many IMF contacts with research bodies have transpired in the context of academic seminars. Early instances include Fund participation in joint workshops with ODI and the IIE in 1981 and 1982, respectively.[27] Later the IMF launched its own Economic Forum series of public seminars at headquarters, with frequent participation by professional researchers. Fund officials have also regularly attended academic conventions of economists, such as the annual meeting of the American Economic Association. Similarly, representatives of the IMF have frequented think tank meetings – especially in Washington, DC – like the yearly monetary conference of the Cato Institute or *ad hoc* seminars at the Brookings Institution or the ODC. Most of the 13 IMF resident representatives interviewed for this report had given incidental lectures to business and economics departments at universities in the country where they were stationed. Usually the res reps responded to invitations from the academic bodies rather than taking outreach initiatives themselves.

With a more specific purpose, IMF staff have often pursued contacts with research institutes in order to obtain economic data and/or to discuss certain proposals for a prospective Fund-supported program. Thus, most IMF missions call at one or several key economic research bodies in the country concerned, such as TDRI in Bangkok, FIEL in Buenos Aires and the Institute for the Economy in Transition (popularly known as the 'Gaidar Institute') in Moscow. For similar reasons many Fund staff have also consulted (albeit in market circles rather than civil society) with the research departments of major banks in program countries. Such discussions have played a particularly important role for the IMF in cases (such as Argentina in the early 1990s) where the government has limited or unreliable statistics.

Business associations

After research institutes, the IMF has maintained the greatest intensity of its civil society contacts with business forums, mainly banking associations, industrial groups and chambers of commerce. The relative priority accorded to business organizations largely reflects the Fund's reigning assumption that the optimal economy is market-led. Over the past quarter-century IMF-supported policy programs have generally promoted marketization through deregulation, liberalization and privatization. Business – including in particular transborder companies – has figured centrally in such strategies, leading the Fund to accept and sometimes actively court contacts with associations representing commercial interests.

For example, since the 1980s corporate circles (representatives of firms as well as business associations) have been particularly welcome at the IMF/World Bank Annual Meetings. Indeed, business participation has grown into the thousands, to the point that the commercial attendees outnumber the official delegates. Representatives of business have carried badges as 'Visitors' or 'Special Guests' and are named in the published catalogue of participants. In contrast, representatives of other civil society organizations have worn 'NGO' labels and have not appeared in the official list of attendees.

IMF officials have also joined meetings convened by business associations themselves. For instance, Fund representatives have regularly participated in conferences and seminars of the Institute of International Finance. The IIF has also periodically hosted luncheons for IMF Executive Directors. Both Michel Camdessus and Stanley Fischer delivered speeches to conventions of the Argentine Banks Association. Most IMF res reps address one or several national business forums during the two to three years that they are normally stationed in a country.

Perhaps of greater direct policy significance are the informal discussions that IMF staff have regularly held with business associations. For example, the IIF has submitted numerous reports and recommendations for the Fund's consideration. Since 1986 the JCIF has biannually sent a team of senior economists from Tokyo to Washington for detailed consultations with IMF officials regarding the JCIF's world economic outlooks and country risk ratings. From 1993 the IMF Institute and the JCIF have run annual joint seminars in Tokyo for high-level officials from countries in transition, and in the late 1990s the JCIF began to supply the Fund with information on capital flows in Asia.

The Fund's contacts with national business forums have tended to vary. In Argentina both management and missions of the IMF have held many meetings, especially with the ABA and the Argentine Business Council. In contrast, the Fund has had limited contact with business associations in Russia and has concentrated more on foreign investor groups than the poorly developed local organizations. Missions and res reps in Romania have held regular consultations with business groups on issues such as banking supervision and taxation matters. With regard to Thailand neither missions from the Asia-Pacific Department nor the res rep office in Bangkok have shown much interest in meeting with well-established business forums in the country, apart from the two banking associations. In Uganda the IMF has accumulated a thick file on exchanges with the UMA, thanks in good part to that body's well-honed US-style lobbying skills. However, other business groups in Uganda have not received extensive Fund attention. Among US commercial forums, the IMF has mainly had contacts with the American Bankers Association, the Bretton Woods Committee and the US Chamber of Commerce (including overseas branches), although in no case to a particularly great degree.

In all of the countries surveyed for this report, IMF officials have tended to meet mainly with big business rather than small and medium enterprises. Thus Fund contacts have generally focused on associations of major financial companies rather than, for example, unions of local credit cooperatives. Likewise, far more IMF attention has gone to large industrial and commercial conglomerates than to groups representing small and medium enterprises. In short, the Fund has not distributed its ear for business voices evenly between big and little players.

Nor should the intensity of IMF contacts with business associations be overestimated. In particular, the present study has found no evidence of deliberate and detailed collusion between the Fund and corporate groups, including 'conspiracies' that bypass the relevant governments. On the contrary, a number of business lobbies have echoed NGOs in complaining that the IMF does not adequately consult them.

However, in comparison with other sectors of civil society, business associations have generally enjoyed relatively privileged contacts with the IMF. A Fund survey of its civil society relations in 1998-99 concluded that "contacts with business representatives were most prevalent", having taken place in almost 90 per cent of the countries examined.[28] Moreover, the Fund and corporate business forums share many broad visions and interests, so that less consultation time is required to reach mutual understanding and make policy impacts.

Labour unions

Such differences in the intensity of exchanges are readily apparent when IMF links with business groups are compared with its trade union contacts. Thus the 1998-99 survey mentioned above found that Fund missions contacted trade unions in about half of countries (and one might add at a generally more superficial level).[29] As noted earlier, labour associations have long shown considerable concern about the employment and wider social implications of Fund-supported policies. However, the IMF has generally not reciprocated with a similar level of attention to unions.

That said, the Fund has acknowledged the political importance of organized labour, to a limited extent since at least the early 1980s and with more notable outreach initiatives since the 1990s. Speaking before the ILO in 1991, Michel Camdessus expressed the hope for closer IMF contacts with trade unions. Subsequently the IMF has co-sponsored several major seminars for labour leaders: at Washington in 1992 for the ICFTU, the WCL and the ITS; at Vienna in 1995 for Central and Eastern European labour organizers; at Harare in 1996 for union officials in Southern Africa; and at San José, Costa Rica in 1998 for trade unionists from Central America. In recent years the Fund has also specifically designated an official in PAD to oversee relations with trade unions. In 1996 Michel Camdessus was the first IMF Managing Director to address a World Congress of the ICFTU, followed by a speech to the WCL in 1997.[30]

Other meetings of IMF senior management with trade unions have occurred with less publicity. For example, in January 1999 Camdessus cancelled other engagements in order to extend his private discussions with 60 visiting trade union organizers from around the world. The former MD also held a number of quiet discussions with labour representatives during his country visits. In early 1998 Michel Camdessus took deliberate steps to meet labour leaders from Indonesia, Korea and Thailand against the backdrop of new Fund programs in the Asia crisis. At the same time, Stanley Fischer met behind the scenes with a group of Indonesian labour leaders, both from the officially recognized confederation *and* from the then still illegal *Serikat Buruh Sejahtera Indonesia* (SBSI, Indonesian Prosperity Workers Union).[31] To date, however, such high-level consultations have been few in number and superficial in content. An ICFTU-World Bank-IMF meeting in July 2001 discussed possibilities of more regular and more substantive policy consultations among senior trade unionists and Bretton Woods officials, but as yet they have not agreed specific modalities for such deeper liaison.[32]

Other Fund contacts with labour associations have occurred through operational staff, although again the frequency and depth of these exchanges have usually been limited. Under the sponsorship of the ICFTU and its affiliates, several delegations of trade unionists have visited Washington and met with some of the IMF staff responsible for their countries. Examples include deputations from Zambia in 1993, Niger and Mali in 1994, Francophone Africa in 1995, Central Europe in 1996, Asia in 1998 and Africa in 1999. These visitors have normally used the Washington office of the ICFTU/ITS as a channel of communication with the Fund.

In 1995 IMF management issued special instructions that res reps should, in collaboration with the ILO, nurture contacts with local trade unions. Staff have sometimes heeded this urging, as when in November 1997 the Fund representative in Russia attended an ICFTU-sponsored conference in Moscow on the nonpayment of wages. Other res reps have participated in national labour seminars on macroeconomic policy strategies. Moreover, in 1998 staff from the IMF Regional Office in Tokyo attended special meetings of the ICFTU and the ILO concerning employment consequences of the Asia crisis. Yet on the whole res reps – if the seven program countries examined in detail for this report are anything to go by – have not made concerted and sustained efforts to build links with trade unions, even in places like Argentina and Romania where organized labour has played a central (mainly oppositional) role in the politics of structural adjustment.

Likewise, operational IMF missions have at most engaged in occasional discussions with a handful of high-ranking officials in national labour federations. In certain cases (e.g., Bolivia in the mid-1980s), trade unions have rejected an overture from the Fund to meet, but many missions have not issued the invitation in the first place. The new PRSP process is meant to offer trade unions (among others) additional space for input into Fund-sponsored policies. However, initial indications are of limited increases, particularly in many poor countries like Uganda where workers organizations are weak.

