

**CIVIL SOCIETY AND IMF ACCOUNTABILITY**

**Jan Aart Scholte**

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Email: [J.A.Scholte@Warwick.ac.uk](mailto:J.A.Scholte@Warwick.ac.uk)

## **Abstract**

This paper examines in what ways and to what extent civil society activities have made the International Monetary Fund answerable to those whom it affects. It is argued that various types of civil society associations have used multiple kinds of tactics to advance IMF accountability on a number of occasions, particularly in relation to certain matters such as transparency, debt relief and social concerns. However, the overall scale of these contributions has remained modest to date, so that civil society has only partly closed the significant accountability gaps that are found at the Fund. Moreover, civil society relations with the IMF have often been rather hegemonic, in the sense that the accountability secured through these citizen channels has, on the whole, flowed disproportionately to dominant countries and social circles, rather than to subordinate countries and social strata who generally experience the greatest accountability deficits vis-à-vis the Fund. The need for future improvements in IMF accountability is therefore not only to nurture more civil society activities in respect of the institution, but also more civil society initiatives that directly engage, and are themselves more accountable to, marginalised countries and social groups.

## **Keywords**

Accountability, Civil Society, Global Governance, International Monetary Fund.

## Introduction

The International Monetary Fund (IMF, or informally ‘the Fund’) is one of the most prominent, influential and, at times, contested institutions in contemporary global governance. Following a relatively sleepy existence in the first quarter-century after its creation at the Bretton Woods Conference in 1944, the IMF greatly enlarged its agenda, resources and membership to become a significant architect of accelerated globalisation, particularly during the 1980s and 1990s, and especially in countries of the global south and the former Soviet bloc. The Fund’s role in balance of payments support is now mostly restricted to low-income countries, but for other countries too the institution remains a major source of macroeconomic policy advice, technical assistance, training, policy research, and rules in respect of global financial flows.

Expanded IMF activities and impacts have raised demands of accountability on the institution. A wide range of stakeholders – national governments and other governance agencies, market players, civil society associations and general publics – have affirmed that the Fund should be answerable for its (potentially highly consequential) actions and omissions. Moreover, critics have worried that insufficient mechanisms are in place to correct deficiencies in IMF performance, with the result that constructive regulation of today’s more global economy could be compromised. A leading figure at the Fund puts this point starkly, noting that:<sup>1</sup>

The IMF can be a huge force for good if it has the right kind of accountability. Either we get the accountability right or we lose the opportunity of this institution to make globalisation a fairer process.

Other studies have examined issues of IMF accountability in general terms.<sup>2</sup> The present paper assesses the specific role of civil society activities in this regard.<sup>3</sup> Among

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<sup>1</sup>Interview with the author, 17 April 2007.

<sup>2</sup>Cf. N. Woods, ‘The Challenge of Good Governance for the IMF and the World Bank Themselves’, *World Development*, vol. 28, no. 5 (May 2000), pp. 823-41; N. Woods and A. Narlikar, ‘Governance and the Limits of Accountability: The WTO, the IMF, and the World Bank’, *International Social Science Journal*, vol. 53, no. 170 (2001), pp. 569-83; A. Buirra (ed.), *Reforming the Governance of the IMF and the World Bank* (London: Anthem, 2005); B. Carin and A. Wood (eds), *Accountability of the International Monetary Fund* (Aldershot: Ashgate, 2005).

other things the analysis draws on field investigations of IMF-civil society relations undertaken at periodic intervals since 1995 across five continents, especially in Argentina, Brazil, Canada, Egypt, France, Romania, Russia, Thailand, Uganda, the UK and the USA.<sup>4</sup> How have civil society groups helped to make the Fund answerable to those whom it affects? In what ways and to what extents have civil society associations brought the IMF due recognition of its successes and due rectification of its shortfalls?

The argument put forward here is that various types of civil society associations have used multiple kinds of tactics to advance IMF accountability on a number of occasions, particularly in relation to certain policy areas like transparency, debt relief and fiscal space for social expenditure. However, the overall scale of these contributions has remained modest to date, so that citizen action groups have only partly closed accountability gaps. Moreover, IMF-civil society relations have often been rather hegemonic, in the sense that the accountability secured through these citizen channels has, on the whole, flowed disproportionately to dominant countries and social circles, rather than to subordinate countries and social strata who generally experience the greatest accountability deficits vis-à-vis the Fund. The need for the future is therefore not only to nurture more civil society involvement in IMF affairs, but also more civil society activity that directly engages, and is itself more accountable to, marginalised countries and social groups.

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<sup>3</sup>Other publications on IMF-civil society relations, albeit not specifically addressing the link to Fund accountability, include 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; R. O'Brien, A.M. Goetz, J.A. Scholte and M.A. Williams, *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements* (Cambridge: Cambridge University Press, 2000), ch. 5; Scholte, 'The IMF and Civil Society: An Interim Progress Report', in M. Edwards and J. Gaventa (eds), *Global Citizen Action: Perspectives and Challenges*. Boulder, CO: Lynne Rienner, 2001, pp. 87-103; T. Dawson and G. Bhatt, 'The IMF and Civil Society: Striking a Balance', in Scholte and A. Schnabel (eds), *Civil Society and Global Finance* (London: Routledge, 2002), pp. 144-61; Scholte, *Civil Society Voices and the International Monetary Fund* (Ottawa: North-South Institute, 2002); and B. Thirkell-White, 'The International Monetary Fund and Civil Society', *New Political Economy*, vol. 9, no. 2 (June 2004), pp. 251-70.

<sup>4</sup>Funding for this fieldwork has been generously provided by the Economic and Social Research Council, the Ford Foundation, the Nuffield Foundation, and the University of Warwick. Major gratitude is also due to several hundred civil society actors and IMF officials who have kindly given their time and shared their expertise for my studies of their relationships.

To elaborate this argument, the first section below surveys the activities for which the IMF can be held accountable, the constituencies to whom the Fund is answerable, and the main mechanisms in place to effect (at least partly) that accountability. The second section reviews the general features of civil society relations with the Fund and the direct as well as indirect ways that citizen groups engage this global governance institution. The third section assesses where and how far civil society interventions have advanced IMF accountability. Concluding remarks raise concerns about – and possible corrective steps against – an overall hegemonic character of Fund-civil society relations that tends to skew accountability advances in favour of already privileged quarters.

### **IMF Accountability**

Before assessing the role of civil society in IMF accountability it is necessary to establish the character of that accountability. For what activities does the Fund need to answer? To whom is it answerable? What mechanisms are currently available to enact that accountability? How far do those mechanisms achieve adequate IMF accountability to its various constituencies? The following section addresses these four questions in turn.

#### *Accountability for what?*

An actor (in this case the IMF) is accountable for its actions and omissions. So what does the Fund do (and possibly neglect to do)? By its Articles of Agreement, the IMF has the tasks: (a) to promote international monetary cooperation; (b) to facilitate the balanced growth of international trade; (c) to support foreign exchange stability; (d) to maintain a multilateral system of payments between members; (e) to assist in the correction of maladjustments in members' balance of payments; and (f) to reduce the duration and severity of disequilibria in members' balance of payments. The first four objectives are more systemic in character, while the last two relate to individual countries within the world economy.

To further these aims the IMF has regularly provided its member states with balance of payments support. Some of these credits provide stabilisation during short-

term balance of payments problems. Other Fund loans extend over longer periods while the country concerned makes structural adjustments to its economy in order to achieve a sustainable balance of payments position. Member states in the North ceased taking IMF credits after the mid-1970s. Governments of middle-income countries have largely stopped seeking financial assistance from the Fund in recent years, having accumulated sufficient foreign-exchange reserves to see themselves through most balance of payments fluctuations, although a recurrence of major financial crises could change this situation. Meanwhile many low-income countries, particularly in Sub-Saharan Africa, continue to rely heavily on balance of payments support from the IMF. As of 2006, 55 low-income countries had credits of SDR 13 billion with the Fund.<sup>5</sup> These figures are down on the 56 country programmes collectively amounting to SDR 48.3 billion of loans in 1999, but the sums remain far greater than the 20 programmes involving a total of SDR 2.6 billion that the IMF was supporting in 1979.<sup>6</sup>

While the IMF role as a source of balance of payments financing has (for the time being at least) receded for many countries, the institution continues to figure significantly across the world as a provider of macroeconomic policy advice. Since the late 1970s the Fund has executed comprehensive and detailed surveillance of economic performance. In this vein the IMF holds so-called ‘Article IV consultations’ with individual member-states, normally on an annual basis. Staff also monitor and advise on the overall world situation, for example, with the biannual *World Economic Outlook* and *Global Financial Stability Report*. In recent years the IMF has in addition built up regional-scale surveillance in respect of the Asia-Pacific, Europe, Latin America and Caribbean, Middle East and Central Asia, and Sub-Saharan Africa. The Fund maintains substantial research and statistics departments to support surveillance work and the policy recommendations to governments that this monitoring generates.

The IMF has furthermore pursued technical assistance and training activities on a large scale, chiefly vis-à-vis states that are low in capacity for macroeconomic analysis.

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<sup>5</sup>International Monetary Fund, *Annual Report 2006* (Washington, DC: IMF, 2006), p. 67. The SDR (Special Drawing Right) is the IMF unit of account, at the time of writing valued at US\$1.51.

<sup>6</sup>International Monetary Fund, *Annual Report 1999* (Washington, DC: IMF, 1999), p. 138.

The Fund despatches scores of technical missions each year to support governments and central banks in their national capitals. In addition, the Fund has run training courses for thousands of 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), as well as four co-sponsored programmes set up in 1999-2001 in Africa, China, Latin America and the Middle East.

From a more systemic perspective, the IMF is a notable source of rules in respect of the huge expansion of global financial flows that has transpired since the 1970s. In addition to supporting the post-1971 global monetary regime of floating exchange rates, the Fund took a leading role in promoting capital account liberalisation during the 1980s and 1990s. Since 1996 the IMF has promoted data dissemination standards as guidelines for government production of economic and financial statistics, with a view to improving the operation of global capital markets. In recent years the Fund has moreover contributed to the formulation of ‘codes of good practice’ on fiscal, monetary and financial sector policies. Along with the Bank for International Settlements (BIS), the Fund has also figured in other debates on global financial governance, for example, in respect of offshore centres and hedge funds. However, the IMF has thus far refrained from more interventionist public regulation of global finance, particularly in the direction of a progressive redistribution of its benefits.

In sum, in an era of economic globalisation marked by much-enlarged financial and trade flows among countries, an institution like the IMF has a large and vital role to fill. The Fund provides coordinated oversight of macroeconomic conditions nationally, regionally and globally and is a prime source of public policy advice concerning the tight interconnections between these several scales of economic activity. The IMF also is – and could be even more – one of the principal sources for effective and equitable public governance of global financial flows. However, to invest the Fund with legitimacy to undertake these tasks presumes that adequate processes of accountability to its constituencies are in place. Is that the case?

*Accountability to whom?*

To answer this question one must first identify the constituencies to which the Fund is answerable.<sup>7</sup> The traditional formula, as reflected in the IMF Articles of Agreement dating from 1944, has it that intergovernmental multilateral institutions like the Fund owe accountability wholly and solely to their member states: collectively in respect of systemic functions; and individually in respect of actions directed at specific countries. In turn, says this orthodox statist conception, each shareholding government is answerable to its national citizens for its actions and omissions vis-à-vis the Fund. The conventional paradigm therefore suggests that global governance accountability to citizens is achieved entirely by indirect means through nation-states.

An alternative approach to the accountability of global governance agencies proceeds from what might be termed the ‘affected principle’. From this perspective – an approach that is arguably better suited to the more regionalised and globalised world of the early twenty-first century – the Fund is answerable to those whom its actions and omissions significantly impact. Anyone whose life conditions and life chances are significantly influenced by IMF activities is a stakeholder in the institution with a rightful call upon its accountability. These affected parties may include governments, business quarters, working people, women, vulnerable circles like diseased and disabled persons, and various ethnic and religious groups.

On this alternative understanding, the IMF to be sure remains answerable to its member states. Governments are significantly affected parties, particularly in relation to the credits, policy advice, technical assistance and training that the Fund supplies them. The IMF is further answerable to governments for the effects, positive and negative, that its measures of global financial regulation may have on the fiscal and monetary positions of the respective national regimes. The Fund is moreover accountable to states collectively for its impacts on regional and global economic conditions that governments must handle.

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<sup>7</sup>The following discussion examines a variety of IMF accountabilities to parties *outside* the institution. There are of course also lines of accountability *inside* the agency among management and staff, but these matters are not considered here.

Yet the IMF also affects nongovernmental constituents. For example, Fund conditionalities and policy advice could deeply shape the employment prospects and labour conditions of working people. The gendered consequences of certain Fund-supported macroeconomic policies (e.g. regarding subsidies on staple goods) could substantially affect the position of women. IMF advice regarding government expenditure could have far-reaching repercussions on HIV/AIDS patients, educational opportunities for children from low-income families, etc. Certain Fund-backed measures could also offend the mores of particular religious and ethnic groups.

States can secure some of the IMF's accountability to nonstate parties, but not all. For one thing, the interests of governmental and nongovernmental actors do not always parallel. The consequences of Fund involvements for state and nonstate actors can overlap, and indeed may do so very substantially. However, the effects of Fund-supported policies are rarely uniform across all quarters and on the contrary may sometimes diverge quite notably. Hence it cannot be assumed that states hold global governance agencies like the IMF adequately to account for all affected parties within the country, especially in respect of subordinated circles who obtain little voice in the national order.

Moreover, particularly in the case of weak states, governments in the contemporary more regionalised and globalised world are often not able fully to control economic, social and ecological impacts associated with IMF actions. Although the formal juridical principle accords each state 'sovereignty' in its relations with the Fund, in practice a government today lacks the capacities to realise that absolute, supreme, unilateral, comprehensive control of its macroeconomic situation. Some autonomous power – quite a lot in relation to weak states – lies with the IMF itself. Thus a government often cannot by itself hold the Fund adequately to account and requires supplementary monitoring and control by other governments and/or nonofficial parties.

IMF accountability has also become more complex in the contemporary world inasmuch as the contours of societal organisation have altered. The Fund was created at a time when society and polity took the single form of the nation-state. Today, however,

the frame of social relations is often regional (both within and among countries) and global as well as national. This situation is implicitly recognised when the IMF undertakes surveillance of regional and global economies as well as country circumstances. Economy and society today unfold on several scales concurrently. National, regional and global arenas are of course interconnected, but the regional and the global cannot be reduced to the national. The Fund therefore has distinctive accountabilities for its impacts on regional and global conditions alongside its answerability for developments in respect of countries.

This multi-scalar character of contemporary social life is reflected not only in material circumstances, but in political consciousness as well. Many people now construct their political identities and citizenship practices at least partly in regional and global frames, next to and in some cases even ahead of their national affiliations. In relation to Fund activities, for example, many people responded to financial crises of the 1990s in terms of regions (especially Asia and Latin America) as well as countries. More generally, financial stability and equity as promoted *inter alia* through the IMF is now widely regarded to be a global public good.<sup>8</sup> Similarly, when tens of thousands of persons mobilised for the cancellation of poor country debts owed to the Fund and other multilateral institutions they did so (if only implicitly) in a spirit of global citizenship. That is, the campaigners were in part affirming rights and exercising responsibilities as members of a global political community.<sup>9</sup> In such ways many people expect the IMF to be accountable for what the institution does not only in respect of their country, but also regarding their region and their global world. Arguably states, with their focus on individual territories and nationalities, are not adequate vehicles on their own to secure regional and global accountabilities.

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<sup>8</sup>C. Wyplosz, 'International Financial Instability', in I. Kaul *et al.* (eds), *Global Public Goods: International Cooperation in the 21<sup>st</sup> Century* (New York: Oxford University Press, 1999); M. Allen, 'Financing the Global Public Good of International Financial Stability', in I. Kaul *et al.* (eds), *Global Public Goods Financing: New Tools for New Challenges* (New York: Oxford University Press, 2002).

<sup>9</sup>Cf. I. Hanson and A. Travis, *Breaking the Chains: The New Jubilee 2000 Debt Cutter's Handbook* (London: Jubilee 2000 Coalition, 1999); R. Greenhill *et al.*, *Did the G8 Drop the Debt? Five Years after the Birmingham Human Chain, What Has Been Achieved and What Remains to Be Done?* (London: CAFOD, 2003).

In sum, traditionalist conceptions see the IMF as accountable to its member states, end of story. In contrast, revisionist notions maintain that, next to states, the Fund is to some extent also directly answerable to citizens. Moreover, that citizenship now often has regional and global as well as national contours. When queried about accountability, management and staff at the IMF often recite a statist formula as ‘the official line’. However, within as well as outside the institution it is increasingly recognised that Fund accountability is more complex than traditional multilateralism would have it. As one senior IMF official recently declared, with apparent equanimity,<sup>10</sup>

International institutions have multiple lines of accountability. That is the nature of modern democratic governance. At the Fund our legal accountability is to the Board, but we feel obliged also to listen to others, and that is a good thing.

The question then arises how to practice this multi-scalar and multi-faceted accountability.

#### *Accountability by what means?*

From Bretton Woods the IMF has inherited formal accountability mechanisms that exhibit a decidedly statist character. Ultimate oversight of the institution is exercised through its Board of Governors, comprised of the heads of finance ministries and/or central banks of the now 185 member states. The Governors convene twice yearly, in the Annual and Spring Meetings. The Managing Director (MD) also provides periodic reports on the Fund’s activities to the International Monetary and Financial Committee (IMFC), an organ of the Board of Governors.

Day-to-day operations of the Fund are overseen by an Executive Board (EB), which in practice constitutes the principal formal line of accountability for management and staff of the institution. Chaired by the MD, the EB has 24 Executive Directors (EDs) who variously represent a single state or a group of states. With several lengthy meetings each week, this organ takes the final decisions on most policy and programme matters. Extensive internal self-assessments by staff of IMF policy performance are reported to

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<sup>10</sup>Interview with the author, 17 April 2007.

the EB. Procedures for internal reviews were upgraded in 1996. In 1997-99 the Board commissioned three ad hoc external assessments of the IMF's work, regarding structural adjustment funding, research and surveillance, respectively. Since 2001 the Fund has had a permanent Independent Evaluation Office (IEO) that each year undertakes around three large-scale reviews of IMF activities in selected policy areas and submits the findings and recommendations to the EB. Although a recent external evaluation of the IEO highlighted certain limitations in this accountability process,<sup>11</sup> the office has issued a number of thorough and sometimes quite critical assessments of the Fund's work. Alongside the IEO the Board has also continued to convene ad hoc expert panels, such as the Committee to Study Sustainable Long-Term Financing of the IMF (2007) and the External Review Committee on IMF-World Bank Collaboration (2007).

In pursuing accountability of the IMF management and staff, Governors and EDs hold votes that are weighted in accordance with the size of shares that the countries which they represent hold in the subscribed capital of the IMF. On this formula states in North America and Europe together command over half the votes on the Board. Indeed, with 17 per cent the USA by itself can veto any proposed amendment to the Articles of Agreement, which requires 85 per cent backing. In contrast, 21 countries of Latin America together have 7.2 per cent of the Board vote, while 43 countries of Sub-Saharan Africa between them have a mere 4.4 per cent.<sup>12</sup> Looked at another way, the G7 governments jointly hold 43 per cent of Board votes, while 83 other states hold less than 0.1 per cent each.<sup>13</sup> In terms of Board structure, then, accountability is heavily skewed towards a minority of politically-economically Northern and culturally Western states. This distribution is the more problematic for accountability inasmuch as the Fund has over the past quarter-century had its most extensive involvements in countries whose governments have minimal votes on the Board.