NGOs

In terms of modes and extents of interaction, IMF links with NGOs have exhibited some broadly similar patterns to those with trade unions. On the other hand, Fund contacts with development, environment, gender and other such advocacy groups have developed somewhat later and with greater ambivalence. For example, the Fund (in contrast to the World Bank) declined to become a full participant in the SAPRI exercise (though it has observed the proceedings and has provided some materials for the research).

True, both the labour and NGO sectors of civil society have generally adopted highly critical positions toward the IMF. However, Fund officials have perceived trade unions as having clear aims, procedures and constituents, whereas NGOs have often appeared as unknown quantities with dubious claims to legitimacy. Nevertheless, persistently growing pressure on the IMF from NGOs since the early 1980s has prompted the institution to respond with some outreach activities to these groups, especially since the mid-1990s.

Most of these initiatives have been coordinated through the External Relations Department. The Fund has treated contacts with many NGOs – particularly groups that have little acquaintance with the institution – as a public relations issue that should not divert operational staff from their policy tasks. Thus, much of EXR's communications with NGOs has entailed the dissemination of documentation (hard-copy publications, audiovisual productions and online materials). In addition, PAD in 1996 initiated a biannual 'Dear Friend' letter to inform interested citizens (most of them connected to NGOs) about the latest developments at the Fund. Today this mailing list runs to more than 1,000 addresses across the world. More recently EXR has conducted a number of informational seminars for NGOs: in Cameroon and Nigeria in 1999; in the USA, Zambia and across Europe in 2000; and in East Asia and Africa in 2001. From time to time Fund officials have also attended events organized by NGOs themselves, such as a conference on "Economic Sovereignty in a Globalising World" held in Bangkok in 1999 and a seminar on PRSPs in London in 2000.

Occasionally – and with increased frequency in recent years – more experienced NGO campaigners have had talks with operational staff at the Fund. For example, in the first half of the 1990s, IMF economists attended several events with environmental NGOs, including an International Round Table on 'Structural Adjustment and Environment' in Berlin in 1992. Thereafter the Fund invited several eco-advocates and development NGO campaigners to its own seminars on macroeconomics and the environment in 1993 and 1995.[33] However, no further events of this kind have occurred, even in the context of the Rio+5 and Rio+10 processes, save that former Deputy MD Alassane Outtara addressed an NGO-sponsored seminar on sustainable development at Berne in 1997.

On the other hand, since 1995 Fund officials have had quite extensive exchanges with development NGOs in relation to the IMF/World Bank Highly Indebted Poor Countries (HIPC) initiative for debt relief.[34] In all, the Fund and the Bank have held more than 150 meetings with nongovernmental groups (including journalists and the private sector as well as NGOs) about HIPC.[35] As a result, leading figures in the EURODAD and Jubilee 2000 campaigns have become household names in parts of the Fund like PDR.

Meanwhile NGOs have until recently had little direct input to policy-making in respect of specific IMF-financed macroeconomic packages. Fund missions to the seven program countries covered in this study have almost never made an attempt to contact local NGOs. One initiative of this kind by a mission to Romania in 1998 stands out as a rare exception. Likewise, IMF res reps in these countries have pursued either very few links with NGOs (in the case of Argentina, Mexico, Romania, Russia and Uganda) or none at all (in the case of India and Thailand). Moreover, res reps in Uganda have tended to have most of their limited NGO contacts with the local branches of Northern-based organizations rather than with indigenous associations. This hesitancy to approach NGOs in the field has distinguished IMF representatives from World Bank resident missions and

UNDP country offices. At the same time, it must be said that NGOs in most program countries have taken relatively few initiatives to contact Fund missions and resident representatives.

Since 2000 the PRSP framework has begun to involve NGOs in poor countries more extensively in processes connected with IMF-sponsored policies. However, these discussions take place between civil society actors and the government concerned, rather than with the Fund directly. Moreover, many NGOs (in program and nonprogram countries alike) have regarded PRSP consultations with considerable suspicion, worrying that the exercise aims to co-opt critics rather than to address their concerns. Early experience in Uganda suggests that the jury is still out on the extent that PRSPs can promote effective NGO participation in macroeconomic policy-making.[36]

If the Fund has had limited contacts with NGOs on questions of structural adjustment, relations have been even thinner in respect of surveillance. Only in Switzerland have NGOs (since 1993) participated in the annual process of Article IV consultations.[37] Somewhat curiously, NGOs elsewhere in the North have not sought a similar opportunity to engage the Fund on its activities in respect of their own governments. Exceptionally, the Toronto-based Ecumenical Coalition for Economic Justice in 2000 prepared a public critique of IMF advice to Canadian authorities.[38] Otherwise Northern NGOs have only looked to influence the Fund as it pursues structural adjustment in the South, and not as it promotes certain lines of macroeconomic policy in the countries where these activists themselves live.

For the rest, the Fund has had incidental other contacts with Northern NGOs. For instance, Michel Camdessus addressed a conference of TransparencyInternational in 1998. On the eve of the Fourth UN Conference on Women in 1995, FOE-US and the Managing Director exchanged letters concerning the gender implications of IMF-supported programs.

In sum, the IMF has certainly not ignored NGOs and indeed has made increased efforts during the past decade to establish links, especially with development-oriented groups. Yet in terms of both frequency and depth these steps have fallen well short of the initiatives that the Fund has undertaken in respect of research institutes, business associations and even trade unions. On the whole NGO advocates have remained ‘second-class citizens’ in the IMF’s contacts with civil society.

Other civil society bodies

However, NGOs have received more IMF attention than certain other sectors of civil society. For example, the Fund has hardly ever engaged in direct discussions with philanthropic foundations, apart from one or two calls to the Friedrich Ebert Stiftung and the previously mentioned invitation to Michael Edwards from the Ford Foundation.

As for ethnic lobbies, the res rep in Romania ignored an approach from the King of the Gypsies regarding his wish to issue a separate currency for his people.

Associations representing indigenous peoples in Argentina, Brazil, India and Mexico have never sought nor obtained a hearing with IMF officials.

Given its thoroughly secularist character, the Fund has also largely evaded contacts with faith-based associations. In an exception to this rule, Michel Camdessus held several discussions in Washington with the Religious Working Group on the World Bank and the IMF. He also often met with church authorities when he visited a country, including on his trips to Argentina, Romania and Russia. More specifically, the former MD consulted on several occasions with Christian leaders regarding debt relief for poor countries: in London and Washington in early 1996; and at the Vatican in mid-1997. Yet these contacts say more about the person (namely, the deep Roman Catholic convictions of Michel Camdessus himself) than the institution. The rest of the IMF has given religious bodies no consideration of any note, except inasmuch as faith-based groups have participated with secular associations in civil society coalitions for debt relief.

Finally, the Fund has thus far made no attempt to engage more informally organized civil society groups. Recently EXR has tracked certain websites and listserv discussions that appeal to the new generation of street protesters. However, the IMF has not sought to open discussions with these critics, assuming that they would not be interested in such interaction.

Motivations

Thus far this report has established when, where and how civil society associations and the IMF have intersected. Now we move on to consider the motivations in these relationships. What aims have spurred civil society groups in their attention to the Fund, and what objectives have prompted the IMF to forge connections with civil society?

As might be expected, the picture is anything but monochrome. Given the diversity of civil society bodies on the one hand and the breadth of IMF activities on the other, multiple and sometimes competing goals have entered into play. The following section identifies some broad patterns of objectives: first in respect of civil society actors and then in respect of the Fund.

Civil society aims regarding the IMF

Faced with a large variety of civil society aims, it is useful to distinguish between conformist, reformist and radical orientations. Conformism characterizes those civil society actors that seek to uphold and reinforce existing norms and institutions. Conformers may attempt to improve the operation of existing rules or to manipulate established regimes to their advantage, but they pursue no noteworthy change in the governance arrangements themselves. Reformism characterizes those civil society entities that wish to correct what they see as flaws in existing rules and regulatory agencies; however, reformist quests for change do not extend to deeper social structures. Thus reformers seek revisions of laws and institutions without challenging the underlying social order of, for example, capitalist production. Radicalism characterizes those civil society bodies that oppose not only existing policies, but also the deeper principles that inform those rules. Radicals aim for a comprehensive transformation of the social order (whether in a progressive or a reactionary fashion). For instance, they might advance a 'dark green' ecological agenda or a religious revivalist vision.

To be sure, the lines between conformism, reformism and radicalism can blur in practice. After all, at what precise point does a conforming liberal economist become a reforming Keynesian; and when, exactly, does a reforming socialist cross the divide to a radical program? In spite of this imprecision, however, the threefold distinction of conformism (no change), reformism (incremental change) and radicalism (wholesale change) is analytically helpful in identifying the different sorts of aims that civil society actors can pursue in relation to the IMF.

Conformism

Conformist circles in civil society are broadly supportive of the Fund as it is. With this stance they confound the assumption, held by some, that civil society is intrinsically opposed to existing arrangements of global economic governance. Conformers have no major qualms about either the established mandate of the IMF or the general lines of policy that the organization has followed in pursuit of that purpose. Most business associations, many economic research institutes, a minority of NGOs, and an occasional trade union leader (like Ciorbea and Hosu in Romania in the early 1990s) have held a broadly conformist position *vis-à-vis* the Fund.

This is not to say that conformers are necessarily passive and uncritical supporters of the IMF. On the contrary, they may express doubts concerning certain measures that the Fund has recommended. For example, an economic policy think tank may challenge an inflation target that the IMF has suggested, and a business lobby may oppose a tax instrument that the Fund has devised. Conformers might also urge the IMF to take a harder or softer line in its judgements, for example, about fiscal deficits or certain government subsidies. Alternatively, conformers might question the timing of an IMF-supported policy: e.g., the moment and speed at which capital account liberalization or a new banking law is implemented. Or they might object to inconsistency, as when business associations and think tanks in the South demand that the Fund exert equal pressure on all countries, including those of the North, to open their markets to world commerce. In recent years a number of mainstream policy analysts in civil society have suggested that the Fund has given insufficient attention to the institutional dimension of structural adjustment, for instance, a regulatory framework to maximize efficiency in privatized industries. In addition, conformers can be sharply critical of the IMF when they feel that the institution has performed poorly. In this vein a number of civil society voices that otherwise wholeheartedly back the Fund have argued that the institution badly mishandled the Asian financial crisis of 1997-98.

However, while debates in conformist circles about the IMF can become quite heated, these elements of civil society have no significant quarrel with the institution as such. On those occasions when conformers do argue with the Fund, the disputes mainly relate to policy elaboration and execution rather than policy principles. Hence conformers have not questioned the IMF's hallmark commitments to fiscal prudence, tight monetary policy, liberalization, deregulation and privatization. Like the Fund, conformers support neo-liberal market capitalism. Like the Fund, they endorse a methodology of orthodox economics. In a word, conformers aim for the IMF to fulfil its established purposes and policies to the greatest possible extent.

Reformism

In contrast to conformists, reformist circles in civil society work to alter prevailing policy directions and/or existing operating procedures at the Fund. Reformers generally accept that global monetary and financial flows can bring great benefits and that a multilateral agency like the IMF is needed in order that these gains may be maximized. However, reformist voices argue that the Fund as it is currently constructed and run often does not yield these fruits and on the contrary can cause considerable damage. Reformers – who have included many academics, trade unionists, NGO campaigners and faith-based activists – want the IMF to adopt different priorities and practices.

Reformist goals *vis-à-vis* the Fund have broadly fallen under four headings. On the one hand, many reformers in civil society have wanted the IMF to alter the sorts of conditions that it places on its loans to governments. Second, reformers have often advocated reductions or write-offs of the debts that poor countries owe to the Fund. A third recurrent reformist objective has been greater democracy in IMF operations. Fourth, some reformers have sought to reconstruct the Fund in the context of a larger overhaul of global financial governance.

Regarding the reform of conditionality, civil society critics have maintained – some since as early as the 1970s – that the sorts of macroeconomic policies prescribed by the IMF frequently have unacceptable and avoidable social costs. In the eyes of reformers, Fund-supported measures related to exchange rates, government budgets, money supply, privatization and so on often yield harmful consequences for employment, education, health care, sanitation, shelter and support for vulnerable groups. Moreover, the reformers argue, the pains of IMF-sponsored policy changes have generally fallen disproportionately on vulnerable circles such as the poor, women and children, thereby exacerbating social inequalities. Some reformists have furthermore charged that the neo-liberal emphasis on the individual in the marketplace tends to overemphasize economic success and undercut social cohesion. For these critics, the 'free-market' orientation that has reigned at the Fund often undermines rather than promotes social welfare.

Such civil society actors have therefore enjoined the IMF to develop more socially sensitive policies. In their view, Fund-supported programs should protect and indeed enhance poverty alleviation, labour conditions and gender equity. The UK-based Catholic Fund for Overseas Development (CAFOD) has called for the development of a Social Data Collection and Dissemination Standard (SDCDS) to run alongside the IMF's existing SDDS and GDDS.[39] Whereas the Fund and conformers in civil society have generally given priority to 'economic fundamentals' of a vigorous 'free market', reformers have emphasized the need for official policy interventions to steer the market toward optimal social outcomes.

True, some reformist opposition to Fund-sponsored marketization measures has been motivated more to guard special interests than to further general social welfare. For example, trade unions have often resisted SAP-linked contractions of the civil service, changes to labour laws,and privatization schemes – with the understandable aim of defending the jobs of their members – even when existing arrangements have been manifestly inefficient and socially inequitable. However, many if not most reformers have agitated against the IMF with the overall public good in view.

Another recurrent aim among reformers in civil society has been to bring greater cultural sensitivity to Fund policies. In particular, these critics have charged that the IMF has based its policy recommendations on universalistic 'scientific' blueprints that take inadequate account of large diversity across the various contexts where the institution works. Fund programs 'Made in Washington' will invariably fail to achieve even their own goals, so runs this line of argument, unless the economics are grounded in sound political, sociological and anthropological understanding.

Although most reformist criticisms of IMF conditionality have focused on social and cultural issues, some civil society groups have also urged the institution to develop more environmentally sensitive policies. These voices have joined Friends of the Earth in charging that IMF-sponsored measures can produce "wanton destruction of fragile ecosystems [and] depletion of resources at a rate faster than the environment can restore them."[40] As with social questions, these reformers have argued that the Fund should take proactive steps to counter the ecological damage that untrammelled markets tend to generate.

In addition, some reformers in civil society have aimed to expand IMF conditionality to cover issues related to corruption, democracy, disarmament and human rights. For these advocates, the Fund should make its stabilization and structural adjustment support contingent upon measures such as crackdowns on graft, guarantees of free and fair elections, reductions in military expenditure and halts to human rights abuses. However, such objectives have appeared with less frequency in civil society actions regarding the IMF than goals related to social, cultural and environmental ends.

Next to changes in Fund conditionality, many reformers in civil society have pursued the aim of debt relief for poor countries. These campaigners have argued that repayments of large foreign-currency loans – including sums owed to the IMF itself – involve unacceptable social and environmental costs. As governments of these countries struggle to generate sufficient foreign exchange to make debt payments, they may cancel poverty reduction programs and sanction ecologically damaging resource extraction. For many reformers, the moral cost of demanding repayment in these circumstances exceeds the 'moral hazard' of granting debt forgiveness. Hence they have pressed the Fund to promote the fullest and fastest possible debt reduction, usually for the specific purpose of increasing social welfare expenditures.

A third general theme on reformist civil society agendas regarding the IMF has been the democratization of the agency. Indeed, civil society critics have often characterized the Fund as one of the most nonparticipatory, unrepresentative and unaccountable institutions in global economic governance. To improve the organization's democratic credentials, a number of civil society associations have argued for a reallocation of votes among member states in the Board of the Fund. Alternatively, or in addition, critics have urged that the IMF be more integrated into the UN system, with its reigning principle of one state, one vote. From another angle, many reformist voices have advocated greater direct citizen participation and consultation in the policy processes of the IMF. To advance democracy, reformers have frequently demanded that the Fund become more open and transparent to the public, so that citizens can know what decisions are taken in the institution, by whom, from what options, on what grounds, with what expected results and with what resources to support implementation. Certain reformist campaigns have furthermore demanded greater public accountability from the IMF, in particular through the establishment of independent policy evaluations. The IFI campaign of French NGOs has sought to increase parliamentary oversight of their government's involvement with the IMF.

Finally in this considerable list of desired changes in Fund policies and procedures, some civil society reformers have aimed for a comprehensively reconstructed IMF as part of a thoroughly revamped global financial architecture. These voices have envisioned a 'new Bretton Woods', arguing that globalization has so altered the world economy that the multilateral frameworks created in the 1940s have become obsolete. For instance, some of these reformers have considered that the Fund and other multilateral financial institutions should be superseded by a World Financial Authority that takes on more attributes of a global central bank.[41]

Yet, far-reaching though some reformist aims regarding the IMF can be, none of these civil society proposals for change directly challenge the existing primary structures of the contemporary world system. Reformers are not against the principle of institutionalized multilateral monetary and financial governance; on the contrary, they regard a body like the Fund as vital. Nor do these civil society voices reject capitalism as a fundamental organizing principle for the world economy. Reformers want the IMF to play its part in making capitalism work to the maximum social good. They reject neo-liberal 'free-market' approaches, but they are not in principle against (regulated) markets and (reasonable) profits.

Radicalism

As the label suggests, 'radicals' in civil society seek qualitatively greater transformations with respect to the IMF than reformers. For example, these voices attack the very existence of the Fund. Many radicals also oppose globalization of any kind, whether in a neo-liberal or a reformist direction. In some cases these elements of civil society dismiss the IMF because they reject capitalism and modernity in any form. Such radical objectives are mainly found among certain community, religious and youth groups that feel deep discontent with the status quo and promote fundamentally different visions of economy and society.