In principle, Governors and Executive Directors of the IMF are accountable to the citizens of their respective countries through national electoral and parliamentary

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<sup>11</sup>*Report of the External Evaluation of the Independent Evaluation Office*, 29 March 2006, at [www.imf.org/external/np/pp/eng/2006/032906.pdf](http://www.imf.org/external/np/pp/eng/2006/032906.pdf).

<sup>12</sup>IMF, *Annual Report 2006*, pp. 164-7.

<sup>13</sup>[www.globenet.org/ifi/rubrique.php3?id\\_rubrique=5](http://www.globenet.org/ifi/rubrique.php3?id_rubrique=5)

processes. In practice, however, these accountability mechanisms are generally very weak, especially outside North America and Western Europe. Many EDs hold the vote for a group of states and are a national citizen of only one of them. Indeed, it is particularly difficult for EDs representing low-income countries to practice accountability to national parliaments. In the worst cases of overstretch, the two EDs for Sub-Saharan Africa cannot realistically be expected to answer to 19 and 24 country legislatures, respectively.

Nowhere, North or South, has there been consistent active parliamentary oversight of a state's Governor and Executive Director at the IMF.<sup>14</sup> True, several notable legislative interventions have occurred in respect of the Fund since the 1980s, particularly by the US Congress when debating quota increases for the institution. In a handful of countries like Britain, Canada, France, Ireland and the Nordics (again, all in the global North) the minister of finance has in recent years begun to submit an annual report to the legislature concerning the government's activities at the IMF. Yet these cases are striking as exceptions to the overall pattern of sidelined national assemblies. Indeed, in the vast majority of cases governments have taken credits from the Fund without first obtaining parliamentary consent, in spite of the significant effects of these loans on government budgets. Very exceptionally, too, have national legislators (as in Armenia in 2007) called the local resident representative of the IMF to speak before them.

The Fund has since the 1990s, and especially in recent years, taken some modest initiatives to build links with national parliaments. For example, external affairs staff at the IMF have organised ad hoc seminars for legislators in several countries, including Kenya in 2003 and East Timor in 2004, as well as 2-3 regional events per year across Africa, Central America and Eastern Europe. Since 2007 the Fund has maintained an online discussion forum where legislators may contact staff with queries, albeit that this channel of communication has as yet been little used. In 2006 the Fund prepared a more detailed guide for staff on relations with legislators, in place of an earlier cursory two-

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<sup>14</sup>R. Round, *Who's Minding the Store? Legislator Oversight of the Bretton Woods Institutions* (Ottawa: Halifax Initiative, 2004).

page note that did little but urge caution.<sup>15</sup> On a few isolated occasions (namely, Britain in 2002 and 2007 and Germany in 2002) the MD has appeared before a national legislature. Yet on the whole these steps in parliamentary outreach have been few and tardy. Never has the Fund tasked more than two or three members of its staff with a specific responsibility (among other tasks) to develop relations with parliamentarians.

As for international grouping of legislators, the long-established Inter-Parliamentary Union (IPU) has not given the IMF any particular attention. However, and contrary to what its name might suggest, the Parliamentary Network on the World Bank (PNoWB), set up in 2000 and now counting over a thousand legislators from 110 countries, has also addressed Fund matters, if secondarily. The MD or another senior manager has attended each PNoWB annual conference since 2003. Other IMF staff have attended various regional and country events of the network. To a lesser degree the Fund has also engaged the Global Organization of Parliamentarians against Corruption (GOPAC). Yet it is hard to say that these sporadic exchanges with international parliamentary networks have greatly furthered the democratic accountability of the Fund.

Instruments for IMF answerability to regional and global constituencies are even weaker than the generally thin mechanisms for national accountabilities. True, some states may sometimes on some issues seek to further regional and global identities and interests; however, the primary orientation of country governments is to the national sphere. Among the proliferating regional governance apparatuses across the world, only the European Union (EU) has so far accorded the Fund formally institutionalised attention, namely, through the Sub-Committee on IMF Matters (SCIMF) of the Economic and Financial Committee (ECOFIN). Likewise, among regional assemblies the MD has once (and only once) met with Members of the European Parliament, in 2007. On a global scale the IMF has formal relations with the United Nations (UN) and maintains bureaux in New York and Geneva for liaison with its organs. However, the UN-IMF

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<sup>15</sup> 'Guide for IMF Staff Outreach to Legislators' (4 January 2006), at [www.imf.org/external/np/exr/leg/eng/guide.htm](http://www.imf.org/external/np/exr/leg/eng/guide.htm)

Agreement that governs these relations emphasises the autonomy of the Fund,<sup>16</sup> and in practice too these arrangements have had little consequence for IMF accountability. The Fund does not report to the Economic and Social Council (ECOSOC), for example.

Finally regarding formal accountability instruments it might be noted that, in contrast to the World Bank, the IMF lacks an external complaints mechanism like an inspection panel or an ombudsperson. (An internal ombudsperson has existed since 1999 to handle employment-related problems of IMF staff.) Although some reformers have floated proposals in this direction,<sup>17</sup> as yet no specifically designated office exists where the public can submit allegations of harm or misconduct in respect of the Fund. Instead, complainants must take their grievances to Governors, Executive Directors, the IEO or parliamentarians and hope that these channels will suffice. As the IMF and its staff have immunity from prosecution in respect of their official mandate, it is not possible for citizens to take the institution or its personnel to any court for alleged policy mistakes.

Considering these various formal modes of accountability together, it would seem that only the large shareholding states exercise meaningful control of the Fund. Only this handful of governments has substantial voice on the Board and maintains even rudimentary parliamentary oversight of the IMF. Likewise, only Europe has even the beginnings of regionally based monitoring of the Fund. In contrast, the small shareholders – often the states that are most dependent upon the IMF for credits, technical assistance and macroeconomic advice – have very little accountability leverage. Their vote on the Boards is minimal, their parliaments are generally passive vis-à-vis the Fund, and they have no regional instruments of control on the global agency.

As for IMF accountability to citizens, even most stakeholders in dominant countries stand at a very long arm's length from the Fund. Meanwhile citizens of weakly represented states realistically have no official channel of voice to the IMF. Their

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<sup>16</sup>Cf. 'Agreement between the United Nations and the International Monetary Fund' (1947), in *Selected Decisions and Selected Documents of the IMF* (Washington, DC: International Monetary Fund, 2006 30<sup>th</sup> edn).

<sup>17</sup>Cf. D.D. Bradlow, 'Operational Policies and Procedures and an Ombudsman', in Carin and Wood, ch 5; New Rules for Global Finance, *High-Level Panel on IMF Board Accountability: Key Findings and Recommendations*, April 2007, p. iv.

governments are in a heavily dependent position, their EDs are vastly overextended, their parliamentarians are generally disengaged, and the small IEO lacks the resources to reach them even if it were so inclined. When one moves further to vulnerable social circles in marginal countries there is no working formal arrangement of any kind for Fund accountability to these constituencies. Thus the persons who can suffer the most catastrophic consequences if the IMF gets policy wrong effectively have no recourse in official procedures.

In addition, existing formal instruments offer weak if any means to effect Fund accountability in respect of regional and global dimensions of citizenship in today's post-statist world. IMF Governors and EDs represent states, not regional or global polities. Regional parliaments – whether directly elected or (as in most cases) indirectly selected – have given no more attention to the Fund than national legislatures. Meanwhile neither the IMF itself nor the UN has – or shows any signs of acquiring – a popularly elected assembly of its own.

Given the substantial limitations just described of formal accountability mechanisms in respect of the IMF, stakeholders who seek to hold the institution more fully answerable for its deeds and neglects must turn to supplementary informal channels. One option in this regard is the mass media. In other words, citizens and/or weak governments might take their grievances regarding the Fund to journalists in the hope that negative publicity through the press could prompt corrective actions. The IMF for its part has since the 1990s devoted considerable attention to media relations, *inter alia* through a substantial division inside the External Relations Department (EXR) and with media training for staff, started in 1993.

Otherwise IMF accountability can be pursued informally through civil society activities. That is the particular concern of the rest of this paper. In what ways and to what extent do civil society associations execute an (informal) accountability function in respect of the Fund? In particular, how far do civil society initiatives help to fill the especially severe gaps in IMF accountability that exist with respect to weak governments,

to citizens North and South, and to marginalised social circles? Potentially, civil society could play a major and very positive role in Fund accountability. But does it do so?

### **IMF-Civil Society Relations**

Before examining the specific ways and degrees that civil society activities do and do not promote the accountability of the International Monetary Fund it is helpful to identify which ‘civil society’ engages the institution, and how. This section of the paper first surveys the kinds of civil society organisations that relate to the IMF and analyses their overall sociological profile. Then channels of direct and indirect civil society interaction with the Fund are reviewed.

#### *Civil society in the IMF context*

Civil society can be broadly understood as a political arena where associations of citizens seek, from outside political parties, to shape the rules that govern one or the other aspect of social life. In the present context the ‘rules’ in question are those that emanate from the IMF in respect of global monetary and financial flows as well as macroeconomic policy more generally. The principal types of citizen associations concerned with the Fund are a mix of (in roughly descending order of the intensity with which they engage the agency) research institutes, nongovernmental organisations (NGOs), business forums, labour unions, faith groups, and more ephemeral popular mobilisations. Regarded in terms of social structure, this civil society is predominantly Northern, western, urban, professional, male-led, able-bodied and white. In other words, sociologically the civil society that engages the IMF generally mirrors rather than counters social hierarchies in global politics at large.