In terms of challenging the very existence of the IMF, some radical voices have actually come from the ultra-liberal quarters of certain policy think tanks. Bodies like the Cato Institute and the Heritage Foundation in Washington, DC have argued that, at a minimum, the Fund should return to its original narrower approach to balance-of-payments support. In their eyes, the IMF should desist from structural adjustment programs, technical assistance activities and rescue operations in financial crises. A few ultra-liberals wish to shut down the Fund altogether. With this objective it has been possible for the 'far right' to make common cause with the 'far left', for example, in campaigns during 1998 to block US congressional allocations of increased funds for the IMF.

However, ultra-liberals have parted from other radicals on the question of capitalist globalization. Whereas the New Right has opposed the Fund as an obstacle to the optimal operation of market forces in the world economy, other radical activists have opposed the IMF as a prime mover of globalization. These radical strivings have regarded the Fund as an incorrigible instrument of imperialism. From this deeply sceptical perspective, all attempts to reform the IMF are foredoomed to failure: the institution cannot by its very nature be remade for social, cultural, environmental and political betterment. For these radicals, there is no option but to shut down the Fund as part of a larger revolutionary program to transcend the capitalist order, or even modern society in all of its aspects.

As the preceding discussion amply indicates, it is not possible to distinguish a single set of civil society objectives toward the IMF. Civil society associations have not spoken with one voice about the Fund, and there is little prospect that they will ever do so. In the interests of democratic debate that is no doubt a good thing, too.

IMF aims regarding civil society

Whereas civil society encompasses a multitude of associations with highly diverse objectives in respect of the IMF, the Fund itself is a single agency with little internal disagreement concerning its goals in respect of civil society. As suggested earlier, relations with civil society have generally ranked as a low priority at the IMF, and most staff have preferred to focus on macroeconomic analysis and consultations with government, free of interruptions from other issues and actors. However, as also seen before, the Fund has taken various initiatives to engage civil society – particularly in recent years. We can distinguish three main motivations for these actions: intelligence gathering; public relations; and funding.

Intelligence gathering

IMF officials have often approached civil society associations with the aim of gaining policy-relevant information. For the Fund this material has especially taken the form of economic statistics. Numbers are necessary to run the econometric models on which much IMF advice is based. The data motive for contacting civil society has played a role to one degree or another in all of the countries examined for this report.

Sometimes governments lack certain figures, and Fund staff have turned to civil society bodies to fill the statistical gaps. In these cases the IMF has mainly approached research institutes for macroeconomic data. However, Fund staff have also periodically sought information concerning particular sectors of the economy from relevant business forums. For example, IMF missions have regularly asked the national banks association about the condition of a country's credit and foreign exchange markets. Very occasionally, Fund officials have sought out NGOs for information regarding social indicators.

In certain instances the IMF has not trusted the data that a government supplies. Sometimes national authorities can have major political motives to lead the Fund astray. In these situations the IMF has looked to civil society sources – again, chiefly research institutes – in order to audit government numbers. As one resident representative affirmed, "It is important to talk with nongovernmental groups to find out what the government is really doing, as opposed to what it says it is doing." Among the countries surveyed for this study, the aim of a 'reality check' on official statistics figured for the IMF especially in Argentina during the 1980s and in Russia during the 1990s.

For the rest, the Fund has used contacts with civil society as a way to gather general impressions of moods and expectations in a country. These enquiries have normally been less focused and systematic than consultations undertaken in order to obtain specific data. However, IMF officials have usually had an intuitive sense that perceptions are important determinants of economic activity and that policy-makers perhaps need to adjust measures in response to the climate of opinion. Most Fund conversations of this kind have transpired with conformist circles, although some staff have also seen value in occasionally 'getting a different perspective' from reformist voices in civil society.

Public relations

Although the IMF has often approached civil society associations for input to policy formulation, many of the Fund's outreach initiatives have aimed to defend the institution and its programs. Criticisms of the IMF first escalated in the 1970s amidst wider campaigns for a New International Economic Order. Opposition grew further with the debt crisis of the 1980s, the spread of neo-liberal structural adjustment and more recently financial crises in so-called 'emerging markets'. As a result, something of a siege mentality has reigned at the Fund *vis-à-vis* civil society during much of the past three decades.

The organization was somewhat slow to mount counteroffensives until the late 1980s. Then, with unprecedented phraseology, the 1988 *Annual Report* affirmed "a priority on correcting the negative perceptions of the Fund held in some member countries."[42] IMF staff were mobilized in concerted public relations efforts for the 1988 Annual Meetings in Berlin, and for the first time in its 40-year existence the Fund produced some popular information booklets about itself.[43] The next year EXR established its Public Affairs Division and also commissioned a report to consider how the Fund's image in the USA might be improved.[44]

This defensive mode has continued to mark many IMF initiatives toward civil society over the past dozen years. Fund officials have approached civil society associations – especially those with reformist and radical orientations – largely in order to counter criticisms and 'correct misunderstandings'. This aim has provided the chief motivation behind previously mentioned publications programs, external relations missions, 'Dear Friend' circulars, staff appearances in the mass media and countless letters to newspapers to refute purported errors in reporting about the IMF. In December 1998 EXR commissioned (at a cost of $700,000) Edelman Public Relations Worldwide to undertake an assessment of the Fund's "communications with critical audiences around the globe" in order to "strengthen public understanding of the IMF's mission."[45]

Following research in 18 countries, the consultants submitted a report with dozens of recommendations in June 1999.[46]

Although most IMF public relations efforts *vis-à-vis* civil society have had a defensive tenor, on certain other occasions the Fund has made proactive attempts to build support for its activities. Michel Camdessus undertook many such charm offensives in his initiatives to meet with civil society groups. Likewise, in interviews for this study IMF officials spoke of the aim to 'groom' labour with overtures to trade unions. On several occasions staff have undertaken concentrated campaigns to persuade civil society circles of the merits of a Fund-supported structural adjustment package. Such initiatives occurred, for example, in Argentina in January-March 1990 and in Venezuela in April 1996, when IMF missions conducted an intensive program of meetings with business, labour and mass media groups.

Meanwhile at headquarters the IMF opened a Visitors Center in 1986 and substantially upgraded it in 2000. The mid-1980s public relations initiative transpired only grudgingly, when the municipal government of Washington, DC threatened to deny permission for building extension work unless the Fund made itself less secretive. However, a decade later the IMF needed no external prodding to construct a larger, plusher, more informative and more publicly accessible Visitors Center.

In all of these public relations efforts – both reactive and proactive – Fund officials have generally proceeded from an assumption that greater understanding will foster support for their institution. They have tended to attribute much civil society opposition to the IMF to ignorance and anticipate that more contact with and more information for civil society actors should generate greater public support for the organization. As one mission chief expressed this conviction in an interview, "if people get all the facts, they will take the right decisions."

Funding

In attempting to garner civil society support for its work, the Fund has sometimes had a specific pecuniary motive. To pursue its much-expanded activities since the 1970s, the IMF has needed periodic rises in its quota subscriptions and other financial resources. In certain countries these applications for money require specific legislative approval, and some reformers and radicals in civil society have intervened with attempts to block or add conditions to the relevant bills.

The USA has stood out in this regard. The Congress approved requests for IMF quota increases without noteworthy dissent in 1965, 1970 and 1976, but starting in 1980 reformist and radical NGOs in Washington targeted this financial lever of influence. On half a dozen occasions (in 1980, 1983, 1989, 1991-92, 1994 and 1997-98) they have lobbied with considerable effect to delay and/or qualify congressional support for increased US funding to the IMF.

Given this impact, it is perhaps surprising that few civil society critics in other countries have followed the US example to put legislative pressure on the IMF. A coalition of development NGOs in Ireland combined forces with opposition members of the Daíl to withhold the Dublin government's contribution to the Enhanced Structural Adjustment Facility (ESAF) from 1995 to 1999.[47] However, these tactics have not surfaced in other parliamentary democracies.

In the USA, though, a number of Fund initiatives concerning civil society have had the immediate objective of helping to secure financial resources for the organization. Indeed, EXR recruited its first overtly 'political' official in 1983 with the specific task of nurturing US Congressional approval of a quota increase. Subsequently each application for increased resources for the IMF has set off a now familiar dance of lobbying and counter-lobbying on Capitol Hill. As for the Irish case, in 1996 the First Deputy MD was sent on a special mission to Dublin to try to repel NGO opposition to ESAF funding.

In the case of funding, then, IMF actions in respect of civil society have had immediate and specific aims. Yet, taking Fund overtures in sum, the objectives have tended to remain rather general. The IMF has become increasingly convinced of the need to engage civil society actors, but on the whole its strategy has not developed much beyond rather loose aims of containing opposition and cultivating popular support.

Impacts

It is one thing to have objectives; it is of course quite another to have influence. Clearly many civil society voices have spoken out about the IMF over the past three decades, and with generally rising volumes. Yet have these relations had any consequence?

Establishing the *precise* effects of civil society activities on *specific* steps at the IMF is no easy matter. Fund policies result from a complex interplay of forces, among which the involvement of civil society associations is but one aspect. It is difficult – if not impossible – to disentangle the role of civil society players from the influences of governments, other global and regional governance agencies, market actors, and individuals and groups within the IMF itself. Moreover, sociologists would ask how far the Fund's behaviour results from social structural forces as well as – or perhaps instead of – actor inputs. Clearly the identification and measurement of civil society impacts on the IMF raise enormous methodological problems that cannot be adequately addressed in the present report.

Nevertheless, cumulative evidence does allow us to suggest that civil society activities have had certain effects on the Fund. For one thing, we can invoke the counterfactual principle: that is, asking whether a given development would have occurred – or would have taken the particular turn that it did – in the absence of civil society involvement. Furthermore, time after time IMF officials and other governance authorities have ascribed certain decisions involving the Fund partly, and sometimes largely, to civil society interventions. Increasingly, policy-makers in global governance have concluded that civil society matters – to some degree at least – and have adjusted their positions accordingly.

Three general kinds of civil society impacts on the IMF can be distinguished: in terms of policy process, policy content and policy discourse. Regarding the first, civil society activism has encouraged the Fund to make certain alterations to its institutional arrangements. Concerning the second, civil society inputs have sometimes affected the substance of IMF policies. As for the third, civil society associations have arguably moulded the general knowledge framework prevailing at the Fund: both neo-liberal orthodoxy and recent reformulations of the so-called 'post-Washington Consensus'. The following pages examine these three types of influence in turn.

Policy process

One general area of notable civil society effects on the IMF relates to institutional processes. Civil society activities have shaped a number of the mechanisms by which the Fund formulates and implements policies. This is no minor issue, inasmuch as the ways that decisions are taken often significantly affect the substance of the resulting measures. Organization and procedure matter. Civil society's institutional impacts on the IMF have included: new offices; consultation processes; transparency measures; and evaluation mechanisms.

New offices

Regarding the first of these four institutional points, relations with civil society have encouraged the creation of a number of new departments and positions at the IMF. For example, contacts with research institutes, by linking the Fund to the latest developments in the field of Economics, have arguably influenced various adjustments in the terms of reference of staff positions in functional departments at the IMF (e.g., Monetary and Exchange Affairs, Policy Development and Review, etc.). In addition, concerted efforts by certain civil society campaigners were instrumental in pushing major governments to support the establishment of a permanent independent evaluation unit at the Fund in 2001. Meanwhile the formation and subsequent expansion of EXR, the establishment of PAD and the installation of an NGO liaison officer were all direct responses to increased civil society interest in the Fund.

The establishment of other new staff posts at the IMF may also be linked in part to civil society activism. From around 1992 an official in the Fiscal Affairs Department (FAD) was tasked to explore the environmental aspects of macroeconomic policy, owing partly to a decade of Washington-centred civil society campaigns on these matters. Similarly, the appointment of two poverty experts to the IMF in 1999 (in the Africa Department) arguably resulted *inter alia* from long-standing reformist and radical civil society concerns about the social dimensions of structural adjustment. Complaints from some civil society quarters that the Fund has been culturally narrow and inflexible perhaps helped to set a context that was conducive to the appointment in 1998 of a Special Advisor on Diversity to monitor staffing issues in the IMF concerning nationality and gender.

Civil society consultation

A second general shift in institutional mechanisms at the Fund has seen some civil society actors become more directly integrated into policy-making procedures. Moves in this direction have remained quite modest to date, particularly in comparison with World Bank practices. For example, liaison with civil society remains a relatively low priority for IMF missions and resident representatives: it is not emphasized in their terms of reference; nor is it specified in the format of back-to-office reports; nor is it highlighted in staff performance reviews. Also, as previously noted, only one member country (Switzerland) has given civil society groups a formal role in discussions related to Fund surveillance.

Nevertheless, in other respects the IMF has answered civil society demands for consultation. For instance, the Fund has since 1998 adopted a practice of inviting public reactions to certain draft policy documents related to the HIPC scheme and the new evaluation mechanism. Moreover, the recently introduced PRSP framework has formalized civil society consultations in IMF-related policy formulation as never before.

More generally, civil society pressures have promoted the rise since the mid-1990s of a new Fund discourse of 'ownership', which declares, in the words of one ED, that "if governments don't have a solid base of support for an IMF-sponsored programme, it won't work."[48] This marks a definite change in attitude from earlier times, when Fund staff tended to discuss program formulation only with officials of a country's ministry of finance and the central bank. To this extent the IMF has responded to calls – which have emanated from civil society more than anywhere else – that it should engage with the whole of the government and society in its member countries.

That said, it is not yet clear how much impact Fund consultations with civil society groups are having on substantive policy. Sceptics sense that the IMF still takes ownership to mean acceptance by the borrowing state and its citizens of pre-established Fund prescriptions. In 1998 the external evaluation of ESAF (the forerunner to the PRSP-related Poverty Reduction and Growth Facility) concluded that, with respect to ownership, "it has been difficult ... to reconcile the declared intentions with practice."[49] So far PRSP consultations have drawn mixed reactions. In the case of Uganda, for example, many civil society participants have appreciated the opportunity to voice their views, but most doubt that their inputs have had significant concrete effect.[50] Moreover, the PRSP process in its current form does not provide for continuing formal civil society involvement in terms of monitoring program implementation and participating in program evaluation. Given these limitations, various civil society associations may well continue to press for greater involvement in IMF policymaking.

Transparency

Third, on the institutional front, civil society activism has helped to make the IMF more publicly transparent. In a general sense, civil society initiatives of the past 20 years (including street demonstrations in particular) have done much to pull the Fund from the shadows into the public limelight. In contrast, the absence of significant civil society attention has probably helped other major agents of global financial governance like the BIS retain a lower public profile.

In addition to giving the IMF general publicity, civil society associations have also had impact through specific efforts to open up the institution. Moves to break the cloak of secrecy that tightly enveloped the Fund prior to the 1990s largely originated with US-based NGOs. Thanks in part to lobbying from these advocates, the US Congress in 1994 withheld three-quarters of a requested $100 million appropriation for the replenishment of ESAF, subject to greater information disclosure by the Fund.[51] As the 1990s proceeded, 'transparency' became a mantra not only for NGOs, but also many academic institutes, policy think tanks and trade unions that engaged with the IMF. By the end of the decade many people in financial governance and financial markets – including the management of the Fund itself – had adopted the slogan as their own.

Indeed, under pressure from civil society voices, the Fund has in recent years taken considerable steps toward greater openness. Prior to 1995 a private citizen could not even examine an IMF staff list at the entrance of the headquarters building, let alone scrutinize official policy documents. Subsequently the Fund has increasingly published its loan agreements with member governments, its documents connected with Article IV consultations, summaries of Executive Board deliberations, and the reports of internal and external evaluations. The IMF has also declassified most of its archives, set up the SDDS and GDDS, pursued the public relations activities described earlier, and released considerable information regarding the financial condition and internal organization of the Fund itself. Thus the IMF is today far less obscure and secretive than it was before various civil society advocates launched concerted calls for greater openness.

To be sure, transparency at the IMF continues to have limits. Indeed, the institution has good reason to keep certain market-sensitive information confidential, for example, where advance notice of certain proposed policy measures could undermine their effectiveness. However, a minority of governments (like the Russian Federation) still decline to publish most if not all documents concerning their relations with the Fund. In addition, some IMF officials remain deeply socialized in a culture of 'discretion' that has traditionally pervaded capitalist finance. The Fund policy line may have changed to transparency, but in practice these staff still readily don the mantle of 'confidentiality'. Another limitation to advances in IMF transparency relates to availability: most of the Fund's public disclosure occurs in English via official publications and the World Wide Web; yet most of the people affected by IMF activities have neither English fluency nor Internet access. So while the considerable opaqueness of earlier days has gone, grounds for civil society campaigns for IMF transparency remain.

Evaluation

A final civil society role in institutional change at the Fund relates to policy evaluation. Many associations have issued persistent calls over many years for greater 'accountability' of the IMF, thereby helping to put this issue on the reform agenda. In addition, several advocacy groups have made pointed interventions on the subject. For example, the Center of Concern in 1997–98 convened a 'Study Group on Transparency and Accountability in the International Monetary Fund' that included full participation by current and former senior IMF staff. Its report with detailed recommendations received extended consideration by the Executive Directors. FOE-US and the Bretton Woods Project also campaigned doggedly for an independent evaluation unit at the Fund.[52] In 2000, British NGOs made direct interventions with the UK Treasury concerning the details of the prospective unit's operations.

The IMF has indeed instituted mechanisms for policy evaluation, with the associated implication of taking greater credit for its successes and greater responsibility for its failures. The Fund first increased the amount and rigour of its internal self-evaluation. For example, whereas the IMF's handling of the 1980s debt crisis was not subjected to a systematic internal review, its role in the 1997-98 Asia crisis received a detailed, self-critical and highly publicized post mortem. In 1996 the Office of Internal Audit and Inspection was upgraded to conduct more reviews of all aspects of the Fund's organizational structure and work practices. In the same year the Executive Board created an Evaluation Committee and began to explore the possibility of external assessments of IMF activities. Three *ad hoc* external policy reviews were conducted in 1997-99 (regarding ESAF, research and surveillance) before a permanent independent evaluation unit was created in 2001.