Research institutes (particularly those that examine macroeconomic policy) have pursued some of the longest and most extensive monitoring of the IMF. A number of prominent think tanks are clustered near Fund headquarters in Washington. Some like the Brookings Institution and the Institute of International Economics (IIE) produce mainstream liberal analyses of IMF-related policies, while others like the Center for

Economic and Policy Research (CEPR) and the Institute for Policy Studies (IPS) generate more radical critiques. In addition, most national capitals around the world host several think tanks that undertake investigations of Fund activities, particularly as related to their country or region. The IMF's first direct contacts with civil society organisations in the early 1980s involved overtures to think tanks. A reconsideration of external relations strategy at the Fund in 2007 has once again placed high priority on engaging research institutes. Throughout the years the unspoken IMF rule has been to seek out the mainstream think tanks while generally eschewing the radical critics.

Next to research institutes, some of the most detailed and persistent attention to the IMF since the late 1980s has come from NGOs. Especially prominent in these circles are a number of development advocacy groups based in North America and Western Europe, including the European Network on Debt and Development (Eurodad), Oxfam and World Vision. Local development NGOs in the global South also often have concerns about Fund involvement in their countries, although these groups are generally less well equipped to engage the multilateral institution than their transnational counterparts.

A second important cluster of NGOs has been interested in the IMF as a global governance organisation per se. Their work focuses on policy process in the various areas of the Fund's work, including but not limited to development issues. In Washington these global governance NGOs include the Center of Concern (especially its Rethinking Bretton Woods Project), the Fifty Years Is Enough Network, and the New Rules for Global Finance Coalition. Other NGOs in this vein include the Bretton Woods Project and the One World Trust in London, the Ottawa-based Halifax Initiative Coalition, and the campaign of some thirty NGOs in France 'To Reform the International Financial Institutions'.

Other sectors of NGOs have given limited if any attention to the Fund. The Washington offices of several environmental advocacy groups like Friends of the Earth (FOE) and the World Wide Fund for Nature (WWF) engaged the IMF for a time in the 1990s, but this activity has subsided in recent years. A few women's associations have

raised general issues about purportedly gendered consequences of IMF activities, but only occasionally and without a concerted advocacy programme.<sup>18</sup> Meanwhile NGOs concerned with consumer issues, human rights, humanitarian relief, and youth affairs have not pursued any sustained actions of note vis-à-vis the Fund.

In business circles the IMF has attracted the attention of banks associations, chambers of commerce, employer federations, and lobby groups related to specific economic sectors. A few business-based organisations like the Bretton Woods Committee and the World Economic Forum (WEF) have been interested in the Fund as a global governance institution per se. However, most other business groups have only mobilised vis-à-vis the IMF when its activities directly impact their commercial interests. Especially prominent in this regard is the Institute of International Finance (IIF).

Broadly the same pattern has prevailed in respect of trade union engagement of the IMF. The Washington offices of global labour organisations – since 2006 consolidated as the International Trade Union Confederation (ITUC) – have regularly raised questions regarding the general policies and institutional structure of the Fund. Starting in 2002 the IMF and the World Bank have jointly convened a biennial summit with labour unions from around the world to discuss broad concerns as well as an agenda of specific issues to be addressed in the following two years. For the rest national and sectoral labour organisations have mainly monitored the IMF as and when its policies directly affect employment levels and working conditions of their own members. Trade union interest in the Fund was therefore quite acute during the height of structural adjustment programmes in the 1980s and 1990s. However, with the passing of substantial IMF conditionality in all but low-income countries (where labour organisations tend to be weak), trade union interest in the Fund at country level has generally declined.

Faith groups have mainly engaged the IMF on a single-issue campaign for the annulment of multilateral debts held by poor countries. From the Pope to the pews, Christian congregations have constituted the largest component of the various Jubilee

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<sup>18</sup> *Gender Justice: A Citizen's Guide to Gender Accountability at International Financial Institutions*, at [www.genderaction.org](http://www.genderaction.org).

initiatives for debt cancellation pursued since 1996. In addition, the IMF has since 2002 pursued a series of exchanges with the World Council of Churches in Geneva.<sup>19</sup> However, other church bodies have shown no particular concern for aspects of the Fund's work beyond debt relief. Meanwhile, apart from passing remarks in an occasional book or pamphlet,<sup>20</sup> civil society groups connected with non-Christian denominations have not had the IMF on their political agenda.

Finally, civil society engagement of the Fund has taken the form of more loosely organised popular mobilisations that from time to time direct their energies at the institution. Street demonstrations have been a regular feature at Annual Meetings of the IMF and the World Bank since the late 1980s and peaked in magnitude around the turn of the millennium. In various programme countries, too, social movements of indigenous peoples, local communities, peasants, workers and youth have periodically performed 'IMF riots' to express frustration at their lack of voice and influence through formal political channels. In certain cases, such as the financial crises in Thailand in 1997 and Argentina in 2001, street protests against the IMF have also included substantial middle-class elements.

As the preceding survey has already intimated, the 'civil society' that attends to the IMF has mainly involved a limited number of associations drawn from a narrow range of the social spectrum. The principal interlocutors are mostly based in the global North, especially North America and Western Europe. Across both North and South, civil society engagement of the IMF has had a predominantly western cultural hue, mostly involving university-educated professionals with fluency in European languages and an implicit if not explicit Christian heritage. Likewise, across North and South civil society initiatives on the Fund have been chiefly urban-centred, especially in national capitals. Leading civil society interlocutors with the Fund from research institutes, NGOs, business forums and even trade unions have disproportionately been materially comfortable white men.

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<sup>19</sup> K. Marshall and M. Van Saanen, *Development and Faith: Where Mind, Heart and Soul Work Together* (Washington, DC: World Bank, 2007), ch 16.

<sup>20</sup> E.g. S. Sivaraksa, *Global Healing: Essays and Interviews on Structural Violence, Social Development and Spiritual Transformation* (Bangkok: Thai Inter-Religious Commission for Development, 1999).

These sociological observations in no way call into question the personal integrity of often highly dedicated civil society actors who laudably commit large amounts of their limited life's energies to initiatives regarding the IMF. The problem is not one of fault at the level of individual intentions and actions. However, one cannot but acknowledge that civil society as it relates to the Fund is generally a space of social and political privilege, a situation that prompts questions concerning hegemony which this paper elaborates later.

#### *Direct civil society engagements with the Fund*

The organisations just surveyed often interact directly with the IMF itself, that is, through its Executive Board, management and staff. In contrast to the constitutional instruments of the UN, the World Bank and the WTO, the Articles of Agreement of the Fund make no explicit provision for links with civil society groups. However, these omissions have not deterred civil society associations from bypassing governments for direct engagement with the multilateral institution itself. Nor has the absence of a specific constitutional licence prevented the IMF from developing an apparatus, if somewhat limited, for relations with civil society groups.

Civil society organisations have not pursued direct exchanges with the IMF Board of Governors at its Annual and Spring Meetings. Indeed, these citizen groups cannot attend gatherings of the IMFC. In principle accredited civil society associations may observe (but not address) the plenary sessions of the Board of Governors, but few have exercised this right to sit in on the usually formalistic speeches. Instead, registered civil society actors have used their access to the conference area to undertake informal lobbying of officials and to stage their own events (in recent years brought together in a so-called Civil Society Policy Forum). In 2007 a total of 220 civil society passes were issued for the Spring Meetings and 246 for the Annual Meetings. Most of these delegates are materially comfortable white English-speaking professionals from the North, although some global NGOs and recently also the IMF and World Bank themselves have sponsored handfuls of civil society participants from the South to attend the Board of Governors meetings.

Since the late 1980s a number of civil society associations have pursued contacts with Executive Directors of the Fund. Occasionally, as in the case of the High-Level Panel on IMF Board Accountability in early 2007, EDs have met collectively with civil society groups. More often, civil society associations arrange ad hoc private audiences with individual EDs: usually in their offices at IMF headquarters, but sometimes also during ED visits to their country constituencies. In the mid-1990s a so-called ‘group travel’ initiative took a number of EDs to the field in the Middle East and Eastern Europe, where among other things the directors met a few local civil society groups, but this experiment was not extended.

The Managing Director of the Fund has been another high-level port of call for civil society associations since the 1990s. (Few citizen groups have sought out the three Deputy Managing Directors.) That said, only a handful of civil society organisations like the Brookings Institution, the IIF and Oxfam have had repeated meetings of a more substantive nature with the MD. Otherwise management exchanges with civil society actors have had more of a public relations character. For example, since 2002 the MD together with the President of the World Bank have addressed an hour-long so-called ‘town hall meeting’ with civil society groups at the Annual Meetings. In addition, the MD and DMDs have on their travels often held one-off exchanges with local business forums, trade unions and/or NGOs. Michel Camdessus, MD in 1987-2000, seemed to relish such occasions. His successors Horst Köhler (2000-2004) and Rodrigo de Rato (2004-2007) generally took a rather more circumspect approach to civil society, but there is no return to the pre-1990 days when the MD was sealed off from citizen associations.

For the rest many civil society exchanges occur with the IMF staff. On matters of general policy, experienced citizen advocates know to contact the Policy Development and Review Department (PDR) and the Fiscal Affairs Department (FAD), both of which have in the past decade sought civil society inputs on a variety of questions. Specialised trade bodies like the IIF and the Emerging Market Traders Association, as well as certain think tanks like Bruegel, have actively engaged with the Monetary and Capital Markets Department (MCM). Likewise, the IMF Research Department has since the late 1980s

maintained regular contacts with a host of policy think tanks, university faculties and professional academic associations (nearly all in the field of Economics).

On questions of Fund involvement in particular countries, civil society associations have often engaged the relevant area department (African, Asia and Pacific, European, Middle East and Central Asia, Western Hemisphere). Civil society groups contact these staff both at headquarters in Washington and when IMF missions visit the countries concerned. Between missions locally based civil society organisations can also interact with the offices of IMF resident representatives, which as of April 2006 covered 92 countries across the globe.<sup>21</sup> Most civil society exchanges with area departments, their missions and ‘res reps’ have related to IMF credits and related conditionalities. In addition, most Article IV missions for routine Fund surveillance now meet with a selection of research institutes, business organisations, trade unions and NGOs.