To be sure, formal policy assessment remains fairly new and relatively untested at the IMF. Moreover, no mechanisms such as a court, an ombudsperson or (as at the World Bank) an inspection panel are yet available to hold the Fund accountable in the event that its activities cause damage. Nevertheless, policy evaluation has become substantially integrated into IMF operations during the past decade, and it is difficult to imagine that this development would have occurred – or gone as far as it has – in the absence of civil society agitation.

Given the moves reviewed above toward greater consultation, transparency and evaluation, the IMF has recently become far more open to the publics that it affects. It would be too much to call the institution 'democratic', but it has modestly improved its record of public participation and accountability. This trend can be attributed in good part to civil society activism, as no other quarter was pushing so insistently for these changes.

Policy content

Yet how far has this 'opening up' changed the substance of IMF policies? As ever, it is difficult to draw exact conclusions in relation to specific measures. However, some general effects of civil society can be mentioned under four headings: marginal policy adjustments; debt relief; social policy; and other conditionalities.

Marginal adjustments

Many civil society impacts on IMF policy positions have been relatively minor, affecting the details rather than the principles of Fund prescriptions. On these occasions civil society associations have helped to prompt the IMF to alter its recommendations regarding macroeconomic targets, the timing of measures, etc. Small shifts of this kind can of course have far-reaching consequences for particular actors, spelling the difference between solvency and bankruptcy, employment and unemployment. However, in the larger scheme of things such changes are not especially significant.

Civil society inputs that promote marginal policy adjustments have mainly come from associations with conformist aims, such as most economic research institutes and business associations. Thus, for example, the IIE in Washington has produced a number of studies of IMF policies (sometimes involving current or former Fund staff) that have obtained considerable hearing in the institution.[53] As for situations in particular program countries, several IMF staff have acknowledged the influence of the think tank FIEL in shaping the fiscal targets that they have set for Argentina.[54] Meanwhile a decade of persistent lobbying by the Uganda Manufacturers Association has drawn the Kampala government and the Fund part of the way toward industry's position on corporate taxation. In Thailand the Foreign Banks Association has had considerable input to the IMF's policies for restructuring the financial sector after its collapse in mid-1997. The present research did not encounter specific cases of marginal policy impacts by civil society in Romania or Russia, although further investigations could well uncover them.

Indeed, instances like the above – where think tanks or business groups have had identifiable effects on particular policy details – are relatively few in number. Thus the IMF is by no means subject to overt day-to-day control by business interests, as some conspiracy theory might have it. Inasmuch as conformist civil society associations have influence on the Fund, the impact tends to be more diffuse and subtle, through the cumulative effect of countless seminars, receptions, informal shared meals and other *ad hoc* contacts. Hence conformist groups have generally affected broad policy discourses (discussed below) more than specific policy decisions.

Debt relief

Some of the most notable shifts in substantive IMF policy that can be attributed in good part to civil society activism relate to the management of the hard-currency debts of poor countries. Until the mid-1990s the Fund did not regard its claims on these members as a significant impediment to their economic development. It was assumed that standard rescheduling formulas, together with neo-liberal structural adjustment measures, would before long create the conditions for sustainable debt repayment. Forgiveness of debts to the IMF was out of the question.

This position changed in 1996, when the Fund and the World Bank launched their HIPC Initiative of exceptional relief on debts that eligible countries owed to them. Three years later the HIPC program was revised to provide larger and faster debt forgiveness, as well as tighter links between debt relief and poverty reduction. At the time of this writing, the Executive Boards of the IMF and the World Bank have confirmed the eligibility of 23 countries for the HIPC scheme, with a prospective total relief of $20.7 billion in net present value terms (or $33.9 billion in nominal debt service relief).[55] There is, it would seem, no turning back to old-style rescheduling for poor countries.

Informed observers are nearly unanimous in the view that civil society activism has been a principal driver of the HIPC process, as well as debt relief more generally.[56] The seemingly endless stream of civil society publications, media campaigns, behind-the-scenes lobbying, and public demonstrations has had effect. A host of faith-based groups, secular NGOs, development-oriented think tanks, trade unions and informal networks of concerned citizens joined forces with affected Southern governments to press Northern governments and the Bretton Woods Institutions themselves to change course. In recent years even some business associations like the Bretton Woods Committee have added their support to the HIPC cause.[57] The particular prominence of Jubilee 2000 in these efforts should again be stressed, including its personal impacts on Michel Camdessus and several G7 leaders and finance ministers, particularly Britain's Gordon Brown.[58]

The debt campaign has receded somewhat since the end of 2000, although many reformists and radicals in civil society remain highly dissatisfied with the HIPC Initiative and prevailing general approaches to debt relief. Associations like Drop the Debt and Jubilee South have continued to advocate comprehensive debt cancellation for poor countries.[59] In the meantime some civil society associations have begun to track the actual implementation of HIPC agreements. For example, the Uganda Debt Network has constituted Poverty Action Fund Monitoring Committees in 17 districts to check that debt relief monies are indeed, as intended, committed to poverty reduction programs.[60]

Social policy

Debt campaigns are one of several ways that civil society initiatives have pushed social issues up the IMF agenda. Prior to the mid-1990s there was little sign of deliberate social policy at the Fund. The institution recommended stabilization and structural adjustment packages with no particular calculation of their social implications, let alone what could be done to protect education, employment, health, housing, sanitation and vulnerable groups. Fund staff assumed that countries had to endure pain to achieve gain.

The prevailing belief was that, with time, market forces unleashed through neo-liberal reforms would defeat poverty and reduce social injustice.

This tune began to change around 1992, when Michel Camdessus declared before the UN Economic and Social Council that "the essential missing element [in IMF programs] … is a sufficient regard for the short-term human costs involved during adjustment or transition to a market economy."[61] By 1994 Fund-backed macroeconomic packages regularly included so-called 'social safety nets' to reduce adverse impacts on the poor and the weak.[62] To promote the newly emphasised theme of 'high-quality growth', the Fiscal Affairs Department in 1995 and 1998 hosted high-profile seminars on income distribution and social inequity.[63] In 1999 Michel Camdessus went as far as declaring that poverty reduction was the IMF's primary objective in developing countries. ESAF was accordingly renamed the Poverty Reduction and Growth Facility (PRGF). Only three years earlier the Director of FAD had unabashedly declared that poverty alleviation was "not a main or explicit objective of the IMF."[64]

This shift in Fund policy cannot be explained without reference to reformist and radical activities in civil society. Labour unions, NGOs, religious associations and various research bodies were the main purveyors of social messages *vis-à-vis* the Fund during the 1980s and 1990s. At this time the executive and legislative branches of government in program countries often exerted little pressure on the IMF regarding these matters. Relevant line ministries of client governments sometimes tried to raise questions concerning public services, poverty and social equity, but the Fund invariably focused its discussions on the finance ministry and the central bank, where social policy usually held less sway. Meanwhile the G7 governments at the time adopted the same sort of *laissez-faire* approach that prevailed inside the IMF itself, and business circles had not yet discovered the rhetoric of 'social responsibility'. In short, apart from civil society pressure there was at first little impetus for greater social sensitivity in Fund policies.

To be sure, the 'social turn' at the IMF coincided with the advent in the later 1990s of more social-democratic governments in most of the G7 countries. These years also saw the rise of business concerns with 'corporate citizenship'. The Fund moreover took a substantial lead on social issues from the World Bank, where poverty concerns became central following the arrival of James Wolfensohn as President in 1995. Clearly, then, civil society campaigns have not been the only – or even main – force for the rise of social policy at the IMF.

However, NGOs and trade unions were, together with a number of United Nations agencies, the principal promoters of social policy in the 1980s and early 1990s. Arguably these circles kept the social agenda alive while others rode the *laissez-faire* bandwagon of that time. In the past decade, too, large NGO Forums at various UN conferences have given extra force to a social dimension in global economic governance through the IMF. Indeed, reformist and radical voices in civil society have frequently pushed social issues more strongly than so-called 'third way' governments.

On certain occasions civil society associations have also had effects on specific social policy measures related to the Fund. For example, in 1998 trade unions shifted certain terms of an IMF-backed revision of the labour law in Argentina. In addition, civil society pressure for socially sustainable adjustment (along with similar urgings from several UN agencies) helped to convince the Fund to depart from its usual fiscal conservatism and advocate deficit spending for social ends in Thailand and other countries afflicted by the Asian financial crisis. In Uganda, civil society involvement in the PRSP process in early 2000 helped to make employment policy a priority concern next to the IMF's traditional preoccupations with macroeconomic stability.[65]

None of this is to overstate the magnitude of social policy in today's IMF. After all, social issues continue to attract only brief and general mentions in many of the programs that the Fund negotiates with governments, particularly of middle-income countries like Argentina and Russia. It is also too early to judge how far the rhetoric of 'poverty reduction' will shift the actual substance of IMF-supported policies in HIPC countries. To date the Fund has also shied clear of recommending income redistribution (even within countries, let alone between them) to achieve social equity. Nor has the IMF taken up trade union urgings to incorporate respect of core labour standards into its loan conditionalities.

Other conditionalities

Apart from limited shifts in the area of social policy, civil society activities have not had much impact in reshaping IMF approaches to macroeconomic matters. True, certain civil society initiatives have encouraged the Fund to give some attention to 'good governance' questions, especially in relation to corruption. Here IMF executives have taken particular inspiration from the work of the Transparency International network, launched in the early 1990s on the initiative of a former World Bank manager.[66] In 1997-98 the Fund produced a sudden string of publications on corruption as well as a Code of Good Practices on Fiscal Transparency.[67] On several occasions (e.g., loans to Cambodia and Kenya in 1996), the IMF has actually halted the disbursement of credits until corruption issues were addressed. However, anti-corruption campaigners in civil society would like the Fund to tackle these issues with greater consistency and vigour.

Moreover, democracy and human rights advocates can be disappointed that the IMF has not interpreted the concept of 'good governance' to encompass more of their agenda. In technocratic fashion, the Fund has tended to separate the 'economic' from the 'political' and mainly restricted its concerns with 'governance' to matters such as improved accounting and control mechanisms and civil service reform.[68] This is not to say that the IMF has been completely indifferent to human rights questions. For example, pressure from the Fund may have been instrumental in effecting the release of some tortured labour organizers in a particular African country in the mid-1990s.[69] At a personal level, too, many IMF staff have shown sympathies to the human rights movement. However, as an institution the Fund has not incorporated democracy and human rights into its formal conditionality, as some reformers and radicals in civil society have urged. Several PRSPs have incorporated human rights concerns, but the IMF has resolutely refused to make respect of human rights a prerequisite for its assistance to governments.[70]

Environmental policy is another area of IMF practice where civil society proponents of change can take little comfort. While NGOs and community associations with ecological concerns have figured with considerable prominence *vis-à-vis* the United Nations and the multilateral development banks, civil society actors have exerted comparatively little pressure on – and given but small nudges to – the IMF.[71] The Fund gave some lip service to environmental issues (in terms of declarations, a few seminars and several publications) in the atmosphere of the Rio process in the early 1990s.[72] However, only a small fraction of IMF loan agreements have made any reference to ecological degradation, let alone specific measures to counter it. Likewise, eco-efficiency as a goal of macroeconomic policy has had no noteworthy place in Fund surveillance or technical assistance. In 1992 the IMF gave some feedback to studies by the World Wide Fund for Nature on the environmental consequences of structural adjustment programs, but the Fund declined an invitation from WWF to continue this discussion in respect of a follow-up publication in 1996.[73] Senior management at the IMF has shown scant inclination – and on the contrary has sooner expressed positive reluctance – to expand conditionality to encompass ecological matters.

The emphasis from some reformist and radical quarters of civil society on gender issues has, if anything, made even less impression at the Fund than environmental questions. True, the chief IMF representative at the Beijing Conference on Women made comments unknown to the Fund of earlier days, noting that “policies that seem to be gender blind may be far from gender neutral in their impact.”[74] However, the intervening six years have generated little evidence to back her further statement that “gender analysis is … being used to improve economic adjustment programs.”[75] IMF-sponsored stabilisation and structural adjustment programs have only occasionally made explicit reference to women’s circumstances, and then usually only with a passing nod. The Fund has hired no economists with specialization in gender analysis; nor have any staff in FAD explored gender issues in the way that certain officials have examined poverty alleviation and environmental problems. Part of the reason for this neglect may be that civil society associations have not put much stress on gender questions in their contacts with the IMF. In particular, women’s organizations have directed little specific campaigning on the Fund, concentrating their concerns with global economic governance much more on development projects and trade agreements.

Finally, on a more positive note, civil society critiques have probably played a part in prompting the IMF in recent years to incorporate some greater choice into the policy menus that it presents to client governments. Long-standing complaints throughout civil society (as well as many market circles and official quarters) regarding inflexible Fund ‘blueprints’ have apparently had some effect. IMF management has instructed staff to give client governments a choice of several policy scenarios and to engage in more dialogue with national authorities concerning the means to achieve program ends. To this extent the Fund has shown more sensitivity to local and national contexts and greater appreciation of cultural, economic and political conditions that affect the viability of policies. That said, many critics in civil society find that the range of options on offer is still too narrow and that the Fund could still do much more to listen to its clients' needs.

Policy discourse

Taking the various substantive impacts discussed above together, can it be said that civil society has shaped overall policy frameworks at the IMF? Have research institutes, business forums, labour unions, NGOs, faith-based groups and other civil society bodies moulded governing ideas and mindsets at the Fund? If so, then civil society would affect not only immediate process and substance of policy at the IMF, but also the deeper discourses that permeate the institution.

Relations with certain quarters of civil society certainly helped to entrench the so-called 'Washington Consensus' on neo-liberal economic restructuring at the IMF from the late 1970s until the mid-1990s. The phrase 'Washington Consensus' was coined in 1989 by the economist John Williamson and subsequently became popular shorthand for a policy program at the Bretton Woods Institutions based on comprehensive marketization of the world economy as the optimal path of human and social progress.[76] In many ways a triumphalist response to the crisis and then collapse of state socialism in the Soviet bloc, neo-liberalism prescribed full-scale privatization, liberalization and deregulation, on the premise that *laissez faire* provides for maximum efficiency and in turn also human security, social equity and democracy.

Particular parts of civil society played an important role in generating this faith in unadulterated market capitalism at the IMF. For one thing, a high proportion of Fund economists of the Washington Consensus period were graduates of a relatively small circle of (mainly US and British) universities that propagated a neo-liberal understanding of the world economy. The same academic institutions have also produced a larger 'epistemic community' of neo-liberal thought to which Fund management and staff have broadly belonged. Thus economic think tanks and consultants, relevant foundation directors, forums of big business, financial journalists, financial regulators and financial corporate executives and their economic advisers have all spoken the same language with the IMF. Constant interaction with these civil society, official and market quarters (and a comparative lack of interaction with other social circles) have helped Fund staff to acquire and keep their neo-liberal convictions (and to downplay or even be unaware of alternatives). For example, the 'Anglo' circle has dominated the pages of the IMF's house journal, *Finance & Development*, and the podium of Fund conferences.

Civil society contributions to the consolidation and perpetuation of the Washington Consensus have been especially strong in the Americas (North and South) and other parts of the Anglophone North. Hence, among the countries examined for this report, the global neo-liberal epistemic community (including its civil society elements) has sunk deepest roots in Argentina and the USA. Yet the IMF's main interlocutors in Thailand and Uganda have also often obtained their professional training in a core circle of US and UK university economics departments. In Russia, too, the Fund has found several local think tanks (mainly financed from abroad) that confirm its neo-liberal truths.

In short, conformers in civil society have played an important role in reinforcing the confidence of Fund officials in their orthodoxy.

In recent years a number of commentators have pronounced the death of the Washington Consensus on untrammelled market capitalism.[77] Certainly the IMF and the World Bank have become more conscious of the need for a deliberate construction of institutional and regulatory infrastructures that allow markets to perform to their optimum. In this vein so-called 'second-generation' structural adjustment programs have put new emphasis on financial supervision, judicial reform and quality public services. Similarly, discourses of 'participation', 'ownership', 'transparency' and 'poverty reduction' have promoted a different ethos of global monetary and financial governance at the Fund.

The extent of this change in prevailing policy perspectives at the IMF is debatable, of course. Critics have suggested that, in the absence of more substantial shifts like a move toward global Keynesianism or the adoption of transformative conceptions of sustainable development, the so-called post-Washington Consensus is little more than neo-liberalism with some institutional knobs added. Thus, for example, sceptics are quick to emphasize that, for prevailing opinion at the IMF (as well as conformist forces in civil society like the Institute of International Finance), a 'new global financial architecture' involves modest rewiring and a plumbing upgrade rather than wholesale reconstruction. Hence the doubters see the purported new leaf as a fig leaf.[78]

Yet however shallow or deep this turn in IMF discourse runs, civil society has played a part in effecting it. After all, the Fund has faced years of critiques from reformist and radical research bodies, NGOs, religious associations and trade unions; plus calls since the mid-1990s from prominent business groups like the World Economic Forum for a globalization that works for all; and the high-profile so-called 'anti-globalization' protests of recent years. Together these pressures from civil society have unsettled the neo-liberal consensus within the cosy epistemic community where the Fund has preferred to operate.

So we can certainly conclude that civil society engagement of the IMF has played an important part in generating debate about globalization. Civil society associations have figured prominently both in the promotion of the neo-liberal course of globalization and in the formulation of critiques of, and alternatives to, this orthodoxy. It seems most unlikely that we would have heard so much – and so much argument – about globalization over the past decade in the absence of civil society activities *vis-à-vis* multilateral economic institutions, and the IMF prominently among them.