Finally, civil society associations can engage the IMF through the Independent Evaluation Office. A number of think tanks and NGOs have provided inputs to all stages of the IEO’s operations: the initial construction of a work programme; then preliminary issues notes regarding individual evaluations; then data collection and interpretation; and finally reactions to, and circulation of, the eventual findings and recommendations. The type and degree of civil society involvement has varied according to the subject of the evaluation. For example, the IEO examination of the Financial Sector Assessment Program (FSAP) attracted limited civil society engagement, while the evaluation of the IMF and aid to Sub-Saharan Africa drew high civil society interest.

The growth of notable civil society exchanges with the Fund has gone hand in hand with the creation by the IMF of various institutional mechanisms to facilitate and steer these contacts. An External Relations Department (EXR) was created in 1981 and assigned certain members of staff with specific civil society liaison duties from the mid-1990s onwards. Civil society delegates gained access to the Annual and Spring Meetings under a general ‘visitors’ scheme beginning in the early 1980s. An accreditation and

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<sup>21</sup>IMF, *Annual Report 2006*, p. 120.

online registration scheme geared specifically to civil society organisations started in 2004-5. EXR launched a Civil Society Newsletter in 2002 which five years later was reaching around 6,000 addresses. At the request of the Executive Board, a fairly detailed ‘Guide for Staff Relations with Civil Society Organisations’ was prepared in 2003.<sup>22</sup> Briefing papers for IMF missions are now expected to outline plans for interface with civil society, and back-to-office reports are meant to describe and assess these interchanges. The African Department (since 2004) and the European Department (since 2006) have designated a senior member of staff to coordinate external communications, *inter alia* with civil society groups. To these extents relations with civil society associations have been mainstreamed into the Fund’s operations.

However, the place of civil society organisations in IMF policy procedures must not be exaggerated either. Only 3-4 officials in EXR (among 2,000 professional staff in the Fund overall) specialise in matters of civil society liaison. The IMF does not, like the United Nations Development Programme (UNDP) and the World Bank, have civil society specialists attached to its field offices. Other operational sections of the Fund have not followed the African and European Departments in designating an official to oversee outreach. Actual attention to civil society relations in briefing papers and back-to-office reports is limited and irregular. The IMF offers no systematic training in respect of relations with civil society groups, apart from brief mention as part of the in-house staff development course on media relations. Exchanges with civil society groups do not figure in the standard job descriptions of operational personnel at the IMF and do not constitute part of formal staff performance reviews and promotion procedures (although the European Department in 2006 explicitly committed to reward staff for outreach activities). General exhortations from the board and management for greater relations with civil society have not been backed by specifically designated resource allocations. Much has therefore been left to the initiative and predilections of individual members of

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<sup>22</sup>[www.imf.org/external/np/cso/eng/2003/101003.htm](http://www.imf.org/external/np/cso/eng/2003/101003.htm).

staff. As one insider with extensive experience of civil society liaison puts it, ‘The rhetoric of outreach does not match what happens on the ground’.<sup>23</sup>

On the whole, then, one is bound to conclude that the IMF remains ‘in the foothills’ as regards relations with civil society.<sup>24</sup> To be sure, institutional procedures for and attitudes towards engagement with civil society organisations have improved markedly at the Fund relative to ten and twenty years ago. However, progress has never accelerated into a fast lane and on the contrary has from time to time stalled. Moreover, most expansion of Fund relations with civil society has involved geographically and socially privileged circles who already receive most attention in the IMF’s formal accountability mechanisms. Thus one encounters the unhappy recent IEO judgement, in relation to Sub-Saharan Africa, of ‘limited and ineffective IMF engagement with country-based members of civil society’.<sup>25</sup>

#### *Indirect civil society relations with the Fund*

In contemporary world politics marked by complex public policy networks, civil society groups can and do also engage the IMF indirectly through third parties. Often such engagements occur via national governments. Thereby think tanks, NGOs, business forums and others take their concerns about the Fund to relevant ministers and civil servants in their home state. In low-income countries civil society discussions with national governments on IMF-related matters have been particularly intense since 1999 during the formulation of the Poverty Reduction Strategy Paper (PRSP), which underpins Fund credits through the Poverty Reduction and Growth Facility (PRGF). PRSPs now exist for 62 countries. Treasury departments in North America and Western Europe also receive periodic visits from civil society associations regarding IMF matters. In certain cases civil society groups have established overseas offices in major capitals in order to improve access to governments that have a large voice at the Fund. In this vein, for

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<sup>23</sup>Interview with the author, 18 April 2007.

<sup>24</sup>J.A. Scholte, “‘In the Foothills’”: Relations between the IMF and Civil Society’, in R.A. Higgott, G.R.D. Underhill and A. Bieler (eds), *Non-State Actors and Authority in the Global System* (London: Routledge, 2000), pp. 256–73.

<sup>25</sup>Independent Evaluation Office, *The IMF and Aid to Sub-Saharan Africa* (Washington, DC: International Monetary Fund, 2007), p. 25.

example, the Japan Center for International Finance (JCIF) has maintained a presence in Washington, London and Brussels.

Other civil society actions in respect of the IMF have occurred through national parliaments. In the USA, for example, ad hoc coalitions of civil society groups have on half a dozen occasions between 1980 and 1998 lobbied to delay and/or attach conditions to congressional support for increased funding of the IMF. Similarly, a group of development NGOs in Ireland combined forces with opposition members of the Daíl to withhold the Dublin government's contribution to the IMF Enhanced Structural Adjustment Facility (ESAF, predecessor of the PRGF) from 1995 to 1999.<sup>26</sup> During the Asia crisis of the late 1990s, the Assembly of the Poor in Thailand for several years maintained a constant vigil outside the parliament building in Bangkok, draping their protest camp *inter alia* in banners bearing anti-IMF slogans.

In addition to these efforts via national governmental institutions, civil society groups have on a few occasions sought to influence the IMF via regional and other global governance institutions. For example, in February 2007 a group of NGOs held the first of what is intended to be an annual meeting with the EU's Sub-Committee on IMF Matters. A number of NGOs, business associations, trade unions and faith groups have also engaged with the United Nations Financing for Development initiative (including its attention to the IMF) since the launch of that process in 1997. On the whole, however, civil society organisations have rarely pursued IMF accountability via other supranational agencies.

Outside official circles, many civil society associations have sought to influence the Fund via mass communications. Recognising that most people now obtain most of their information about politics from broadcast media and newspapers, a number of the better resourced civil society organisations working on the IMF have in the past decade developed quite sophisticated tactics to engage journalists. Steps in this regard have included feeding information to reporters, placing letters to the editor, and staging stunts

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<sup>26</sup>*Common Cause: Challenging Development Strategies: The International Monetary Fund and the World Bank* (Dublin: Irish Mozambique Solidarity/Debt and Development Coalition, 1997), pp. 24-5, 34-7.

that will attract camera attention. Most civil society groups of note also maintain websites – some of them highly elaborate – for their own direct contacts with wider publics. Other communications outputs from civil society associations have included reports, newsletters, pamphlets, leaflets, advocacy notes, petitions and letter campaigns that urge the Fund to reconsider allegedly flawed policies.

To summarise the preceding section, then, quite a number of civil society organisations have in the course of the past three decades adopted a host of direct and indirect means of engaging the IMF. For its part the Fund has adjusted various procedures and attitudes to increase its receptiveness to relations with civil society groups. Yet advances on either side – civil society or the IMF – should not be overstated. True, these relations have become widespread and, as is argued in the next section, they occasionally figure fairly centrally in policy processes connected with the Fund. That said, the overall number, range and depth of IMF-civil society interchanges remains relatively modest. Far more development of these relationships would be needed in order to realise their full potentials to enhance Fund accountability, particularly in respect of marginalised countries and subordinated social groups.

### **Civil Society Contributions to IMF Accountability**

Having moderated expectations regarding the overall extent of civil society impacts on IMF accountability, it can still be affirmed that inputs from these citizen quarters have made the Fund more answerable in several important respects. As elaborated in turn below, civil society activities have helped to prompt: (a) increased transparency of the IMF; (b) various adjustments to Fund policy recommendations; (c) larger policy reorientations at the IMF in respect of debt relief and social concerns; and (d) several improvements in accountability mechanisms vis-à-vis the Fund. In each case, however, these civil society contributions to IMF accountability have emanated predominantly from Northern professional circles, thereby raising questions as to how well this activism has served other (generally less privileged) constituencies.

Of course it is well-nigh impossible to disentangle civil society influences on IMF accountability from the impacts of the many other forces at play in the multifaceted networks that shape contemporary public policy. Hence no attempt is made here to calculate a precise measure of the civil society role, either on its own or relative to other actors such as governments, firms, political parties and mass media. Indeed, structuralist explanations might suggest that civil society activities in respect of IMF accountability are part of an underlying systemic dynamic of the world economy, such as a double movement (following Polanyi) or a hegemonic legitimation of global capitalism (following Gramsci).<sup>27</sup>

For purposes of the present analysis, however, one might make a fourfold methodological case for civil society impacts on IMF accountability. First, a conception of global governance through complex public policy networks suggests that the different players (including civil society actors) have some role in shaping outcomes. Second, one can note striking correlations between civil society initiatives and various Fund moves on accountability; thus civil society actions apparently help in some measure to prompt IMF reactions. Third, one can hear the testimonies of many witnesses, including IMF officials themselves, who attribute various developments in respect of Fund accountability in one or the other degree to civil society interventions. Fourth, one can think counterfactually to realise that certain IMF actions on accountability would have been less likely – or would probably have occurred quite differently – in the absence of civil society involvements. Cumulative evidence of these three kinds (correlations, testimonies and counterfactuals) may not count as definitive proof, but it gives a strong suggestion that civil society makes a difference – and could potentially matter quite a lot more – for IMF accountability.

### *Transparency*

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<sup>27</sup>Cf. S. Gill, *Power and Resistance in the New World Order* (Basingstoke: Palgrave Macmillan, 2003); R. Munck, *Globalisation and Contestation: The New Great Counter-Movement* (London: Routledge, 2006).

Although transparency – in the sense of the public visibility of policy processes – does not of itself constitute democratic accountability, it is a vital prerequisite.<sup>28</sup> After all, people affected by IMF actions and omissions can hardly make the Fund answer if they do not know what questions to ask. In order to hold a governance institution democratically accountable, affected persons must first be aware what decisions that body takes, when, where, by whom, from what set of options, with what supporting resources, with what expected consequences, and with what arrangements for monitoring and possible subsequent adjustment. Democratic accountability is not achievable if affected persons lack the timely provision of relevant information presented in an accessible form.

The IMF has made major advances with respect to public transparency since the early 1990s. The published *Annual Report* of the Executive Board now provides very extensive and detailed information about the aims, organisation, operations and finances of the institution. In 1997 the Board began to issue Public Information Notices (PINs) that summarise its discussions of country circumstances and general policy matters. In 2001 the Board decided to allow, subject to agreement by the government concerned, the publication of IMF country reports and policy papers. Two years later the Board moved further to a presumption of disclosure of these documents unless the government in question specifically objected.

IMF transparency has also increased through a burgeoning publication programme. The past two decades have seen enormous increases in the numbers and circulation of IMF reports, staff papers, statistical compilations, books, working papers, pamphlets, fact sheets, newsletters and more. Moreover, the institution now translates into languages other than English a number of key documents and publications of broad interest. In 1995 the Fund launched a website ([www.imf.org](http://www.imf.org)) that has grown to be one of the most comprehensive of any global governance institution. In 2007 the site (belatedly) went multilingual in six languages other than English. The IMF has published an

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<sup>28</sup>Cf. B. Holzner and L. Holzner, *Transparency in Global Change: The Vanguard of the Open Society* (Pittsburgh, PA: University of Pittsburgh Press, 2006); C. Hood and D. Heald (eds), *Transparency: The Key to Better Governance?* (Oxford: Oxford University Press, 2006).

organigram of its institutional structure since 1996, and the names and contact details of staff have become far easier to obtain. Likewise, Fund officials now undertake many more public engagements through the mass media than in earlier times. In all of these ways the IMF is no longer, as it was prior to the 1990s, hidden in thick cloaks of secrecy. Indeed, the 2006 *Global Accountability Report* ranked the Fund fourth in terms of transparency among thirty global organisations.<sup>29</sup>

This is not to say that all is well with transparency at the IMF. For example, the Fund offers citizens no systematic procedure to request information or to appeal in cases of refusal to release. Some IMF papers like various operational guidance notes for staff are not disclosed at all. Other documents are only released with long time lags. Minutes of the Executive Board are not made public for ten years (although the Board may consider exceptional requests for earlier access), and transcripts of Board proceedings are currently destroyed after the minutes have been agreed. The IMF usually does not make country-specific documentation available in relevant local languages, and governments may overplay their discretion to delete what they regard as sensitive contents. The main IMF website gives little information concerning in-country activities of missions and res reps, although res reps have started several dozen mostly rudimentary country websites, several of which include some content in local languages. Finally, while the crucial process of selecting the MD is now more open to public scrutiny than previously, it remains substantially secretive.

Civil society activities have of course not been the sole impetus behind moves to greater transparency at the IMF. Various journalists, legislators and officials from other governance bodies have also pressed the Fund to become more publicly visible. In addition, the prevailing (often dubbed ‘neoliberal’) economic policy discourse of the late twentieth and early twenty-first century has maintained that markets perform best when producers and consumers are equipped with full information about the situation at hand. In this way the general context of the time has encouraged the Fund to follow its own prescriptions. Thus civil society initiatives on IMF transparency have had significant

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<sup>29</sup> M. Blagescu *et al.*, *2006 Global Accountability Report* (London: One World Trust, 2006).

impacts on policy change in good part since these actions have unfolded in relations of mutual reinforcement with other auspicious circumstances.

Partly this civil society impact has come from years of constantly repeated demands for greater Fund disclosure. Led in particular by global governance NGOs, these insistent refrains from civil society helped to move transparency up the IMF agenda in the mid-1990s and then to keep it there as a prominent concern. In a case of very specific concrete influence in this matter, lobbying from certain NGOs helped persuade the US Congress in 1994 to withhold three-quarters of a requested \$100 million appropriation for replenishment of ESAF, subject to greater information disclosure by the Fund.<sup>30</sup> Several notable civil society reports have critically evaluated IMF transparency and pressed various recommendations for improvements. For example, in 1997-98 the Center of Concern assembled influential senior figures in a Study Group on Transparency and Accountability in the International Monetary Fund. From its base in London the Global Accountability Project of the One World Trust has since 2002 highlighted transparency issues at the Fund with several widely cited reports.<sup>31</sup> In 2003 nine NGOs from five continents joined forces in a Global Transparency Initiative (GTI) aimed at multilateral financial institutions including the IMF.<sup>32</sup> A GTI ‘Transparency Charter for International Financial Institutions’ launched in 2006 has garnered civil society signatories from around the world. The GTI has also issued a guide on access to information at the IMF.<sup>33</sup> In 2007 the High-Level Panel on IMF Board Accountability urged greater information disclosure in respect of Board proceedings and staff guidance notes.<sup>34</sup> In 2007 the Bank Information Center (BIC) in Washington established a staff position specifically devoted to promote IMF transparency. One might also note that, arguing counterfactually, the absence of focused civil society pressures for transparency has helped to allow other sites

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<sup>30</sup>‘Foreign Aid Bill Clears Easily’, *Congressional Quarterly Almanac*, vol. 50 (1994), pp. 505-12.

<sup>31</sup>H. Kovach *et al.*, *Power without Accountability?* (London: One World Trust, 2003); Blagescu *et al.*, 2006 *Global Accountability Report*.

<sup>32</sup>[www.ifitransparency.org](http://www.ifitransparency.org); *Transparency at the IMF: A Guide for Civil Society on Getting Access to Information from the IMF* (London: Bretton Woods Project, 2007). See also C. Musuva (ed.), *Behind Closed Doors: Secrecy in International Financial Institutions* (Cape Town: IDASA, 2006).

<sup>33</sup>GTI, *Transparency at the IMF: A Guide for Civil Society on Getting Access to Information from the IMF* (London: Bretton Woods Project, 2007).

<sup>34</sup>*High-Level Panel on IMF Board Accountability*, Recommendations 6-8.

of global financial governance like the BIS and the International Accounting Standards Board (IASB) to undertake less public disclosure than the IMF.

A number of civil society groups have also made the IMF and its activities more visible through their civic education efforts. Countless academic institutions, faith groups, NGOs and trade unions have over the years offered the general public information about the Fund through publications, lectures, workshops, artistic performances, videos, posters, libraries and websites. Some citizen associations have also made IMF documentation more accessible to the general public. For example, the network Civil Society for Poverty Reduction (CSPR) in Zambia has produced lay versions of the country's two PRSPs to date (including printed brochures in seven local languages) as well as the government's 2003 Letter of Intent with the IMF.<sup>35</sup>

The GTI and the High-Level Panel both show a welcome recent turn towards increased North-South collaboration within civil society efforts to improve IMF transparency. Although both initiatives have been inspired and led by parties based in the global North, each has also included the active participation of several associations based in the global South. In a similar vein, ActionAid USA is during 2008-9 coordinating a substantial economic literacy project in respect of the IMF with civil society partners in Kenya, Malawi and Sierra Leone.

On the whole, however, civil society drives for greater disclosure by the Fund have been concentrated in the UK and the USA. Partly as a result, perhaps, the kinds of transparency advances thus far achieved in respect of the IMF have on the whole been most meaningful for economically literate English-speaking citizens in the global North with reliable high-speed Internet access. The aforementioned CSPR and ActionAid initiatives on IMF transparency are relatively rare in seeking empower general publics in low-income countries. Transparency for whom therefore remains a critical question.

### *Adjustments to policy advice*

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<sup>35</sup> Author's discussion with Savior Mwambwa of CSPR, 21 October 2007. See also [www.cspr.org.zm](http://www.cspr.org.zm).

Particularly when relevant information from inside the IMF is publicly available, civil society activities can advance the accountability of the Fund by encouraging adjustments to its substantive policy suggestions. The present subsection considers smaller revisions to macroeconomic advice that the Fund issues. Subsequent subsections address several larger policy shifts, namely, in respect of debt relief and social concerns.

Until the mid-1990s the IMF tended to operate fairly rigid formulas of conditionality in relation to its loans to governments. Fiscal and monetary targets were often set with insufficient regard to the particular economic, social, political and cultural circumstances that prevailed in the country at hand. Likewise, the Fund tended to prescribe immediate and total liberalisation of international trade and financial flows and to promote privatisation as dogma. Critics with some justification accused the institution of imposing textbook blueprints on client governments.

However, increasingly over the past decade IMF policy advice has become more nuanced, and conditionality on Fund loans has become more flexible. Government agreements with the IMF may now permit fiscal deficits when the circumstances are judged to warrant them. Wage ceilings may also be relaxed. The Fund now broadly accepts that capital account liberalisation is better pursued in a more gradual and staged fashion. Unsatisfied critics would like the IMF to become still more responsive and creative in its recommendations, but the situation regarding various targets has clearly changed.