Conclusion

Global economic governance is a primary issue of contemporary politics. The IMF is a leading site of that governance, with its stabilization and structural adjustment programs, its surveillance procedures, its technical assistance and training operations and its initiatives regarding global financial markets. Through these activities the Fund can considerably affect – in both positive and negative directions – efficiency, stability, ecological integrity, social justice and democracy in the global economy.

Quite understandably in this light, the IMF has over the past two decades attracted increased attention from civil society circles. This report has indicated that, across the world, many research institutes, business associations, labour unions, NGOs, philanthropic foundations, religious bodies and informal associations have concerned themselves with the IMF. The Fund has responded with increasing – if still often rather reluctantly – initiatives toward civil society associations. Although it is difficult to calculate the effects of these interchanges with any precision, civil society inputs have clearly helped to mould various aspects of policy process, policy substance and policy discourse at the IMF.

The history of civil society engagement of the Fund is far from finished, of course. For example, civil society associations generally continue to face major challenges in educating themselves about the IMF and keeping up to date with its many activities. Likewise, most groups still have much to learn about effective tactics to shape Fund policies. Apart from well-established research institutes and well-funded business forums, most civil society organizations pursue their interventions with the IMF in a context of chronic resource shortages. In addition, civil society actors confront ongoing challenges of meeting democratic criteria in their own operations, for instance, in terms of inclusive participation, open debate, transparent decision-taking, and effective accountability mechanisms.[79]

As for the IMF, its staff face major converse challenges to learn more about civil society and about how to engage with various types of civic associations in a multitude of culturally diverse settings across the global economy. Although the Fund is generally comfortably resourced, its civil society liaison initiatives have attracted relatively limited support. The IMF also has significant improvements to make in terms of increasing its accessibility to all quarters of civil society, including more critical groups in particular. As noted earlier, various aspects of the institutional culture of the Fund make these adjustments difficult.

So, to progress, both sides in IMF-civil society relations must overcome substantial hurdles of self-education, resource provision and democratic practice. To be sure, the goal is not to forge consensus, with its dangers of co-optation and complacency. Rather, further development of IMF-civil society relations could raise the quality of debate about the global economy and its regulation, making these deliberations more inclusive, more informed, more open, more reflective, and more creative. Therein lies the greatest potential benefit of civil society for the future course of globalization.

Endnotes

[1] This is not the place to discuss the relative merits of contending notions of 'civil society'. The conception adopted here is elaborated and defended in my "Global Civil Society," in N. Woods (ed.), *The Political Economy of Globalization* (Basingstoke: Palgrave, 2000), pp. 173-201; "Civil Society and Democracy in Global Governance," *Global Governance*, vol. 8, no. 3 (July-September 2002); and "Civil Society and Governance in the Global Polity," in M. Ougaard and R. Higgott (eds), *Toward a Global Polity?* (London: Routledge, 2002), pp. 145-65.

[2] I am not aware of any other substantial investigations of this subject. My earlier publications on the topic include "The International Monetary Fund and Social Movements," in R. O'Brien *et al*., *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements* (Cambridge: Cambridge University Press, 2000), pp. 159-205; "In the Foothills: Relations between the IMF and Civil Society," in R.A. Higgott *et al*. (eds), *Non-State Actors and Authority in the Global System* (London: Routledge, 2000), pp. 256-73; and "The IMF and Civil Society: An Interim Progress Report," in M. Edwards and J. Gaventa (eds), *Global Citizen Action* (Boulder, CO: Rienner, 2001), pp. 87-103.

[3] Particular thanks for help in arranging interviews are due to IMF staff in the External Relations Department; Fernanda Tuozzo and Diana Tussie at FLACSO-Argentina, Buenos Aires; Chirawatana Charoonpatarapong and Kamal Malhotra at Focus on the Global South, Bangkok; Zie Gariyo of the Uganda Debt Network, Kampala; and Jo Marie Griesgraber, then at the Center of Concern, Washington, DC. Funding for research trips was provided by the Economic and Social Research Council (under grant L120251027), the University of Warwick and the Ford Foundation (under grant 1015-1437).

[4] Cf. S. George, "The Global Citizens Movement: A New Actor for a New Politics." Paper presented at a conference on "Reshaping Globalization: Multilateral Dialogues and New Policy Initiatives" at the Central European University, November 2001 – available at http://www.tni.org/george; M. Wolf, "Uncivil Society," *Financial Times*, September 1, 1999.

[5] Cf. my "Civil Society and the Governance of Global Finance," in J.A. Scholte with A. Schnabel (eds), *Civil Society and Global Finance* (London: Routledge, 2002), pp. 11-32.

[6] For more detailed accounts, see M. de Vries, *The IMF in a Changing World, 1945-85* (Washington, DC: IMF, 1986); H. James, *International Monetary Cooperation since Bretton Woods* (New York: IMF/Oxford University Press, 1996); P. Blustein, *The Chastening: Inside the Crisis that Rocked the Global Financial System* (New York: Public Affairs, 2001).

[7] International Monetary Fund, *Annual Report 2000* (Washington, DC: IMF, 2000), pp. 95, 100. Unless otherwise indicated, all amounts cited in this text are in US dollars.

[8] http://www.worldbank.org/html/extdr/about/; World Bank, *Annual Report 2000* (Washington, DC: World Bank, 2000), p. 30. The budget figure covers only the International Bank for Reconstruction and Development and not the other four branches of the World Bank Group.

[9] World Trade Organization, *Annual Report 2001* (Geneva: WTO, 2001), pp. 138, 146.

[10] IMF, Article I; see further M. Guitián, *The Unique Nature of the Responsibilities of the International Monetary Fund* (Washington, DC: IMF, 1992).

[11] The IMF's financial resources have been denominated in SDRs since 1970. At the time of writing an SDR was valued at US$1.27.

[12] International Monetary Fund, *Annual Report 1999* (Washington, DC: IMF, 1999), p. 138.

[13] *Ibid*, p. 4.

[14] International Monetary Fund, *Annual Report 1966* (Washington, DC: IMF, 1966), p. 133.

[15] International Monetary Fund, *Financial Organization and Operations of the IMF* (Washington, DC: IMF Pamphlet Series No. 45, 1998 5th edition).

[16] For a snapshot overview, see the organigram in IMF, *Annual Report 2000*, p. 94.

[17] *Ibid*, pp. 137-8.

[18] *Ibid*, pp. 176-9.

[19] Cf. C. Abugre and N. Alexander, "Non-Governmental Organizations and the International Monetary and Financial System," in UNCTAD, *International Monetary and Financial Issues for the 1990s – Volume IX* (New York: United Nations, 1998), pp. 107-25.

[20] http://www.50years.org/index.html
[21] http://www.halifaxinitiative.org/
[22] http://www.globenet.org/ifi/
[23] http://www.attac.org
[24] http://www.inpeg.ecn.cz
[25] See further K.A. Hill and J.E. Hughes, *Cyberpolitics: Citizen Activism in the Age of the Internet* (Lanham, MD: Rowman and Littlefield, 1998); J. Naughton, "Contested Space: The Internet and Global Civil Society," in H. Anheier *et al*. (eds), *Global Civil Society 2001* (Oxford: Oxford University Press, 2001), pp. 147-68; C. Warkentin, *Reshaping World Politics: NGOs, the Internet, and Global Civil Society* (Lanham, MD: Rowman and Littlefield, 2001).
[26] For an insiders' account, see T. Dawson and G. Bhatt, "The IMF and Civil Society: Striking a Balance," in Scholte with Schnabel, pp. 144-61.
[27] For the published proceedings, see T. Killick (ed.), *Adjustment and Financing in the Developing World: The Role of the International Monetary Fund* (Washington, DC: International Monetary Fund, 1982); J. Williamson (ed.), *IMF Conditionality* (Washington, DC: Institute for International Economics, 1983).
[28] "Status Report on Follow-Up to the Reviews of the Enhanced Structural Adjustment Facility, Prepared by the Policy Development and Review Department in Consultation with the Fiscal Affairs Department, August 30, 1999," p. 6, at http://www.imf.org/external/np/esaf/status/index.htm
[29] *Ibid,* pp. 6-7.
[30] *The Global Market – Trade Unionism's Greatest Challenge* (Brussels, International Confederation of Free Trade Unions, 1996); "Camdessus Calls for Actions to Make Globalization Work for Workers," *IMF Survey*, vol. 26, no. 23 (December 15, 1997), pp. 391–92.
[31] Interview with the author. See also N. Field, "IMF Had Key Role in Gaining Indonesian Labour Rights," *Australian Financial Review*, May 19, 1999, p. 10.
[32] See http://www.worldbank.org under "Labor Markets."
[33] "Seminar Explores Links between Macro Policy and the Environment," *IMF Survey*, vol. 22, no. 11 (June 14, 1993), pp. 177, 187; "Linking Macroeconomics and the Environment," *IMF Survey*, vol. 24, no. 11 (June 5, 1995), pp. 172-75.
[34] For more on the HIPC Initiative, see http://www.imf.org/external/np/hipc/doc.htm; and A.R. Boote and K. Thugge, *Debt Relief for Low-Income Countries: The HIPC Initiative* (Washington, DC: IMF Pamphlet Series No. 51, 1997).
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