Part of that greater responsiveness has been to civil society groups. For instance, the Fund has generally listened seriously to critiques of its substantive policies emanating from think tanks and other academic institutions. On countless occasions bodies like the Center for Global Development (CGD) in Washington, the Overseas Development Institute (ODI) in London, and the *Fundación de Investigaciones Económicas Latinoamericanas* (FIEL) in Buenos Aires have prompted Fund staff to adjust their macroeconomic forecasts and targets. Most IMF professionals are highly trained economists with an ingrained respect for academic peer review. Many Fund staff have held research positions during part of their careers and/or present some of their personal

work to academic conferences and journals. Thus economic policy think tanks as well as professional researchers in certain business associations like the IIF and NGOs like Oxfam tend to get a respectful hearing at the IMF. However, as noted earlier, this receptiveness normally presumes that the research bodies do not deviate too much from the theoretical, methodological and ideological premises that prevail at the Fund.

Moreover, civil society actors without higher academic qualifications generally find it much harder to exact accountability from the IMF. Technocrats at the Fund tend to downplay the qualifications to speak of stakeholders who have less formal education, such as rank and file trade unionists, peasant groups, small businesspeople, etc. Occasions have arisen (e.g. on food subsidies in Ecuador in 2002) when an IMF mission has altered its policy advice owing to raw evidence supplied by grassroots campaigners,<sup>36</sup> but it is the exceptional Fund economist who pursues such ‘amateur’ inputs and adjusts policy as a result. More often change results (e.g. to relax government expenditure ceilings in Mozambique in 2006) when professionals (as often as not based in the North) lobby the Fund ‘on behalf of’ marginalised groups. Hence the premium on ‘expertise’ tends once again to skew the advantage in civil society towards socially more privileged circles.

### *Debt relief*

One instance where popular mobilisation has helped to prompt a major policy reorientation at the Fund is the campaign for debt relief.<sup>37</sup> The earliest calls for the cancellation of Third World debts date back to the 1970s. A transnational NGO campaign to this end operated already in the mid-1980s. In the 1990s civil society attention on debt gave heightened attention specifically to the burdens of loans from multilateral institutions, including the IMF in particular. At the same time the debt campaign

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<sup>36</sup>IMF staff interview with the author, March 2003.

<sup>37</sup>Cf. C.J.L. Collins *et al.*, ‘Jubilee 2000: Citizen Action across the North-South Divide’, in M. Edwards and J. Gaventa (eds), *Global Citizen Action* (Boulder, CO: Rienner, 2001), pp. 135-48; A. Pettifor, ‘The Jubilee 2000 Campaign: A Brief Overview’, in C. Jochnick and F.A. Preston (eds), *Sovereign Debt at the Crossroads: Challenges and Proposals for Resolving the Third World Debt Crisis* (New York: Oxford University Press, 2006).

broadened beyond development NGOs to include many faith groups, think tanks, trade unions and even some business associations.

Most Fund staff – even those who are generally reluctant to acknowledge civil society impacts on their work – affirm that coordinated citizen action made a difference on the handling of multilateral debt. Civil society pressures helped to prompt both the launch of the IMF/World Bank initiative on Highly Indebted Poor Countries (HIPC) in 1996 and the enhancement of HIPC terms three years later. Persistent advocacy from civil society quarters also helped to elicit agreement at the G8 Gleneagles Summit in July 2005 to write off the multilateral debts of the poorest countries. Initial suggestions from IMF staff that some of the beneficiary governments should first make further improvements to macroeconomic policy and governance prompted a deluge of civil society objections. The Board then hastily passed the Multilateral Debt Relief Initiative (MDRI) in December 2005 with conditions only remaining for Mauritania, which were lifted six months later.

A number of civil society groups have also monitored the use of resources released through debt relief measures in order to ensure that governments indeed devote these funds to the intended purposes of poverty alleviation. Examples of associations undertaking such surveillance include the Uganda Debt Network (UDN) and organisations connected with the International Budget Project. Transparency International, with branches in over 90 countries, has raised citizen vigilance against government corruption more generally.

The debt campaign has clearly directed IMF accountability to the benefit of low-income countries and poor people within those countries, and civil society lobbying in this matter has often involved Southern activists. However, it required coordination and large-scale mobilisation in the North to obtain relief and cancellation on IMF loans. Human chains in Birmingham and demonstrations in Gleneagles caught the attention of the major IMF shareholder governments far more than efforts from the likes of UDN and the Philippines debt lobby. Although Jubilee 2000 encompassed groups in over sixty countries, the campaign was mostly led from London. Among the regional debt and

development networks Eurodad in Brussels has held the senior position in resources and advocacy coordination relative to its important but secondary cousins Afrodad, Asiadad and Latindad. Hence even on this occasion of major gains for the South, civil society efforts for IMF accountability have still been led from the North.

### *The social turn*

Another notable broad adjustment to substantive policy at the Fund that has been induced *inter alia* through civil society pressures concerns expanded fiscal space for social spending on matters such as primary education and basic health care. Increasingly through the 1970s and 1980s many trade unions, development NGOs, think tanks and faith groups critiqued the IMF for imposing macroeconomic conditions on its loans that allegedly harmed vulnerable social circles in the borrowing countries. Apart from several UN specialised agencies, prior to the 1990s few other players (client governments, G7 states, corporations, or major mass media) were effectively raising issues of public services, poverty and social equity with the Fund. Thus civil society activism arguably played a notable part in laying the ground for the turn at the IMF to more socially sensitive macroeconomic advice in the 1990s, although as that decade proceeded other parties also increasingly promoted this policy shift.

The rise in social concerns at the Fund has occurred gradually but steadily over some two decades. The Fiscal Affairs Department began to examine social aspects of IMF conditionality in the late 1980s. In 1992 Camdessus publicly conceded that ‘the essential missing element [in IMF programmes] is a sufficient regard for the short-term human costs’.<sup>38</sup> By 1994 Fund-backed macroeconomic packages regularly included so-called ‘social safety nets’.<sup>39</sup> In 1995 and 1998 FAD hosted high-profile seminars on income distribution and social inequity.<sup>40</sup> In 1997-8, partly in response to a barrage of

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<sup>38</sup>IMF Speeches 92/14.

<sup>39</sup>*Social Dimensions of the IMF's Policy Dialogue* (Washington, DC: IMF Pamphlet Series No. 47, 1995); K.-Y. Chu and S. Gupta, *Social Safety Nets: Issues and Experiences* (Washington, DC: International Monetary Fund, 1998).

<sup>40</sup>‘Growth and Income Equity: A Role for the IMF?’ *IMF Survey*, vol. 24, no. 12 (19 June 1995), pp. 189-91; ‘Debate on Equity Invites Diverse Perspectives, Generates Pragmatic Prescriptions’, *IMF Survey*, vol.

criticism from civil society quarters, IMF support in the Asia crisis gave governments considerable leeway to run fiscal deficits in order to safeguard crucial social expenditures. In 1999 ESAF was refashioned as the PRGF, and Camdessus declared that poverty reduction was the foremost IMF aim in developing countries. Only three years earlier the Director of FAD had declared that poverty alleviation was ‘not a main or explicit objective of the IMF’.<sup>41</sup>

Since the introduction of the PRGF many reform-minded NGOs, think tanks and trade unions have continued to press the Fund to keep poverty reduction high on its agenda. Moreover, in principle PRSP consultations have opened greater scope for locally based civil society associations in low-income countries to shape how the IMF understands and combats poverty. In practice, however, the PRSP process has so far delivered mixed results as regards civil society empowerment. Energetic civil society involvement has generated innovative inputs in some countries, while in other cases the engagement has been limited to few and relatively passive citizen associations.<sup>42</sup> Again, however, much of the civil society lead in poverty alleviation campaigns has come from professionally staffed organisations in Washington, London and Brussels, or from field offices in the South of global NGOs such as ActionAid and Save the Children. South-based groups – and associations of poor people themselves more particularly – have gained far less hearing.

Perhaps owing in part to this sociological profile of activism – coupled of course with the failure of major shareholding states to push more ambitious changes – reformers in civil society and other quarters have on the whole achieved only a limited social turn in IMF policy advice. Poverty reduction in the sense of basic needs provision has become firmly ensconced on the Fund agenda. However, more far-reaching conceptions of poverty alleviation (for example, emphasising labour standards as urged by trade unions

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27, no. 12 (22 June 1998), pp. 198-93; ‘Economic Policy and Equity’, *Finance & Development*, vol. 35, no. 3 (September 1998), pp. 2-13.

<sup>41</sup> ‘Fiscal Issues Are a Growing Concern of the IMF’, *IMF Survey*, vol. 25, no. 6 (19 March 1996), p. 102.

<sup>42</sup> A. Whaites (ed.), *Masters of Their Own Development? PRSPs and Prospects for the Poor* (Monrovia, CA: World Vision, 2002); J. Gould (ed.), *The New Conditionality: The Politics of Poverty Reduction Strategies* (London: Zed, 2005).

and gender equity as urged by women's movements) have made few inroads in the IMF's work. Nor have calls from some civil society circles for greater attention to issues of distributive justice within and among countries had much impact on the social turn of the Fund. In short, the IMF has made modest steps towards promoting a socially accountable global market, but the institution has by no means espoused a more ambitious vision of global social democracy.

Likewise, civil society activities have had little impact in various other aspects of substantive policy at the IMF. For example, after a few hesitant forays into environmental impact analysis in the mid-1990s – urged *inter alia* by FOE and WWF – the Fund has once again effectively ignored the ecological implications of its policy advice.<sup>43</sup> Arguably this reversal occurred in part because civil society organisations have in the past decade stopped most lobbying of the IMF on environmental matters. Similarly, the general failure at the Fund to examine gender aspects of macroeconomic policy could be attributed in part to the lack of lobbying of the institution by women's associations.<sup>44</sup> Perhaps the Fund has made far fewer advances on trade reform than on debt relief partly because civil society engagement of the IMF has given trade matters far less attention. In addition, the Fund's substantial dereliction of duties in respect of regulating global financial markets – brought home especially acutely with the crises of the 1990s – has arguably occurred in part owing to the lack of civil society campaigns on this issue. Indeed, after a short spate of attention by certain think tanks and citizen movements a decade ago to 'a new global financial architecture', civil society associations have eased almost all pressure on the Fund to attend to one of its most vital tasks. As the cases just described illustrate, an *absence* of civil society activism can sometimes also have far-reaching consequences for IMF accountability.

#### *Improved accountability mechanisms*

In addition to the preceding impacts (and lack of impacts) on the formulation and implementation of substantive policies, civil society activities have also had certain

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<sup>43</sup>*Civil Society Voices*, p. 49.

<sup>44</sup>*Ibid.*

consequences for IMF accountability in terms of shaping the mechanisms that have and have not been created to pursue that accountability. Indeed, global governance NGOs in particular – and a number of other civil society organisations as well – have been significant voices in putting Fund accountability on the political agenda. It seems doubtful that leading governments and the IMF staff would have begun to reflect more critically on their answerability to stakeholders if *inter alia* a host of civil society actors had not pushed them to do so. Thus one civil society campaigner suggests that ‘our initiatives on accountability have helped reformers inside the IMF to press their arguments’.<sup>45</sup> In a similar vein, a senior figure in the institution proposes that ‘once the outside world focuses its pressure on accountability issues, the Fund could really begin to reform itself’.<sup>46</sup>

To take a specific example, civil society activities figured among the pressures for the creation of the IEO. The establishment of such a unit was a primary recommendation of the civil society-led Study Group on Transparency and Accountability report in 1998. Activists at certain NGOs like FOE and the Bretton Woods Project were also prominent advocates of this institutional reform.<sup>47</sup> Other factors played a major part, too, including the creation of evaluation units in other multilateral financial institutions, pressure from the Executive Board, and the arrival of Horst Köhler as new MD in 2000. Nevertheless, a few strategically placed civil society organisations helped to break staff resistance and get the IEO in place. Subsequently a limited number of well-connected NGOs have urged the IEO to undertake more (and more ambitious) assessments of the Fund’s work.

In contrast to advances booked in respect of the IEO, civil society interventions have so far had no impact of note in improving other aspects of Executive Board oversight of the IMF. Several decades of calls from a host of citizen groups for a redistribution of Board votes have had no success in reducing the dominance of North America and Western Europe. The reallocation of votes agreed in 2006 involved only marginal sums and moreover benefited China, Mexico, South Korea and Turkey at the

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<sup>45</sup>Interview with the author, 14 April 2007.

<sup>46</sup>Interview with the author, 17 April 2007.

<sup>47</sup>A. Wood and C. Welch, *Policing the Policemen: The Case for an Independent Evaluation Mechanism for the IMF* (London/Washington, DC: Bretton Woods Project/Friends of the Earth, 1998).

expense of Africa. It is too early to say whether the fairly cautious recommendations of the civil society-led High Level Panel on IMF Board Accountability will have consequence, for example, in shaping the forthcoming IEO evaluation of corporate governance at the Fund.

Outside the IMF itself, several civil society initiatives have in recent years sought specifically to enhance Fund accountability to national legislatures. For example, in 2004-5 an intercontinental group of NGOs organised an International Parliamentarians Petition for Democratic Oversight of the IMF and World Bank that obtained signatures from over 800 legislators from around the world.<sup>48</sup> These NGOs have on several occasions also sponsored parliamentarians from low-income countries to attend the Spring and Annual Meetings. The Halifax Initiative Coalition has monitored parliamentary actions on the IMF worldwide<sup>49</sup> and has since 2004 issued a ‘report card’ on the Canadian Ministry of Finance’s annual report to parliament on the government’s actions in respect of the Bretton Woods institutions.<sup>50</sup> Similarly, on several occasions since 1999 the campaign of NGOs in France for IFI reform has scrutinised the Paris government’s annual report to the National Assembly regarding the IMF and the World Bank. In 2006 the New Rules for Global Finance Coalition and partners launched a multi-year project on ‘Democratic Governance and Parliamentary Oversight of the International Financial Institutions’. In 2007 the World Development Movement produced a toolkit for legislators on scrutiny of the IMF.<sup>51</sup> Arguably these civil society urgings are reinforcing the previously described IMF initiatives of recent years to upgrade outreach to legislators.

In addition, civil society pressures have helped to improve accountability mechanisms at the Fund by prompting the institution to increase its accessibility for the citizen groups themselves. The introduction of civil society accreditation to the Annual and Spring Meetings in good part answered civil society demands for such entry. Other Fund moves in respect of civil society associations (like the appointment of liaison

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<sup>48</sup>[www.ippinfo.org](http://www.ippinfo.org)

<sup>49</sup>*Who’s Minding the Store?*

<sup>50</sup>[www.halifaxinitiative.org/index.php/canada\\_and\\_the\\_ifis](http://www.halifaxinitiative.org/index.php/canada_and_the_ifis)

<sup>51</sup>[www.wdm.org.uk/resources/reports/debt/toolkitforlegislators19012007.pdf](http://www.wdm.org.uk/resources/reports/debt/toolkitforlegislators19012007.pdf)

officers, the circulation of a newsletter, and the preparation of the staff guide) did not meet specific requests from citizen groups; however, they were clearly responses to disquiet about the IMF in civil society. In particular highly visible street protests – in Berlin in 1988, in Madrid in 1994 and following Seattle in 1999 – convinced the Fund that more channels of communication with civil society groups were needed. Tellingly once again, when public demonstrations against the IMF have occurred in the South they have not prompted institutional responses like, for instance, the attachment of civil society liaison officers to area departments and res rep offices. As so often, then, Fund responses on its public accountability have been smaller when the voices demanding it are in a structurally weaker position.

That said, on the ground in certain low-income countries civil society involvement with the IMF has sometimes improved the accountability of the national government to its citizens on macroeconomic policy. In countries like Guinea and Mozambique civil society associations have used the opportunity of relations with the Fund to open space for increased consultations with and oversight of national authorities. In these situations the global governance agency has reverberated positively on state accountability.

## **Conclusion**

This paper has explored in what ways and to what extent civil society activities contribute to IMF accountability. The analysis first identified for what the Fund is answerable and to whom. It then sketched the contours of the civil society that engages the Fund and reviewed the various direct and indirect ways that these associations relate to this global governance agency. The preceding third step in the argument reviewed civil society impacts on IMF accountability.

In terms of accountability *for what*, the paper has highlighted five areas where civil society interventions have helped to make the Fund more answerable: i.e. transparency, forecasts and targets, debt relief, social concerns, and accountability mechanisms. However, the extent of these contributions must not be overplayed,

particularly since other actors and certain systemic trends were also involved in generating these changes. Moreover, civil society associations still have much work to do in these areas. Transparency and evaluation processes at the Fund can be strengthened. The agency's policy advice can be still more tailored to contextual circumstances and also be more attentive to the priorities of the people most directly affected. The unsustainable debts of low-income countries need to be fully worked out, and such a situation must not be allowed to recur in the future. The social dimensions of IMF advice can be further strengthened, in particular with regard to the distributional effects within affected populations. Meanwhile civil society programmes have neglected other important aspects of Fund operations where the institution practises little accountability, for example, in relation to environmental impacts, gender equity concerns, and the regulation of global financial markets. Hence civil society promotion of IMF accountability is a tale of cups sometimes encouragingly filled and other times discouragingly empty.

The cups are also only partly full regarding *to whom* civil society activities make the Fund accountable. Certainly a number of civil society initiatives have raised the attention that the IMF gives directly to citizens, as opposed to their national governments alone. In addition, transnational relations within civil society have given some expression to regional and global aspects of citizenship vis-à-vis the Fund. Thus civil society associations have addressed some supranational and nonstate lines of accountability that are not catered for in any of the existing formal mechanisms regarding the IMF.

On the other hand, it has also been seen consistently throughout the paper that work on the IMF by think tanks, NGOs, business forums, trade unions and faith groups has tended, when taken as a whole, to involve players in positions of country, cultural and class dominance within global politics. Even the less formally organised social movements that have filled the streets around the Annual Meetings have exhibited a hegemonic profile in this sense. In terms of structural patterns, civil society operations have generally reinforced rather than countered the highly skewed accountabilities at the Fund towards a handful of dominant countries and dominant managerial circles within those countries.

Indeed, ‘insider’ civil society activists often move with remarkable ease and comfort in their relations with IMF staff. In this vein one veteran campaigner observes that ‘NGOs have been so domesticated in regard to the Fund’, while another notes that ‘civil society is now *como Juan por su casa* at the IMF’.<sup>52</sup> Arguably such close connections can blunt some of the critical edge that is necessary for effective accountability.

True, some Northern, western, professional associations that lobby the IMF perceive themselves to work on behalf of marginalised parties. Moreover, certain development NGOs like ActionAid have in recent years made concerted efforts to deepen their roots in the South and among the social circles whom they aim to serve. However, on the whole civil society associations who advocate on behalf of poor country governments and vulnerable social circles lack adequate accountability mechanisms in respect of those notional beneficiaries.

Thus, looking to the future of civil society promotion of IMF accountability, four steps might be emphasised. One priority is to increase civil society engagement of the Fund, so that the potentials for advancing global governance accountability evident from the above analysis can be more fully realised. Second, relatively more attention needs to be given to developing IMF relations with civil society groups in programme countries and in marginalised social circles. Third, civil society groups in the North should build more relations with groups in the South, including in particular associations that are close to local communities and cultures in those countries. Fourth, in pursuing greater answerability of the IMF civil society associations need better to attend to their own accountabilities, particularly to those who are otherwise rarely heard in global politics.

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<sup>52</sup>Interviews with the author, 18-19 April 2007.

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## **Centre for the Study of Globalisation and Regionalisation**

University of Warwick  
Coventry CV4 7AL, UK

Tel: +44 (0)24 7657 2533

Fax: +44 (0)24 7657 2548

Email: [csgr@warwick.ac.uk](mailto:csgr@warwick.ac.uk)

Web address: <http://www.csgr.org>